

9 November 2022

Strategic Risk Register – November 2022

Executive Summary

The presented report sets out the HCPC’s Strategic Risks as of 1 November 2022.

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 (June 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 March 2023.
Next steps	The Committee will receive the next report at their meeting in March 2023
Strategic priority	The strategic risks are relevant to all aspects of the Corporate Strategy 2021-26
Financial and resource implications	None.
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



HCPC Strategic Risks

Summary of strategic risks

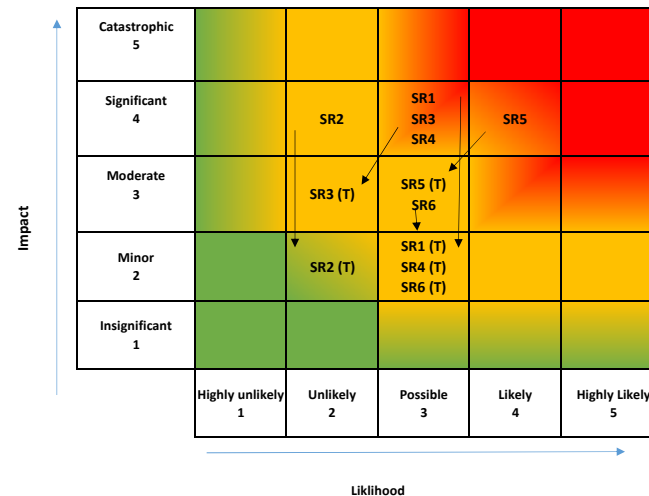
Strategy	Strategic Risks - High Level	Risk Description	Nov-22	Target Risk*
1 - Continuously improve and innovate - To improve our performance against PSA standards of good regulation and to innovate across all our regulatory functions to provide an enhanced user experience.	1. Our regulatory performance 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.	8	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.	9	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. 2022-23 PSA audit is underway.
- 🟢 A process review underway to mitigate a repeat of international processing service issues. Surge-support partner processed 5.5k Int applications. Now brought in house and being managed by new Int application team within Registration to ring fence needed resources
- 🟢 Ring fenced UK application team established July ahead of new graduate surge. Enabled team to maintain service standards through the summer
- 🟢 Online applications project delivered online Int and UK applications. This has increased reg advisor processing productivity 100%
- 🟢 Pre engagement from stakeholders on planned international recruitment in 2022-23 increases confidence in forward resource needs
- 🔴 Government has delayed the closure of the temporary register, ongoing management of the register requires establishing a policy position, development is underway.
- 🔴 Resourcing pressures within regulation directorate. Review of roles and remuneration undertaken in Education. Planning for Reg and FtP
- 🔴 Teams will require additional resource to engage in regulatory reform preparation when commences for HCPC
- 🟢 The second tranche of FtP Improvement projects are in delivery, remaining focus on embedding of tranche 1 benefits.
- 🟢 Permanent legislative provision for remote hearings progressing laying expected Q3
- 🟢 Delivered year 1 of new education quality assurance model and completed review was presented to ETC Sept 22. Learning being actioned
- 🔴 Education QA model in its first year of running, stakeholders could experience disruption as the model beds in. Some KPIs have not been met.

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.
- 🌟 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 Score – No change. FtP, Registration and Education functions have differing risk profiles, this score represents the amalgamation

Risk Influencers – Positive represents new ringfenced application processing teams in registration and benefits of online applications, reported as resulting in 100% improvement in processing productivity. There have been some delays to progressing POT review and registrant support line work but these two areas will take place in Q4. Lay advocacy support service went live September 2022 increasing support for vulnerable FTP participants. Review of year 1 of new Education QA model completed and presented to ETC, work remains to meet all KPIs but full resources now in place in team will assist. PSA are currently undertaking an audit to support their review of performance for 2022-23.

Planned Mitigations – good progress in a number of workstreams and education self service portal and lay advocacy service delivered in reporting period. POT review and Registrant support line delayed but will commence in Q4. Tone of voice work commenced but will now complete in Q4 due to delays in appointing secondee.

