

Council

Meeting Date	17 July 2025
Title	Finance Report – May 2025
Author(s)	James Afolabi, Financial Planning & Analysis Manager. Ife Ojo, Commercial Business Partnering Manager. Alan Keshtmand, Head of Finance & Commercial.
Executive Sponsor	Alastair Bridges, Executive Director of Resources

Executive Summary

	May 2025 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	6,710	6,709	1	45,516	45,266	(250)
Total Expenditure	6,920	7,046	126	45,336	45,355	(19)
Surplus/(Deficit)	(210)	(337)	127	180	(89)	(269)

1. Financial Performance (Year-to-Date)

- **Deficit:** actual position for the year to date stands at £210k deficit, which is £127k favourable compared to the previously forecast deficit for May of £337k.
- **Income:** actual income of £6.7 million is in line with May forecast.
- **Expenditure:** Total expenditure of £6.9 million is £126k lower compared to the forecast of £7 million.

2. Full-year Forecast vs Budget

- **Full Year Deficit:** the updated forecast for the full year is a deficit of £89k which is lower than the budgeted surplus of £180k.
- **Income:** adverse variance of £250k is mainly due a decrease in volume of international applications (forecast of 5,500 applications vs budget of 7,500 applications) which is partially offset by an increase in registration fees. The forecast also includes the impact of the fee rise that came into effect from April 2025.

- **Expenditure:** full year expenditure forecast of £45.4 million is £19k lower than the budget. Key drivers include a decrease in direct costs associated with lower international applications. This decrease is offset by an estimated increase of £419k in costs for additional FTP resources to address specific capacity bottlenecks and enable further progress on FTP timeliness. This expenditure is subject to Council approval (see below).

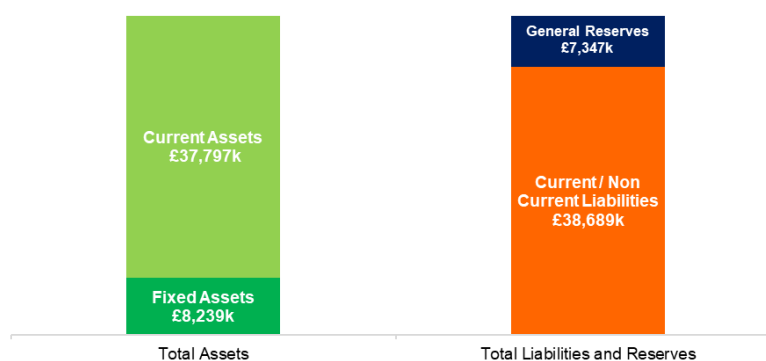
3. Major Project and Investments

The finance report highlights a budget of £2.3m investment costs which includes £579k Capital Expenditure (CAPEX) carried over from previous year.

4. Risks and Opportunities

- **Risks:** the report identifies several key risks, including a further decline in international income and higher operating expenses within major projects.
- **Opportunities:** potential upside from additional investment income by utilising favourable bank rates as well as additional rental income and cost efficiencies. There may be an opportunity from a potential increase in the volume of international applications later in the year, although the figures for June suggest that the current reduced trend is continuing for the time being.

5. Balance Sheet and Reserves



- **Reserves:** General reserves stand at £7.3 million, with realisable net assets at £4.6 million, representing over a month of operating expenditure.

6. Employee FTEs

Employment Type	May 25 Actuals	2025-26 Budget	Variance
Permanent/Fixed Term Contract	354	371	17
Agency	12	4	(8)
Total FTE	366	375	9

The report highlights a shortfall in FTEs when compared to the budget, particularly within the Communications, Fitness to Practise (FTP) and Governance departments, where vacant posts were anticipated to be filled from April 2025.

7. Funding to address FTP capacity bottlenecks and for process improvement

The fee rise that came into effect from April 2025 is projected to secure around £830k of additional income in 2025-26. As noted, this additional income has now been incorporated in the full-year forecast, following parliamentary approval.

The 2025-26 budget paper for the Council in March 2025 noted that if parliamentary approval for the fee rise was secured, we would have an opportunity to review how best the income could be used to drive improvements and maintain the HCPC's financial sustainability. The Executive Leadership Team (ELT) has reviewed the position and adopted the following approach:

First, in view of the downturn in international income, over half of the fee rise income is required to cover the reduction below budget assumptions in international income. As noted above, we will keep the position on international income under review, but as of now this is a necessary and prudent approach. The ELT has agreed to accept a relatively small risk in the form of the projected £89k deficit, which we will manage actively over the year with the aim of securing a balanced position for the year as a whole.

