
Chief Executive's report on organisational performance February 2023

Executive Summary

This paper provides the Council with updates on the organisation's performance since the December 2022 Council meeting.

This report provides an assessment of some of the key papers coming to Council today and also provides an overview of other key developments.

At Council's next meeting in March, Council will receive a detailed report with updates of performance against our key performance indicators, progress against our Corporate Plan for this current year and our strategic risks. This issue of the report is a briefer interim update on key matters.

Previous consideration	This is a standing item, considered at each Council meeting.
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Purpose of report	The Council is asked to discuss the report.
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Next steps	The next report will be received in March 2023.
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Strategic priority	This report is relevant to all strategic priorities.
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Financial and resource implications	None as a result of this paper.
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EDI implications	None as a result of this paper.
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Chief Executive's Performance Report – February 2023

This is my first report to Council as Interim Deputy Chief Executive and following the departure of our former Chief Executive, John Barwick, at the end of December. I would like to place on record my thanks to John for the advice and guidance he provided to me in my previous role as Executive Director of Regulation and as I stepped into this new role as Interim Deputy Chief Executive. I am also grateful to my Executive Leadership Team colleagues and wider colleagues at all levels across the organisation who have been very supportive and continue to take forward our important work, examples of which are being discussed by Council today.

This report provides my assessment of some of the key papers coming to Council today and also provides an overview of other key developments.

At Council's next meeting in March my report will provide a detailed update of our performance against our key performance indicators, progress against our Corporate Plan for this current year and our strategic risks.

1. Proposed fee rise

An important item on the agenda for today is the paper on a proposed fee rise. As an Executive team we are acutely aware of the fact that we are seeking an increase to our fees at a time when individuals and organisations across the UK are trying to manage rising costs.

If our financial position did not require us to take action now to protect the financial viability of the HCPC for the future, we would not choose now as the time to seek to increase our fees. We have carefully analysed the responses to the consultation including the views of the people on our Register, professional bodies, unions as well as the views of other stakeholders such as patients and the public through focus groups we held during the consultation.

Looking at our financial position which is set out in detail in the paper to be considered by Council today it is clear that we have had to set deficit budgets for the past five years and have been using our reserves (which are now at a level that is below what is prudentially sustainable) to fund our operations and improvement work.

Our strong recommendation to Council is to proceed with a £19.62 / year increase to our fees, with mitigations to help reduce the impact by increasing the number of direct debits so registrants can spread the cost further; further promotion of how registrants can claim tax relief on the fees we charge, which in some cases (depending on the circumstances of the individual) may cover the £19.62 increase. We also propose to work with employers and other key stakeholders to promote protected CPD time for registrants, as this potential workstream received support in the consultation.

2. Corporate Plan and budget for FY2023 -24

The process of building our budget and corporate plan for the 2023-24 financial year began before the end of 2022. The process this year has continued to improve compared to previous years – particularly in ensuring the Corporate Plan priorities and the budget are built hand in hand.

As Council is aware from our fee rise consultation, we have been obliged to run operating deficits for at least the past five years. This deficit position has led to our reserves declining steadily to a level below what is prudentially sustainable. This is despite finding efficiency savings, such as reducing the size of our estate which saves c£1m per year.

We went into the 2023-24 budget setting process with an underlying income and expenditure deficit of £0.7-0.9m (c2-3% of our operating expenditure). This deficit stems from the need to sustain operational improvement, invest in improvements and absorb non-pay inflationary pressures.

As an Executive team we agreed a number of key principles to underpin the budget setting process for the 2023-24 financial year and this included setting a balanced budget (matching expenditure to income). To achieve this the budgeting process has been rigorous and tough. The Finance team has engaged with budget holders to ensure that business as usual costs and other must-do costs are captured as well as to review and challenge on the scope for efficiencies and other savings. We have also had to prioritise hard in terms of our investments and activities in our proposed Corporate Plan.

The People and Resources Committee considered the draft budget in February, and I'm pleased it has recommended this to Council (this will come to Council along with the Corporate Plan for approval in March).