Review date

Nov-22

Risk owner

ELT Lead - 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) → We went live in July with frontloading to external legal providers. Started work on the operating model to introduce frontloading in house later this year.
- 📊 Protection of title review (Q1-3) → Work not started due to operational demands and priorities. Will commence in Q4
- 📊 Consolidating the benefits from the new Education QA model (Q3-4) → Paper presented to ETC September 2022.
- 📊 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.
- 📊 Delivery of education provider self-service portal (Q1-2) → Complete, went live 1 Nov 22.
- 📊 Expand delivery of online Registration services to include UK and readmission applicants (Q1-3) → Int and UK applications now online. Readmission online timing being reviewed.
- 🌟 Increased support available for registrants involved in FtP cases, including development of a registrant support line (Q3-4) → Now due to commence Q4
- 🌟 Lay Advocacy support provision for members of the public and witnesses (including registrants) (Q2) → Service went live in Sept 22.
- 📊 Review of the HCPC's FtP tone of voice to be more compassionate and accessible. (Q1-3) → Appointment of secondee to lead the review of template letters is underway.

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

Review date

Nov-22

Risk owner

ELT Lead - Executive Director of Professional Practice and Insight

Risk summary

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

Current risk influencers

- Scotland based PL resource in place. NI and Wales based consultants being recruited
- Delivering multiple projects and reactive work could be challenged by regulatory reform resource demands
- Project to develop preceptorship guidance progressing with research out to tender and draft principles approved for consultation by ETC and Council.
- 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
- PL team undertaking a series of events to support the publication of materials on Duty of Candour, Reflective practice and supervision
- Changing expectations of our professions' practice as a result of pressures on services, tech or societal events.
- Review of SCPE pre consultation engagement underway, some delay to initial timing, now expected to be presented to Council Dec 22 for consultation launch
- High volume of consultation activity in Q3-4 may risk stakeholder fatigue and lower quality engagement. Mitigated by targeted pre consultation engagement
- #mystandards 2022-23 events launched with high bookings and initial engagement

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 score - is not expected to reduce over 2022-23 but may increase should regulatory reform for HCPC commence as this would require reprioritisation of Policy resource and other standards related workstreams may not progress as planned in response

Risk influencers - reflect significant piece of work, review of SCPEs approaching consultation stage and partnership work on preceptorship progressing to timeline. The recruitment of a PL consultant based Scotland is a positive influence as it is expanding our reach with the aim to build the team to be UK wide with further recruitment of NI and Wales based consultants underway.

Mitigations progress - good progress made on planned mitigations implementation

	Impact	Likelihood	Risk Score	
Inherent risk	5	x	5	25
Current risk	4	x	2	8
Target risk (planned mitigations in place)	4	x	1	4

No change

Risk Appetite

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

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

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

Current risk level is within risk appetite

Planned mitigations 2022-23

progress

- | | |
|--|--|
| ■ Publication and implementation of revised Standards of Proficiency (SoPs)(Q1) | ■ Council approved SOPs in March. Implementation plan underway, with dedicated engagement |
| ■ Review of Standards of Conduct, Performance and Ethics (SCPE) and launch consultation on any proposed revisions. (Q2-3) | ■ To be presented to Council Dec 22 to launch consultation. |
| ■ Initiate review of Standards of Education and Training (Q4) | ■ Due to commence Q4 |
| ■ 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) | ■ Programme of #myhpcstandards webinars for 2022-23 launched |
| ■ Carry out preparedness for practice research (Q2-4) Engagement and consultation on the development of preceptorship guidance (Q3-4) | ■ Draft principles for consultation approved for consultation. Research out to tender |
| ■ Review social media guidance and develop and consult on revised approach as required (Q3) | ■ Planned to commence Jan 23 |
| ■ Expanded Professional Liaison Service, achieving presence in each UK nation. (Q3) Increased number of 'Joining the UK workforce' events (Q1-4) | ■ Scotland based PL Consultant in place, recruitment for NI and Wales based Consultants underway |
| ■ 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) | ■ Dedicated engagement events with targeted employers commenced |

