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## Strategic Risks Review

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### Executive Summary

The current Strategic Risks were agreed in early 2018. With the new Corporate Strategy commencing from April 2021, the time is right to review which risks the Council adopts as its Strategic Risks.

A new set of Strategic Risks is proposed at appendix A.

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Previous consideration	At it's meeting of 10 March 2021, the Audit and Risk Assurance Committee agreed to recommend that the Council adopt the new Strategic Risks.
Decision	The Council is asked to adopt the presented new Strategic Risks (appendix A) to replace the current set (set out as appendix B)
Next steps	SMT will fully develop the risks including current and planned mitigations and present the full format to the Audit and Risk Assurance Committee in June 2021 and Council in July 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.
Author	Claire Amor, Head of Governance <a href="mailto:claire.amor@hcpc-uk.org">claire.amor@hcpc-uk.org</a>

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# Strategic Risks Review

## 1. Introduction

- 1.1 The current Strategic Risks (appendix B) have been in place and monitored at each meeting of the Audit and Risk Assurance Committee (ARAC) since March 2018.
- 1.2 The HCPC has published its Corporate Strategy for 2021-26 and the time is right to review our Strategic Risks to ensure they clearly articulate risks to achieving the aims of the Strategy.

## 2. New Strategic Risks

- 2.1 The Executive has developed, and is proposing that Council adopt, a new set of Strategic Risks at appendix A. The aim is to articulate a Strategic Risk heading for each of the Strategy priorities, ensuring they are closely linked.
- 2.2 SMT are confident that this approach will ensure the Register is a key document kept live and monitored as part of Strategy delivery.
- 2.3 Headline areas that each Strategic Risk covers are included in the presented table. These will be further developed should the Council agree to adopt the risks.
- 2.4 Additionally the Strategic Risks will be fully worked up into the current Strategic Risk Register format, which includes an articulation of link to the Risk Appetite Statement, which was approved by Council at its February 2021 meeting. The format can be seen in the most recent iteration presented to ARAC in March 2021 [here](#).
- 2.5 Current and planned mitigations will be detailed for each Strategic Risk. There will be direct links to the Corporate plan, as planned mitigations will for the majority be actions outlined within the 2021-22 plan.

## 3. Link to operational risk

- 3.1 To complete the more unified approach to strategy and risk monitoring, there is an ongoing project to build a new operational risk register from first principles, with each department at the HCPC taking part in facilitated risk discussions to establish their future operational risks. Once this process is complete, all operational risks will be organised under one of the six new Strategic Risk headings.

## 4. Ongoing monitoring and challenge

- 4.1 The format of SMT meetings will change from the new financial year. This is to ensure SMT has protected time to discuss the strategic issues facing the

HCPC and to interrogate progress against the Corporate Plan. The Strategic Risk Register will be a key document discussed and updated at these new regular dedicated strategy and planning meetings.

- 4.2 The Strategic Risk Register will continue to be presented to ARAC at each of its meetings for discussion and challenge. It will also be presented within the Chief Executive's report to Council on a quarterly basis.
- 4.3 As part of the agreed Internal Audit Plan for 2021-22, BDO LLP will be undertaking an advisory review of the recent changes to the way we monitor and articulate risk, part of this will be providing assurance to ARAC that any mitigations listed as current are in place and effective.

## **5. Decision**

- 5.1 The Council is asked to provide any feedback on areas it wishes to see explicitly referenced within the six Strategic Risk areas.
- 5.2 The Council is asked to adopt the risks set out in appendix A as the HCPC's Strategic Risks from 1 April 2021.

# Appendix A

Proposed Strategic Risks from April 2021						
	1	2	3	4	5	6
Strategies	<b>Continuously improve and innovate</b>	<b>Promote high quality professional practice</b>	<b>Develop insight and exert influence</b>	<b>Be visible, engaged and informed</b>	<b>Build a resilient, healthy, capable and sustainable organisation</b>	<b>Promoting the value of regulation</b>
Aim (taken from published strategy)	To improve our performance against PSA standards of good regulation and to innovate across all our regulatory functions to provide an enhanced user experience	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	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	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	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	The public, registrants, students and employers understand the value and importance of regulated health and care professionals
Where we want to be by 2026 (taken from published strategy)	Met and sustained PSA standards Recognised as a great regulator Implemented a digital strategy which improves external experience Our standards and guidance remain current to changing education and care delivery	Our standards and guidance remain current to changing needs CPD contributes to reducing serious FTP Collaborate to produce most helpful guidance	Use our data, and external data, to influence and improve regulation / public protection Support workforce planning Our data is accessible and useful Our voice is listened to	Effective communication mechanisms reach all stakeholders Champion EDI Contribute to healthcare policy development Measuring our impact Responsive	Financially sustainable Culture inclusive - learning organisation Employ and keep the capability we need A sustainability plan in place Systems improve user experience internally and externally	Public awareness of our professions and our role improved More accessible and useful register registrant health and well-being strategy and action plan implemented a more compassionate and person-centred FTP process promote positive and inclusive professional working environments
Strategic Risk heading	<b>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</b>	<b>The HCPC's regulatory expectations are not appropriate or not understood by registrants and other stakeholders</b>	<b>We are unable to harness the benefits of the wealth of data we hold</b>  (benefits - better regulatory decisions, prevention, workforce planning, influencing the agenda)	<b>We do not understand our stakeholder's needs and so are unable to be the regulator they (the wider system) need</b>	<b>The resources we require to achieve our strategy are not in place or are not sustainable.</b>  (Resources - financial, knowledge, skills, culture, infrastructure)	<b>We are unable to demonstrate the value of regulation due to negative experiences of our regulation in practice</b>
Under the headline - risk includes these areas for articulation in reporting format	Regulatory quality PSA engagement Understanding of PSA expectations Effective performance monitoring and management	Prevention & upstream success Public protection Our regulatory standards Register integrity Standards set inappropriately higher than a threshold safe practice level	Effective management of data Understanding of our data Workforce planning contribution Acting on learning from data and research We focus too much on data analysis to the extent of not taking timely action 'analysis paralysis'	Our credibility as a regulator, how we are perceived by our stakeholders Stakeholder engagement and influence 4 country understanding EDI 'R&D leadership'	Financial planning and ongoing going concern assurance Efficiency in use of resources and processes Organisational Culture HCPC as an employer Sustainability Cyber security	Customer service & Registrant experience Compassionate regulator Maximising regulatory reform to improve processes Public awareness of our professions and our role

## Appendix B

<b>HCPC current strategic risks</b>	
<b>Current risks</b>	<b>Detail</b>
Strategic risk 1 - Failure to deliver effective regulatory functions	This includes the inability to fulfil our statutory obligations set out in the Health and Social Work Professions Order and the failure to meet the PSA's Good Standards of Regulation.
Strategic risk 2 - Failure to anticipate and respond to changes in the external environment	This includes 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, new and emerging professions or government policies affecting professional regulation. It also includes awareness and responsiveness to advances in technology and systems.
Strategic risk 3 - Failure to be a trusted regulator and meet stakeholder expectations	This risk includes the management of stakeholder engagement and key relationships as well as reputation management.
Strategic risk 4 - Failure to be an efficient regulator	This risk includes the operational failure of processes, or the inability to manage data efficiently as well the vulnerability of IT security. It also includes financial security, timely and accurate reporting and the recruitment, retention and training of Partners and employees.
Strategic risk 5 - Failure of leadership, governance or culture	This risk includes the effectiveness of Council, strategy setting and oversight, risk management and business planning. It also covers organisational culture including the existence of relevant policies for whistleblowing or anti-bribery for example and processes for performance development.