# Audit and Risk Assurance Committee
# 10 November 2021

hcpc health & care professions council

## Strategic Risk Register

## Executive Summary

The presented Strategic Risk register has been reviewed and updated at the beginning of November 2021.

Following discussion of the changes to the Register, the Executive Director of Regulation will introduce a discussion on risk related to registration performance.

| | |
|---|---|
| **Previous consideration** | The Committee reviews the Strategic Risk Register at each meeting. The Committee has previously provided feedback on the development of the new Strategic Risks. |
| **Decision** | The Committee is invited to question and provide any feedback on the content of the register<br><br>The Committee is asked to agree the theme for discussion of the Strategic Risk Register in March 2021. |
| **Next steps** | The Strategic Risk Register will be included in the Chief Executive's report to Council in November 2021. |
| **Strategic priority** | The proposed strategic risks are relevant to all aspects of the Corporate Strategy 2021-26. |
| **Financial and resource implications** | None as a result of this update. |
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**Strategic Risk Register**

This paper presents the HCPC's Strategic Risk Register, which has undergone Executive review most recently in early November. Changes to the register since the September iteration are summarised below.

**Risk score scale**

A recommendation arising from BDO's internal audit of our new risk management approach was to consider if the 5-category risk scoring used for the new operational risk register should also be applied to the strategic risk register. Initially we considered this would complicate the register. However, on reflection now having experience of discussing risk across the two registers we have decided that one scale would be beneficial in a uniform understanding of risk and a more nuanced rating scale.

The two scales are set out below for illustration.

| Risk Score | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New category | Green | | | | | Green / Amber | | | | | Amber | | | | | Amber / Red | | | | | Red | | | | |
| Previous category | Green | | | | | Amber | | | | | Red | | | | | | | | | | | | | | |

The 5 category scale has been applied to the November 2021 iteration of the Strategic Risk Register presented.

**Strategic Risk 1**

The risk influencers reflect that registration service levels have returned to those expected for UK applications and readmissions, focus is now on returning international application service levels to within normal limits. A wider review of international processes has commenced to ensure our processes can better cope with increased volumes.

Influencers also reflect that the FtP Improvement Programme has progressed to its second tranche of projects, having completed the first. A focus on benefits realisation from these first projects will continue.

While there is no reduction in the risk score in this iteration due to the registration service issues remaining in international applications, due to our positive progress in FtP and the implementation of the new Education quality assurance model, as well as the initiation of the registration process review and ongoing mitigations to return international applications to within our service standard, we expect the risk score to reduce at our next review.

**Strategic Risk 2**

The risk score has reduced due to our confidence that the actions we are taking and the mitigations in place already would lessen the impact of reputational damage from an identified weakness in our standards. We are also confident we are doing the

right things to avoid an unforeseen weakness. However continual review and vigilance are at the heart of our approach to enable this confidence.

The risk influencers reflect the positive impact of having recruited to key posts that will help us to drive forward our work in this area. Our review of cosmetic practice has commenced, and a clear timeline is in place to complete the review of our SOPs. In our Professional liaison Team, we are recruiting a resource dedicated to engagement in Scotland.

**Strategic Risk 3**

Risk influencers reflect that a key role, the Head of Insights and Analytics is now in place and that HCPC has published its first analytics report.

Additionally, discussions are underway on the potential for partnership funding to develop our data capabilities. Recent PowerBI training has upskilled key roles across the HCPC in use of the data reporting tool.

A key influencer is that the Insights and Intelligence Framework has been approved by Council and is now being implemented. This sets out our priorities for data analysis and where development resources will be focused. The online registration project has launched and from December 2021 we expect to be able to capture EDI data at renewals which, over time, will significantly increase the percentage of EDI data we hold for our registrants.

Given these positive developments, the risk score has reduced due to increased confidence in the interim arrangements we have in place in the absence of a full data platform.