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

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

- Current risk influencers**
- Programme for data excellence commenced with work on data dictionary. IT team delivered successful proof of concept for the first use of a limited data lake, improving the accessibility of some data sets
 - ⊕ HCPC still at beginning of data capability improvement with significant development still required. Quality of underlying data causing delays to analysis as significant cleansing work required. I&A team working with Ops teams to resolve
 - Data Engineer in place, Insight and Analytics Apprentice joined Sept 22. 6 month data standards officer secondment being recruited
 - ⊕ Ongoing risk of single point of failure for operational performance data reporting. Capability and capacity challenging and underutilisation of Power BI functionality. Executive considering future approach
 - External review of our use of PowerBI has identified improvements within our current infrastructure, being implemented - includes building templates for reporting reducing need for consultancy
 - EDI data collection at renewal functionality live, mandatory provision to commence once paper application process updated.
 - Partnership funding secured which includes funding to improve our data capabilities. Data sharing for workforce planning support has commenced.
 - ⊕ Policy development not supported by data due to data due to availability or quality
 - Insights and Intelligence Framework annual review presented to Council Sept 22, findings of analysis of the attrition rates of the 15 professions undertaken and external communication plan in development.

- 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 Score – No change, while good progress has been made in the reporting period we have also encountered challenges with data quality. We do not expect the risk score to reduce until the programme for data excellence is well progressed and delivering results.

Risk Influencers negative - Issues encountered with data quality have delayed the progression of the analysis called for within the insight and intelligence framework. A 6 month secondment officer is being onboarded to support the improvement of data quality and standards.

Positive - developments with technology enablers. A way to improve our PowerBI use has been identified at low cost and the change to the registration portal to require EDI data collection at renewal completed in september functionality will be activated once paper applications updated. Data engineer is in place and data apprentice in place

Review date
Nov-22

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

	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 green-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)	➡ On track
🔍 Agreed definitions, standards, processes and procedures for data. (Q3)	➡ Work commenced as part of Programme for Data Excellence. 6 month secondment officer being recruited to support work.
📊 Production of public facing dashboards and reports using assured data and agreed standards (Q4)	➡ Due to commence Q4. Dependent on actions above
👤 Expand Insight & Analytics team through the establishment of a new data scientist degree apprenticeship (Q2)	✅ Apprentice joined us in sept 22. An additional data standards officer is being recruited on a 6 month secondment.
🔍 Use fitness to practise and other data to explore risks and establish characteristics of 'high-risk' registrants (Q1-4)	➡ Work has been delayed due to the quality of the underlying data, the team are working with the Ops teams to cleanse this data.
📊 Introduction of mandatory EDI data collection at renewal using online portal. (Q2-3)	➡ Functionality is live but not yet mandatory, pending revisions to paper applications.

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**
- Strategic Relationship Lead now in place and actively managing and supporting relationship managers network. Review of approach in planning Three quarterly professional body forum meeting have been held since introduction with good attendance and engagement
 - Policy development engagement held in reporting period with positive engagement positive feedback on HCPC speakers at events
 - HCPC fee consultation is live, there has been some opposition in stakeholder response. consultation live into Q4.
 - Social media activity in May 22 relating to physio renewals caused unnecessary concern to stakeholders and registrants. Required significant reactive work from communication and engagement teams
 - 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
 - Strategic relationship lead is assigned relationship manager for Unions and devolved nations. Scotland based Professional Liaison resource in place and has commenced engagements. NI and Wales based consultants recruitment underway
 - EDI action plan in place with active oversight group. EDI Strategic Lead delivering speaking engagements with professional bodies
 - % of registrant EDI data held has improved. System enhancements launched in Sept to enable mandatory collection at renewal

- Mitigations in place**
- ELT relationship building and liaison with key stakeholders particularly Government Departments, professional bodies, other regulators, unions
 - 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
 - Personal engagement plans for Chair & Chief Executive in place
 - Interim stakeholder CRM in place to improve stakeholder engagement management and insights

Reporting period commentary

Risk score - We do not anticipate the risk score reducing and expect a negative impact on stakeholder sentiment should the HCPC seek to increase its fees in 2022-23 to fund essential development work to meet stakeholder expectations.
Risk influencers - Negative impact on perception due to fees consultation live, engagement to communicate rationale underway. Physio renewals May 22 resulted in negative sentiment from professional body and concern from other stakeholders which required active management .
 Positive elements include strengthening of engagement team with Strategic Relationship Lead in place to manage devolved relationship management approach and dedicated engagement for devolved nations and unions.
Planned mitigations – good progress across planned mitigations. Survey analysis and EDI in papers completed.