My assessment is that our focus on benefits realisations has improved but there is still more work for us to do to improve our capability and maturity in forecasting and tracking benefits. This work is being led by our relatively new Business Change Team. While our capability is developing, I hope Council can take assurance that a focus on benefits has been central to the development of the Corporate Plan and budget for next year.

3. Regulatory performance

As Council is aware we made a number of changes in registration during 2022 including in our systems (e.g., moving applications online) and setting up service teams to improve customer service and productivity. I'm pleased that these changes have had significant positive impact on our performance.

Our contact centre has been providing a much-improved service (we have answered 96% or more of the telephone calls we have received and responded to emails within 2 working days since October 2022).

We continue to see very high volumes of international applications. At the end of January 2023 we had received over 12,000 international applications since 1 April 2022. That compares to just under 5,000 in the same period the year before. The changes we made in 2022 have meant we have coped well with this larger demand for this service. We have continued to remain within our service standard of providing a first decision on an application within 60 working days - we have been back within our service standard since June 2022. Our performance has continued to improve and since November 2022 we have been providing a first decision in under 20 working days.

There remains more to be done to continue to improve the experience of those who use our services but we now have a more stable foundation on which to build. More detailed information on registration performance is routinely provided to the Education and Training Committee.

Council receives the regular update on our performance in Fitness to Practise. We continue to engage with colleagues at the Professional Standards Authority as we enter the final months of our performance review period which run from 1 April 2022 to 31 March 2023. While we have more to do to continue our improvement, I'm pleased that the impacts of our improvement programme are coming through in our data – for example our focus on assessing and managing risk on cases is shown in our quality assurance reporting and in our interim order performance.

More detail is provided in the FtP Performance Update paper.

4. Regulatory reform

The Department for Health and Social Care has recently published its consultation on draft legislation concerning the regulation by the General Medical Council of anaesthesia associates and physician associates, alongside its response to the 2021 consultation *Regulating healthcare professionals, protecting the public*.

This is an important and welcome milestone in the process of modernising the legislation of professional regulators in health and care.

It has long been the case that the legislative frameworks under which we, and other professional regulators in health and care, operate require modernising and do not reflect the realities of regulating today.

Our improvement work in FtP remains vitally important and we must do all that we can to regulate as efficiently, fairly, proportionately and compassionately as we can within the constraints of our current legislation.

I am pleased that the DHSC has highlighted the HCPC has been operating under especially constrained legislation. Reforms to governance, education and training, registration and fitness to practise will enable us to have greater autonomy over our regulatory processes and be more responsive to the ever-changing health and care landscape.

We warmly welcome the DHSC's confirmation that it intends to consult next on modernising the regulatory regime for both the HCPC and the Nursing and Midwifery Council. Between us and the NMC we regulate over a million health and care professionals.

We look forward to working closely with both the DHSC, the NMC and our other stakeholders to ensure the much-needed changes to our legislative framework can be brought into effect as soon as possible, and that we can continue to fulfill our role of protecting the public in the increasingly complex and changing health and care sector.

5. Retention rate analysis and preceptorship

In January we published our analysis on the time that new HCPC registrants stayed on our Register. Workforce planning is crucial for the health and care sector. Recruitment is part of the answer, but retaining good staff is vital too, and has perhaps never been more important. Workforce planning is complex we hope to play our part by assisting those responsible for workforce planning. The report we published represents the start of our contribution to that conversation.

The analysis in the retention rate report will also support our programme of work to understand how preceptorship (a period of structured support and development during periods of career transition) can be designed to best support the professions we regulate. Following consideration by the Education and Training Committee, Council is asked today to approve the principles we have developed for preceptorship. Subject to Council's approval this is another key step in the HCPC playing its role in supporting the health and care workforce.

6. Covid-19 Temporary Registers

We are currently reviewing our approach to maintaining the temporary register following the Government's decision to extend the register for a further two years from last September.

It is important that we ensure that the temporary register remains an accurate reflection of those continuing to practise to support the Covid response, and that we are assured that those on the register continue to be capable of safe and effective practice.

We will be putting our recommendations to Council in March 2023.