Secondly, the ELT has agreed a business case to allocate £419k of additional spend in 2025-26 to address specific capacity bottlenecks that are having an adverse impact on FTP timeliness, by bringing in temporary resources in a number of areas, as set out below. The resources director has verbally briefed the Chairs of the People and Resources Committee (PRC) and Audit and Risk Assurance Committee (ARAC) on the proposed approach. The financial regulations allow for the executive to approve this amount, however they also note that the Chief Executive will bring to the Council's attention any additional spend deemed significant and for this reason we are seeking the Council's approval for the allocation of the following additional funding:

- Two additional senior decision makers (SDMs) on fixed term contracts, to enable us to meet our KPI of completing threshold decisions within one week of decisions being referred to the SDM team. At present the team have a backlog of 355 decision requests. **(£72k)**
- Securing barrister capacity from chambers for around six months, to bolster technical knowledge in the Investigations team, enabling older, complex cases to be more proactively managed to the ICP stage. **(£141k)**
- We will also use an overprogramming approach (i.e. temporarily recruiting staff above the establishment headcount level) to provide resilience in the Threshold team while we transition to the new streaming model; this will help reduce average caseload volumes towards the optimum level of 35. This overprogramming approach will have a temporary cost in 2025-26 but will not increase long-term headcount and costs. **(£206k)**

We are also considering bringing forward some recruitment of paralegals to free up the capacity of our external legal suppliers to focus on case progression more proactively.

In addition, the Business Change team will work with FTP to review and improve case management processes and systems, to identify opportunities within any given level of resource to improve productivity and the timeliness and effectiveness of case management. The area of focus include:

- Reviewing case management processes, to identify opportunities to improve timeliness and productivity.
- Exploring systems solutions to provide FTP with an improved bundle creation tool.
- Piloting the use of an AI-enabled redaction tool.
- Exploring improved options for large file sharing, to improve speed, ease of use and reduce the risk of data losses.

Total costs in 2025-26, including on-costs and IT costs, are projected to be £419k. Around £180k of these costs would be recurring in future years. The ELT will monitor monthly the impact of this additional expenditure against agreed KPIs.

8. Conclusion

The HCPC's financial position as at May 2025 was a deficit of £210k, which is lower than the previously forecast deficit position of £337k for this point in the year. The updated full year forecast now indicates a total deficit of £89k, representing a £270k adverse variance compared to budgeted surplus of £180k). While this reflects a near breakeven position, the financial outlook remains finely balanced.

We currently have a modest unallocated corporate contingency; however, the overall position is tight, with several risks to manage alongside potential opportunities. The Q1 financial review and subsequent quarterly reviews will involve monitoring trends, assessing risks and identifying opportunities to provide greater certainty for financial planning over the remainder of the year. In the interim, the ELT has agreed to maintain a presumption against any additional unbudgeted expenditure at this stage, with the position to be kept under close review through the monthly management accounts process and quarterly reviews. In addition, the ELT will assess the resourcing requirements for processing international applications in September, by which time clearer data on trends will be available, including whether there is an uptick in application volumes. Our flexible resourcing model enables us to flex resourcing in this area as appropriate.

Annexes

The updated procurement policy and financial strategy are appended to the financial report for the Council's approval as follows:

- Annex 1: Financial strategy
- Annex 2: Procurement policy

Action required

The Council is asked to:

- a) note the position set out in the report, including the assessment of risks and opportunities
- b) agree that the organisation should commit £419k of additional spend this year, funded from the recent fee increase, to address capacity bottlenecks that are having an adverse impact on FTP timeliness, noting

	that ELT will monitor measures of the impact of the additional expenditure, and that the additional capacity will be accompanied by work to review FTP processes to improve further effectiveness, timeliness and productivity.
Previous consideration	Previous finance report (March 2025) provided to the Council in May 2025.
Next steps	Reforecasting exercise will be commencing in July with updated forecast figures to be included in July 2025 Finance Report.
Financial and resource implications	The implications are set out in the report.
Associated strategic priority/priorities	Build a resilient, healthy, capable and sustainable organisation
Associated strategic risk(s)	5.a The resources we require to achieve our strategy are not in place or are not sustainable
Risk appetite	Financial – measured
Communication and engagement	Not applicable
Equality, diversity and inclusion (EDI) impact and Welsh language standards	No direct implications.
Other impact assessments	Not applicable
Reason for consideration in the private session of the meeting (if applicable)	Not applicable