Review date
Nov-22

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

	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 actions to address any recommendations (Q4)	Scoping work has commenced
Introduce analysis of our Staff Survey results by protected characteristics (Q3)	Hybrid working staff survey and Sept pulse survey responses analysed.
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)	Strategic relationship lead in place and is relationship manager for developed nations. Scotland based PL consultant in place, recruitment for NI and Wales based consultants in progress.
Complete evaluation of initial year of devolved relationship management model (Q4)	Planning commenced
Planning/scoping for service user engagement project (Q3)	Planning commenced
Dedicated communications plan to support fees consultation in planning (Q3-4)	Consultation is live and dedicated engagement underway, webinars being held to answer questions.

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

Review date
Nov-22

Risk owner
ELT - ED of Resources and Business Performance

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**
- Longer term approach to business planning, focusing on benefits and sustainability with budget holder challenge and support. Income strategy development progressed
 - Launch of online registration applications and process changes from outsourced service learning have seen significant productivity gains
 - Ongoing legal test case (HCPC not a party) may impact on HCPC to be determined when Appeal concludes
 - HCPC unqualified annual accounts 2021-22 signed by NAO and to be laid on 3 Nov
 - Finance system replacement (BC) delayed, previous planning required review to ensure benefits would be realised. Build to commence Q4
 - People strategy in place communicating development priorities to the organisation. Aspiring leaders programme has launched, follows on from mentoring programme run earlier the year. Work on succession planning has commenced. Sickness absence and turnover reducing. All employee survey undertaken to measure key metrics on employee experience
 - Competitive jobs market and financial constraints limit our ability to match market rate increases, impacting ability to secure the right skills/experience
 - Partnership funding for data development and increased capacity for international application processing progressing
 - Temp Registers have been extended by Government, continued funding need communicated
 - HCPC's last fee rise was reduced and delayed resulting in an impact on our medium to long term financial sustainability
 - Need to fund development work and maintain financial stability, complex external factors challenging ability to accurately income forecast
 - Change management framework in place with a focus on benefits realisation and change control governance
 - Finance team roles being filled with the right skills and capability to support the wider business. Business Change team successful recruitment undertaken with key posts due to be filled Q3
 - Internal Audit of Core Financial Controls resulted in a number of high priority recommendations. Follow up audit underway Oct 22
 - Rising inflation increases HCPC energy and other costs and HCPC employees cost of living pressures

- 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.

Reporting period commentary

Risk score - impacted by competitive job market posing a challenge to securing the right people, the impact on long term sustainability of the reduced fee rise initiated in 2018 and only implemented in 2021. Also adverse findings of a recent internal audit report relating to financial controls, finance team has been stabilised and many of the recommendations made have been completed, the results of a follow up audit will provide objective assurance that the risks highlighted are no longer live.

Risk influencers negative - Inflation increases in addition to the significant increases seen across utilities will have an adverse financial impact on HCPC position. Whilst elements are beyond the control of the organisation it does highlight the progress and plans for the developing the sustainability agenda and the continued need to manage assets and resources effectively in an attempt to lessen such impacts.

Risk influencers positive - Turnover and sickness absence reducing and a number of key posts filled across the organisation. Partnership funding secured to support some development work longer term. Budget setting process developed for 2023-24 to include greater finance business partner support on achieving efficiencies and greater business change team support in articulating the benefits of any additional expenditure.

Current mitigations - the first listed mitigation has been more clearly articulated following ARAC's feedback on the deep dive from Sept. It better reflected the challenge and support in place from the resources directorate to enable the organisation to identify and realise benefits and savings.

Mitigation progress - Hybrid working survey completed following pilot. Hybrid now part of BAU and review points will take place to monitor effectiveness. Change and Benefits approach presented to PRC. Benefits log and draft dashboard created and embedded in Project Management process. Now a mandatory step for project submission and initiation. Benefits realisation will be a key part of budget setting for 2023-24 and determination of corporate plan content. Change processes are embedded in the Project Management process and draft process model being tested. Translation of organisational wide model and embedding not yet complete.