**Strategic Risk 4**

The risk score for this risk remains relatively high, at an amber rating, due to HCPC not meeting PSA standard 3 relating to EDI which is part of this risk. However, the risk has reduced at this iteration due to developments to our stakeholder engagement approach, the publication of our Registrant EDI analysis and increased confidence in our approach to improving our data capabilities as reflected above.

Risk influencers reflect that a number of key posts have been filled with post-holders in place. We have also developed an interim stakeholder CRM solution, which we are confident will improve our ability to capture insights from our engagement. We have also undertaken refreshed stakeholder mapping and engagement prioritisation.

**Strategic Risk 5**

There is no change in the score for this risk. Risk influencers reflect our work on longer term planning as well as the development of a number of workstreams, for example Estates and People Strategies. A number of key posts have been filled including the Executive Director of Resources and Business Performance. However, these are not yet in post.

We are confident strong foundations are being laid for improving our culture through the People Strategy but this is still to be approved and implemented. The score therefore has not changed on this review.

Ongoing issues with the registration and finance system integration and the delay to the external audit this year also keep this risk relatively high.

**Strategic Risk 6**

New influencers include the launch of online registration project as online application capability will greatly improve registrant experience of our regulation in this area. Also positively impacting is our focus on registrant experience through the delivery of compassionate regulator workshops which all employees will attend in November and December 2021.

International applications in registration being outside our service standard are a negative impact on this risk as customer experience is impacted.

Regulatory reform is progressing and the HCPC has been engaging effectively with a number of stakeholders including the KPMG review. A working group is meeting weekly to steer the HCPC's activity and engagement on regulatory reform with a dedicated policy lead in place. The risk score has reduced due to increased confidence in the oversight arrangements in place to ensure we are engaging effectively on reform.

# HCPC Strategic Risks

## Summary of strategic risks

| Strategy | Strategic Risks - High Level | Risk Description | Nov-21 | Target Risk* |
|---|---|---|---|---|
| 1 - Continuously improve and innovate - To improve our performance against PSA standards of good regulation and to innovate across all our regulatory functions to provide an enhanced user experience. | 1. Our performance does not improve to a standard that enables us to achieve all the PSA standards of good regulation. In seeking to meet these standards we lose focus and lose standards in other areas | This includes our understanding of the PSA's expectations and the gap in our current performance we need to meet. This requires positive and ongoing engagement with the PSA and effective mechanisms for performance improvement and monitoring of our regulatory quality | 12 | 9 |
| 2 - Promote high quality professional practice - Enable our professions to meet our standards so they are able to adapt to changes in health and care practice delivery, preventing harm to service users. | 2. The HCPC's regulatory expectations are not appropriate or not understood by registrants and other stakeholders | This includes the quality and suitability of our standards and guidance in setting a threshold for safe practice which protects the public. It also includes how effectively we communicate our regulatory expectations | 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, and professionalism and upstream regulation work. It relies heavily on the work of the digital transformation and IT team and includes operational reporting in the Corporate Services team. It also relies on regulatory teams inputting information. | 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 stakeholder's needs and so are unable to be the regulator they (the wider system) need | This includes how effectively we engage with our stakeholders and our credibility with them and how well we play our part in the wider system. It includes our EDI practice externally, the ability to respond and influence external drivers for change, like the impact of Brexit, devolution or a change in government as well as issues like workforce development. | 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. | 12 | 6 |
| 6 - Promoting the value of regulation - The public, registrants, students and employers understand the value and importance of regulated health and care professionals. | 6. We are unable to demonstrate the value of regulation due to negative experiences of our regulation in practice | This risk includes ensuring a human and compassionate approach in our regulatory processes, our stakeholders experiences of our customer service. It also includes the promotion of the value of regulation and of the value of the professions we regulate. As outdated legislation contributes to bureaucratic processes this risk includes maximising the benefit to the HCPC of upcoming regulatory reform. | 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)
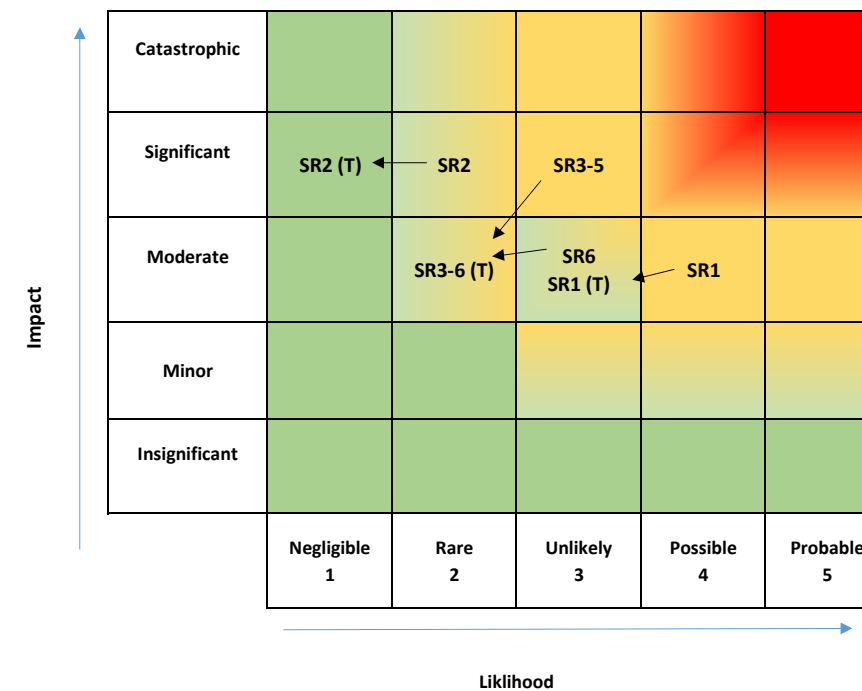
## Strategic risk 1 - Our performance does not improve to a standard that enables us to achieve all the PSA standards of good regulation. In seeking to meet these standards we lose focus and lose standards in other areas