May 2025 Finance Report

COUNCIL

17 JULY 2025

- **Executive Summary**
- **Summary Figures**
- **Key Movements**
- **Total Income**
- **International Income**
- **Expenditure - Actuals vs Forecast**
- **Employee FTEs**
- **Balance Sheet and Reserves**
- **Investment Portfolio**
- **Risks and Opportunities**

Appendices

1. Income and Expenditure (by Department)
2. Income and Expenditure (by Category)
3. Balance Sheet Statement
4. Key Contracts
5. Full Time Equivalents (FTEs)
6. 2025-26 Budget Profile
7. 2025-26 Forecast Profile
8. Cashflow

Executive Summary

	May 2025 Year to Date (YTD)			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	6,710	6,709	1	45,516	45,266	(250)
Total Expenditure	6,920	7,046	126	45,336	45,355	(19)
Surplus/(Deficit)	(210)	(337)	127	180	(89)	(269)

Note. To view the full year Budget profile for 2025-26, please refer to 'Appendix 6 – 2025–26 Budget Profile'.

- Year-to-date actual deficit of **£210k** is £127k favourable compared to the May forecast deficit of **£337k**.
- May 2025 full year forecast is projected to result in a deficit of **£89k**. This is a high-level estimate that factors in the income fee increase which took effect on 29 April 2025, lower volume of international applications, and additional fitness to practise (FTP) resource costs associated with building up operational capacity to manage cases and progress with achieving PSA standard on timeliness of cases. *(Note. This forecast is subject to change as we approach the Q1 financial review).*
- The reported deficit of £210k includes approximately £30k of exceptional FTP case-related expenditure. This has been excluded from the May 2025 full year forecast.
- Budget vs Forecast (Full Year)**
 - Income:** adverse variance of **£250k** is due to decrease in international income by revising budget volumes of 7,500 to 5,500 based on lower volumes for the past four months (from February 2025 onwards), which is partially offset by the increase in registration fees.
 - Expenditure:** slight adverse variance of **£19k** is roughly in line with budget and is mainly attributable to lower direct costs associated with the decrease in international applications, which is negated by an increase in payroll cost due to FTP business case.
- The reforecasting exercise following the Q1 review will commence in July 2025 and will be reflected in subsequent finance reports.

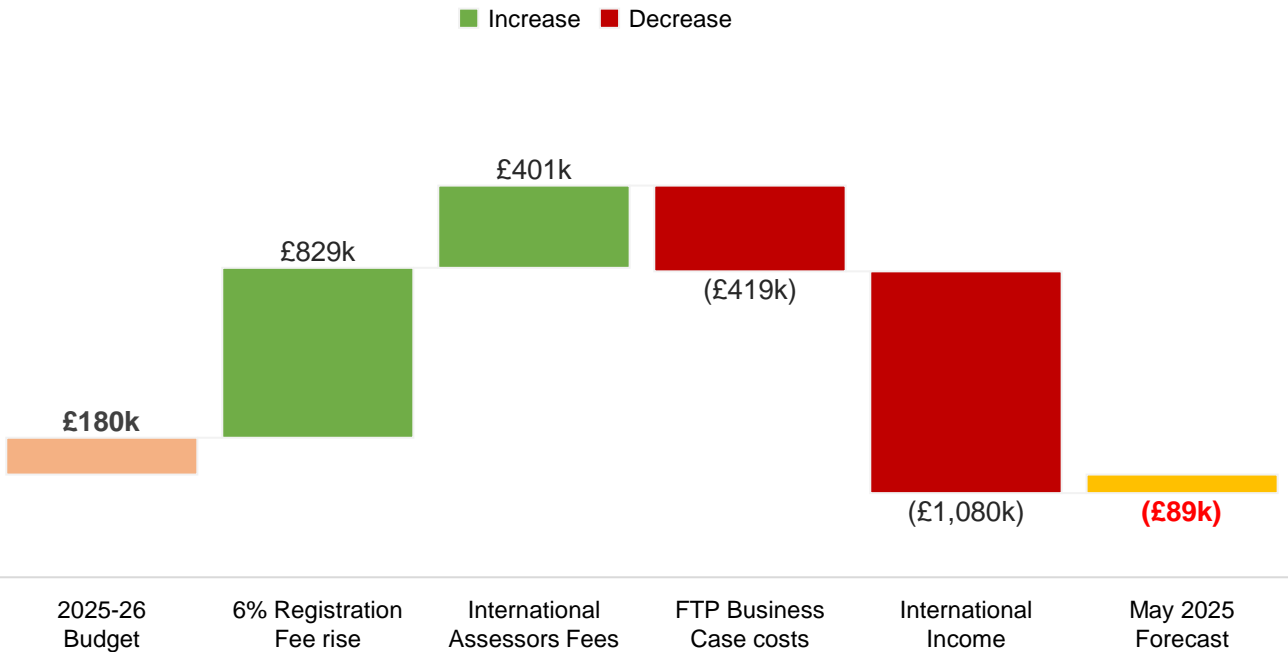
Summary Figures – May 2025 (YTD)