	Impact	Likelihood	Risk Score
Inherent risk	5	x	5
Current risk	4	x	16
Target risk (planned mitigations in place)	3	x	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)	On track
Review and relaunch our recruitment processes and induction programme to streamline onboarding (Q2-4)	Review induction programme complete. Review of recruitment processes underway
Introduce Aspiring Leaders programme to develop our future leaders to ready them for management roles. (Q3)	Apprentice Levy will be used. Programme open for employee applications.
Undertake Hybrid Working pilot, establish future ways of working and the facilities and technologies needed, introduce a Hybrid working policy and supporting guidance (Q2)	Survey analysis undertaken policy agreed. Hybrid will become BAU in 23-24 corp plan.
Review and update the Digital Transformation Strategy (Q3)	Update underway discussion held with PRC Sept 22, aim for Council approval in Dec 22
Modernisation of our IT infrastructure (Q3-4)	Work underway
Implement an upgrade to our financial system (Q4)	Delayed - BC procurement underway to select a new implementation partner
Consult on increasing our fees (Q3-4)	Consultation launched and live into Q4.
Establish a framework for change and benefits management (Q2)	Underway but delayed, discussed with PRC Sept 22.
Develop an Environmental Sustainability Strategy and implement baseline analysis (Q3-4)	Consultancy support in place and work has commenced.

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**
- HCPC engaging with DHSC on how the recommendations of KPMG on the future regulatory landscape will be taken forward. DHSC have indicated that this will not be progressed as a priority, with the S.60 taking priority
 - ⚠ 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.
 - Working group meeting regularly to oversee HCPC activity and engagement on reg reform this includes a dedicated policy resource to enable HCPC to feed into legislative drafting.
 - HCPC provided feedback on, and participated in cross regulatory round table discussions, regarding the development of the GMC s.60 order which is now in final draft awaiting consultation launch
 - ⚠ Focus on bringing forward the regulation of PAs through GMC s60 uncoupled from wider GMC reform for expediency and to enable other regulators reform to commence in parallel. Concern that if we are not the next regulator to undergo reform, momentum may run out
 - ⚠ Continued uncertainty on timing of regulatory reform of HCPC. Lack of timescale challenges planning and scaling up of resources within HCPC dedicated to reform. Some key roles needed for reform not yet in place due to this uncertainty. Gov consultation response not yet provided.
 - ⚠ 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.
 - A business case is in development for ELT to consider the needed resource and affordable phasing of cost.
 - ⚠ Government leadership changes could impact on the progression of regulatory reform due to other priorities
 - Collaboration with stakeholders such as HEE and NHSEI 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.
 - Proven model of multi profession model of regulation. Reform agenda open to benefits of model

- 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 score – No change since last iteration which was the first scoring.

Influencers – HCPC is not in control of many of the influencers of regulatory reform and its progression. A key driver of the risk is the uncertainty of timescales presenting a challenge to resource planning and scale up. In September we noted we expected clarity in sept/Oct on timelines and priorities. Government leadership changes have impacted on this timeline and we do not yet have clarity on when the consultation response will be published, or the GMC PA s.60 consultation will launch. Additional resource will be required, HCPC is unable to fund this until it is required which is unknown, and the job market is competitive as experiences with recent recruitment. Benefits of regulatory reform well understood from draft legislation presents a rare opportunity to transform stakeholders experiences of regulation.

Review date
Nov-22

Risk owner
ELT lead - Chief Executive

	Impact	Likelihood	Risk Score	
Inherent risk	4	x	5	20
Current risk	3	x	3	9
Target risk (planned mitigations in place)	2	x	3	6

No change

Risk Appetite

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

Current risk is within appetite.

The target risk will be reached if the outcome of regulatory reform and the longer term regulatory landscape review compliments and endorses the multi profession regulation model. This requires successful HCPC engagement and effective messaging. Risk reduction also required greater clarity on timing of HCPC's reform, a roadmap is expected to be published in the government's response to its consultation on regulatory reform, anticipated in September 22.

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 SHs. Awaiting timetable details to inform resourcing
🏗️ Develop a Financial Sustainability Strategy (Q2)	➡ HCPC has launched a consultation on fees
🗨️ HCPC response to the consultation on regulation of physicians' associates (Q3)	➡ Consultation not yet launched, anticipated for Q3-4
🏗️ Detailed business case for resources needed for HCPC's regulatory reform go live (Q3)	➡ In development
👓 Review of Council's agreed list of S.60 priorities to enable readiness for alternative reform approach if required.	➡ To commence Q3

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.