| Review date | Risk owner |
|---|---|
| Nov-21 | SMT Lead - Executive Director of Regulation |

### Risk summary

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

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

No change

### Current risk influencers

- ➕ HCPC not meeting a number of PSA standards, remediation is a longer term effort due to case length.
- ➖ 2020-21 PSA performance report published, acknowledges progress is being made towards meeting standards.
- ➕ Registration system issues resulted in increased contact rates impacting customer service responsiveness. Registration office based working has increased to mitigate infrastructure limitations.
- ➕ Increasing international application volumes requiring more resource to process, this has intersected with the annual peak in UK applications and renewals causing some service delays.
- ➖ Mitigations in place have returned processing service standards to expected levels for readmissions and UK applications. Focus is now on International service levels, along side this a process review will initiate shortly to mitigate a repeat of service issues.
- ➖ Online applications project has commenced, International applications est close of Q4 and UK close of Q1 2022-23.
- ➕ Pandemic impact progression of cases due to pressures on health sector.
- ➖ The second tranche of FtP Improvement projects are in delivery, remaining focus on embedding of tranche 1 benefits.
- ➖ Pilot for new Education QA model completed and ETC approved full implementation, currently in full roll out preparation.
- ➖ First successful in person hearings held post pandemic restrictions outside of the closed 405 tribunal centre. Permanent legislative provision for remote hearings progressing with consultation currently live.

### 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 green/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

### Mitigations in place

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

### Planned mitigations 2021-22 | progress

- New Education Quality Assurance Model project (Q1-4). → ETC approved implimentation, currently in full scale up phase.
- PSA standard improvement action plan (PSA Action Plan Working Group) (Q1-4). → Action plan for 2021 produced and being monitored.
- New FtP Case Management System (improved performance data visibility). (Q1-4) → Phase one complete system launched and in use. Phase two initiating November 2021.
- Registration workplan includes review of international process. (Q3) → Initiating.
- Online applications project → Initiated, international expected Q4, UK Q1 2022-23.
- FtP Improvement Plan (FtP Q1-4). → On track second tranche of projects being delivered with a continuing focus on embedding from first tranche.

### Reporting period commentary

Risk influencers - reflect that registration service levels have returned to those expected for UK and Readmissions, focus is now in returning international applications to within normal limits. Wider review of international processes has commenced to better ensure we can manage spikes in volume in future. Influencers also reflect that the FtP Improvement Programme has progressed to its second tranche of projects having completed the first. A focus on benefits realisation from these first projects will continue.

Risk score – no change in this iteration due to the negative impact of registration service issues. However due to our positive progress in FtP and Education and our plans to improve Registration, we expect our current score to reduce at the first review in 2022.

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

| | |
|---|---|
| **Review date** | **Risk owner** |
| Nov-21 | SMT Lead - Executive Director of Professional Practice and Insight |

### Risk summary

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

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

Impact reduced

### Current risk influencers

- ➕ Changing expectations of our professions' practice, including as a result of pandemic response, technology or other societal events.
- ➖ Professional liaison team in place and recruitment for dedicated Scotland resource underway.
- ➖ Following a period of vacancies the new Heads of Policy and Strategic Relationships and Insights and
- ➖ Intelligence have joined the HCPC.
    Public facing materials in place to support registrant understanding of standards requirements.
- ➖ Timetable for review of SOPs established with March 22 approval target.
- ➖ Review of cosmetic practice regulatory approach launched.
- ➖ Reflective practice guidance and supervision toolkit resources published.
- ➕ Review of SCPE not yet initiated due to resource prioritisation and longer timetable for SOPs review.

### 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 tolernace if below 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
- Dedicated Covid Hub covering practice in pandemic
- Policy enquiries function available to support understanding and application of our standards
- Regulatory approach to advanced practice defined and agreed by Council

### Planned mitigations 2021-22 / progress

| Planned mitigations 2021-22 | progress |
|---|---|
| Development of learning materials for education providers and students and international registrants (Q3) | Seminars held for students and international registrants. |
| Increase partnership working & support for employers (Q3) & Develop employer hub & e-newsletter (Q4) | Dedicated employer hub is in place and materials are in development. |
| Professional liaison service developed and expanded (Q4) | Team established and recruitment for dedicated Scotland resource underway. |
| Programme of employer events delivered (Q4) | Not yet initiated. |
| Review of the SOPs, ODP SET1, returners to practice (Q2-4) | ODP SET 1 review complete. SOPs review aiming for March 22 approval |
| Review of our regulatory position on aesthetic/cosmetic practice (Q4) | Review has initiated |
| Programme of #MyHCPCstandards events (Q4) | Events underway, positive feedback received. |
| Toolkits (professionalism, supervision, reflective practise) delivered Q4 | In progress, supervision and reflective practice published. |

### Reporting period commentary

Risk influencers - reflect key post holders now in place to drive forward development work. Cosmetic practice review has commenced and clear timeline in place for completion of SOPs review. The recruitment of a PL consultant focused on Scotland is also a positive influence.

Risk score – impact reduced as we are confident that the actions we are taking and the mitigations in place already would lessen the impact of reputational damage from an identified weakness in our standards. We are also confident we are doing the right things to avoid an unforeseen weakness. However continual review and vigilance are at the heart of our approach to enable this confidence.

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

### Risk summary

This includes our effectiveness in collecting, maintaining and utilising the data we need to be an intelligence driven regulator. It includes the effectiveness of our insight and intelligence, and professionalism and upstream regulation work. It relies heavily on the work of the digital transformation and IT team and includes operational reporting in the Corporate Services team. It also relies on regulatory teams inputting information.

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

Impact reduced

### Current risk influencers

➕ 1st in house statistical analysis report on EDI data was published in September 21.
➕ % of registrant EDI data held has improved to 18% but this is still comparatively low
➖ Project to capture registrant EDI data through the registration online system has launched and capture through renewal is due to go live in December 21.
➖ Training on PowerBI for c.30 employees has taken place to upskill across all departments.
➖ Insights and Intelligence Framework setting out priorities and approach for data analysis approved by Council September 21 now in delivery.
➖ Potential for partnership funding to improve our data capabilities being explored.
➖ Head of Insights and Intelligence is now in post to lead the HCPC's work on improving data use.
➕ Budgetary constraints limit our ability to establish systems/platform. Interim solutions are being explored.
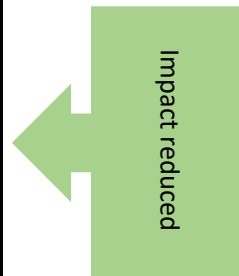➖ Future structure and skills needed within IT and Infrastructure agreed.

### 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

### Mitigations in place

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

### Planned mitigations 2021-22 / progress

| Planned mitigation | Progress |
| --- | --- |
| Using our research portfolio to establish HCPC as a thought leader (externally commissioned and internal analysis) (ongoing) | This will be progressed in Q3/4 by the Head of Policy who joined the HCPC early November. |
| Insight & Intelligence framework development (Q2) | Approved by Council September 21 |
| Online applications project (Q4) | Project will enable more systematic data collection. Project initiated |
| Deliver IT systems and operating model that allow HCPC to become more predictive in its use of data (Q4) | The data platform will not be progressed in this financial year due to resource requirements. Framework and priorities are in place for enhancing our capabilities without the platform. |

### Reporting period commentary

Risk influencers – recognises Head of Insights and Intelligence is in place, that HCPC has published its first analytics report and that discussions are underway on the potential for partnership funding to develop our data capabilities. Recent PowerBI training has also upskilled key roles across the HCPC. A key influencer is that the Insights and Intelligence framework has been approved by Council and is now being implemented. This sets out our priorities for data analysis and where development resources will be focused. The launch of the online registration project will also be a great benefit in terms of data collection capabilities, and we expect that when in operation it will greatly increase the % of EDI data we hold for our registrants.
Risk score – Impact score has been reduced given the interim arrangements we have in place in the absence of a full data platform.

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

| Review date | Risk owner |
|---|---|
| Nov-21 | SMT lead - Executive Director of Professional Practice and Insight |

### Risk summary

This includes how effectively we engage with our stakeholders and our credibility with them and how well we play our part in the wider system. It includes our EDI practice externally, the ability to respond and influence external drivers for change, like the impact of Brexit, devolution or a change in government as well as issues like workforce development. It recognises that we have numerous and diverse stakeholders across 15+ professional groupings and health provision across the 4 nations.

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

Impact reduced

### Current risk influencers

- An interim stakeholder CRM has been developed within our current infrastructure to improve stakeholder engagement management and insights. Relationship managers system agreed by ELT and being implemented with agreed prioritisation. Head of Policy and Strategic Relationships joined HCPC Nov 21.
- Positive engagement in public affairs, HCPC submitted evidence to scrutiny committee on Professional Qualifications Bill and has been referenced in dispatches.
- Operational functions not resourced to respond as quickly as other regulators to urgent Government needs.
- Regional engagement approach implemented within our education team to build greater understanding of regional differences in education provision.
- Positive engagement across the 4 nations in the reporting period. Recruitment for specific Scotland resource for PL team underway.
- % of registrant EDI data held has improved to 18% but this is still comparatively low and complainant data not held. HCPC has not met the PSA standard for EDI due to this limitation.
- Project to capture registrant EDI data through the registration online system has launched and capture through renewal is due to go live in December 21.
- First analysis of EDI data across our 15 professions published Sep 21 with associated promotion. EDI strategic Lead has joined the HCPC and is taking forward the EDI action plan development
- Service responsiveness within registration impacting negatively, forms a risk to HCPC reputation.

### Risk Appetite

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

To meet our target risk our new engagement approach needs to embed which involved organisation wide relationship managers, an 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 effective stakeholder process interactions and the attainment of PSA EDI standard 3.

Current risk level is one level outside of risk appetite

### Mitigations in place

- SMT relationship building and liaison with key stakeholders particularly Government Departments, professional bodies, other regulators, unions.
- Operational level engagement with key stakeholders in place across HCPC, including re Education, FtP with stakeholders such as Chief AHPs, CODH.
- Communications and strategic engagement supported by Luther Pendragon.
- Horizon scanning and intelligence gathering including from relationship building to be aware of external drivers and influencers, early planning and scenario development as pandemic response changes within UK and globally.
- EDI strategy based on independent audit of EDI practice. EDI stakeholder forum & internal EDI employee forum.
- Policy statement on approach to MOUs in place, a number of MOUs agreed with key stakeholders.
- Analysis and action planning from feedback mechanisms including corporate complaints, FtP stakeholder surveys, stakeholder opinion polling and education provider survey.
- Personal engagement plans for Chair & Chief Executive in place

### Planned mitigations 2021-22 — progress

| Planned mitigation | Progress |
|---|---|
| Stakeholder perceptions survey. (Q2) | Currently live |
| Increase partnership working & support for employers. (Q3) | Dedicated employer hub is in place and materials are in development. |
| Analysis of data from second annual diversity data & publishing our 2021 Diversity report. (Q2) | Published and promoted in September 21 |
| Development and implementation of EDI action plan. (Q2-4) | Status review of the plan completed by QA. New EDI lead is in place and taking development forward |
| Project to capture diversity data at initial point of registration and renewal. (Q4) | Project for online applications has commenced. |
| Quarterly meetings with professional bodies to ensure 2-way dialogue on areas of mutual interest. (Q3) | First meetings in September. |
| Communications team structure review (Q3) | Two of three Communication Business Partners recruited, third is live. |

### Reporting period commentary

Risk influencers reflect development of our communications approach and that a number of key posts have been filled with post holders in place. We have also developed an interim CRM solution which we are confident will improve our ability to capture insights from our engagement. We have also undertaken refreshed stakeholder mapping and engagement prioritisation.
Risk Score – Impact has reduced due to the developments in both EDI and our stakeholder engagement management. The risk score remains relatively high however due to HCPC not meeting PSA standard 3 relating to EDI which is part of this risk.
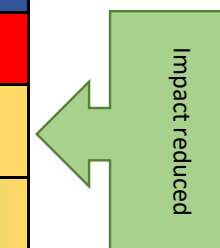
# Strategic risk 5 - The resources we require to achieve our strategy are not in place or are not sustainable

## Risk summary

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

|  | Impact | | Liklihood | 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

## Current risk influencers

- Longer term approach to business planning is a focus, mapping of the delivery of the 5 year strategy progressing and clear timetable in place for Corporate Plan and Budget approach in March 2022. Income strategy development commenced.
- Specialist consultancy engaged to max benefit from any disposal of building asset. 405 lease break clause enacted, reducing ongoing rent costs from Dec 21 (costs of decanting and adapting existing estate will be incurred)
- Grant funding for Covid response secured. Possible funding for data development from partnership.
- Majority of organisation remote working increases risk of silo working.
- People strategy well developed with a number of target audience workshops held, aim for Nov 21 Council approval.
- New normal ways of working all employee survey results positive and formalising hybrid working as normal is underway.
- First two tranches of HR policies reviewed based on prioritisation of impact.
- Project to enable online applications has commenced, international applications close of Q4 and UK close of Q1 22.
- System process interface issues between finance and registration systems, solution identified but not yet in place.  Limitations to telephone system infrastructure leading to service issues, to mitigate higher number of Registration employees office based
- ED of Resources and Business Performance recruited and expected to join in Q4. Head of Finance and Head of IT posts recruited to and due to start with HCPC in Q4. Until join no financial specialism on ELT.
- Delays to external audit poses a risk to the compliant laying of the Annual Report and Accounts for 2020-21, this forms a reputational risk

## 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/green rate.

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

## Mitigations in place

- Adherence to budgeting and financial management and reporting processes which are subject to internal and external audit e.g. NAO. Medium-Term Financial Strategy 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.

## Planned mitigations 2021-22 — progress

- Organisational Culture is defined and agreed. (Q1) — As part of the people strategy we will set out our culture.
- Organisational behaviours and values integrated into performance management system & all employee customer focus workshops delivered. (Q1-2) — Inegration compelted. Compassionate regulator workshops will take place in Nov and Dec 21
- All HR policies reviewed and modernised & succession planning and career development plans agreed. (Q2-4) — first two high priority tranches reviewed and implimented.
- Fee Income Strategy. (Q4) — Development underway ED Resources and Business Performance post to take forward once in place.
- People strategy developed. — Focus of a council workshop in July 21. Further refinement underway with aim to present for Council approval November 21.
- Estates Strategy review to ensure we have the physical space to support our culture and new ways of working. — Specialist expertise in place to undertake longer term estates needs and current assets disposal assessment

## Reporting period commentary

Risk influencers – our focus on longer term planning is reflected as well as the development of a number of workstreams, for example estates and people strategies. A number of key posts have been filled including the ED of Resources and Business Performance however these are not yet in post. We are confident strong foundations are being laid for improving our culture through the people strategy but this is still to be approved and implemented. The score therefore has not changed on this review.
Ongoing issues with the registration and finance system integration and the delay to the external audit this year also keep this risk relatively high.

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

| | |
|---|---|
| **Review date** | **Risk owner** |
| Nov-21 | SMT lead - Chief Executive |

## Risk summary

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

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

Impact reduced

## Current risk influencers

- ▬ HCPC has effectively engaged with the KPMG review through workshops and with our own stakeholders. Increased confidence on the timing of regulatory reform for HCPC. Working group meeting weekly to oversee HCPC activity and engagement on reg reform this includes a dedicated policy resource to enable HCPC to feed into legislative drafting.
- ▬ Positive and wide-reaching engagement on regulatory reform undertaken in the reporting period. Proven model of multi profession model of regulation. Reform agenda open to benefits of model.
- ✚ Performance against PSA standards could increase organisational vulnerability during a time of regulatory reform.
- ▬ 2020-21 PSA report published, acknowledges progress is being made towards meeting standards.
- ✚ Registration responsiveness contributing to negative registrant experience - Mitigations in place have returned processing service standards to expected levels for readmissions and UK applications.
  Focus now on International service levels, alongside this a process review will initiate shortly to mitigate a repeat of service issues.
- ▬ Potential for partnership funding to improve our data capabilities.
- ▬ Positive engagement all devolved administrations in reporting period on the value of the temporary register.
- ▬ Compassionate regulator workshops being held with all employees attending.
- ▬ Stakeholder perceptions survey is live.
- ▬ Project to implement online registration capability has launched, first delivery expected Q4 21 will represent a significant improvement in service experience.

## 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 broader reforms compliments and endorses the multi profession regulation model. This requires successful HCPC engagement and effective messaging.

**Current risk level is within risk appetite**

## Mitigations in place

- Registrant health and wellbeing strategy in place .Resourcing of action plan being prioritised.

- Research conducted into experiences of FtP and action plan in place.

- FtP representatives forum - regular mechanism for formal engagement with unions and others involved in representing our registrants in FtP.

- Organisational values 'Fair, Compassionate, Inclusive, Enterprising' promoted through performance system.

- Feedback and Complaints system with SLAs reporting to SMT & ARAC learning from complaints fed into system, you said we did examples published on website.

- Communications and strategic engagement, including parliamentarians, on regulatory reform supported by Luther Pendragon.

## Planned mitigations 2021-22 | progress

- Online registration functionality project (improved registrant experience) (Q4) — Project initiated
- FTP improvement project — Tranche 2 projects underway
- Engage key stakeholders to understand key misconceptions about our regulation and action plan (Q3) — Survey is live
- Tone of voice review project (Q2) — An FtP specific project has launched as part of tranche 2 of FTP improvement. SRO assigned for registrant health and wellbeing strategy
- Incorporate our research on registrants' experiences into employee learning and development and inductions (Q2-4) — Underway will also form part of the compassionate regulator workshops
- Engaging stakeholders on the provision of mental health support for registrants (Q1-4) — Underway
- Messaging and dedicated engagement for the Future of Health and Care White Paper & Bill (Q1-4) — Underway
- Influence the policy on how consolidation of regulators should align with regulatory reform (Q2 -4) — Underway

## Reporting period commentary

New influencers - launch of online registration project, online application capability will greatly improve registrant experience of our regulation in this area. The platform also enables incremental improvements, for example webchats to ease the registration experience. The ongoing service issues in registration are a negative impact on this risk as customer experience is impacted.
Regulatory reform is progressing and the HCPC has been engaging effectively with a number of stakeholders including the KPMG review. A working group is meeting weekly to steer the HCPC's activity and engagement on regulatory reform with a dedicated policy lead in place.
Risk impact has reduced due to increased confidence in the oversight arrangements in place to ensure we are engaging effectively on reform.

## Risk Likelihood scoring

| | Strategic | Programme/Project | Operational |
|---|---|---|---|
| **Probable 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. |
| **Possible 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. |
| **Unlikely 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. |
| **Rare 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. |
| **Negligible 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.\n\nExposes 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.\n\nRegulatory investigation required |
| **Significant 4** | A systematic failure for which HCPC is ultimately responsible.\n\nExposes 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.\n\nRegulatory investigation required. |
| **Moderate 3** | A systemic failure for which HCPC is ultimately responsible.\n\nExposes 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.\n\nServices 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\n\nNo 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.\n\nServices 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.\n\nNo 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.\n\nNo breach of confidential information |

| | |
|---|---|
| **Regulatory Quality - Open**<br>How will we deliver effective regulatory functions? | • 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.<br>• We are open to risks that will further us in our aim of delivering excellent regulatory functions.<br>• 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.<br>• We proactively seek to reduce public protection risk through the promotion of professionalism and prevention.<br>• 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.<br>• It is **essential** that mitigations to ensure ongoing public protection are in place as a foundation of taking risks to improve our regulatory quality. |
| **Compliance – Measured**<br>How will we comply with our statutory, regulatory and policy requirements? | • We have a preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.<br>• 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.<br>• 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.<br>• It is **essential** that the long-term achievement of PSA standards is assured. |
| **Communication and Profile – Seeks**<br>How will we be viewed by our stakeholders? | • We are eager to be innovative in content and method in order to communicate more effectively, despite greater inherent risk.<br>• 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.<br>• 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.<br>• 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.<br>• We seek meaningful two-way dialogue with our stakeholders, even where this may pose a risk to our profile due to uncomfortable feedback.<br>• It is **essential** that the HCPC's voice is not perceived to be party political. The HCPC is neutral as a public body. |
| **People – Seeks**<br>How will we lead our workforce? | • We are eager to be innovative and to choose options that increase our effectiveness as an organisation despite greater inherent risk.<br>• We are prepared to accept risk as long as there is the potential for improving culture, recruitment and retention.<br>• We want to innovate to improve our culture and working environment.<br>• 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.<br>• 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. |
| **Financial and Value for Money – Measured**<br>How will we use our resources? | • We are prepared to accept the possibility of limited financial loss where it does not have the potential to impact on our going concern.<br>• Value for money is our primary concern in financial expenditure but we are willing to consider other benefits or constraints.<br>• We are funded through registrant fees and we have a responsibility to ensure we invest cautiously to minimise loss while maximising benefit.<br>• 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.<br>• 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. |