	May 2025 YTD			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Registration Income	6,519	6,518	1	44,561	44,302	(259)
Grant Income	20	20	0	117	117	0
Other Income	171	171	0	838	847	9
Total Income	6,710	6,709	1	45,516	45,266	(250)
Payroll Costs	3,142	3,283	141	20,168	20,543	(375)
Other Staff Costs	183	132	(51)	1,052	775	277
Non-Payroll Costs	3,554	3,590	36	23,360	23,281	79
Total Operating Expenditure	6,879	7,005	126	44,580	44,599	(19)
Exceptional Costs	41	41	0	756	756	0
Total Expenditure	6,920	7,046	126	45,336	45,355	(19)
Total Surplus/(Deficit)	(210)	(337)	127	180	(89)	(269)

‘Other Staff Costs’ includes Temporary Staff, Training, Recruitment Fees and Other Employee Costs e.g. Life Assurance Costs.

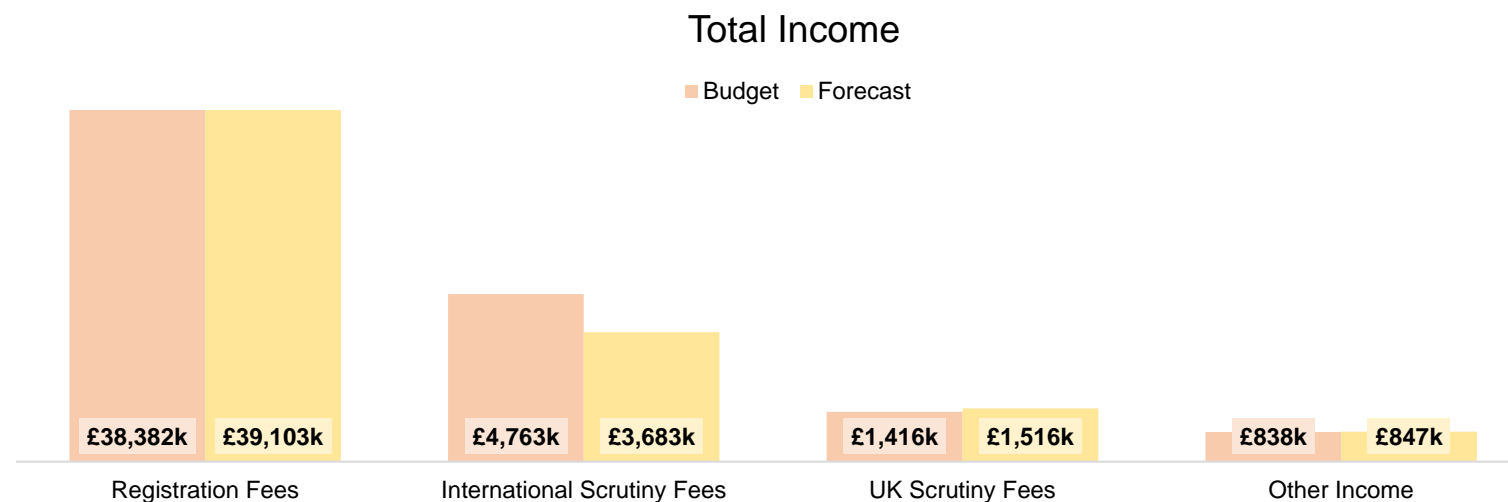
Key Movements (Budget vs May Forecast)

2025-26 Budget vs May 2025 Forecast

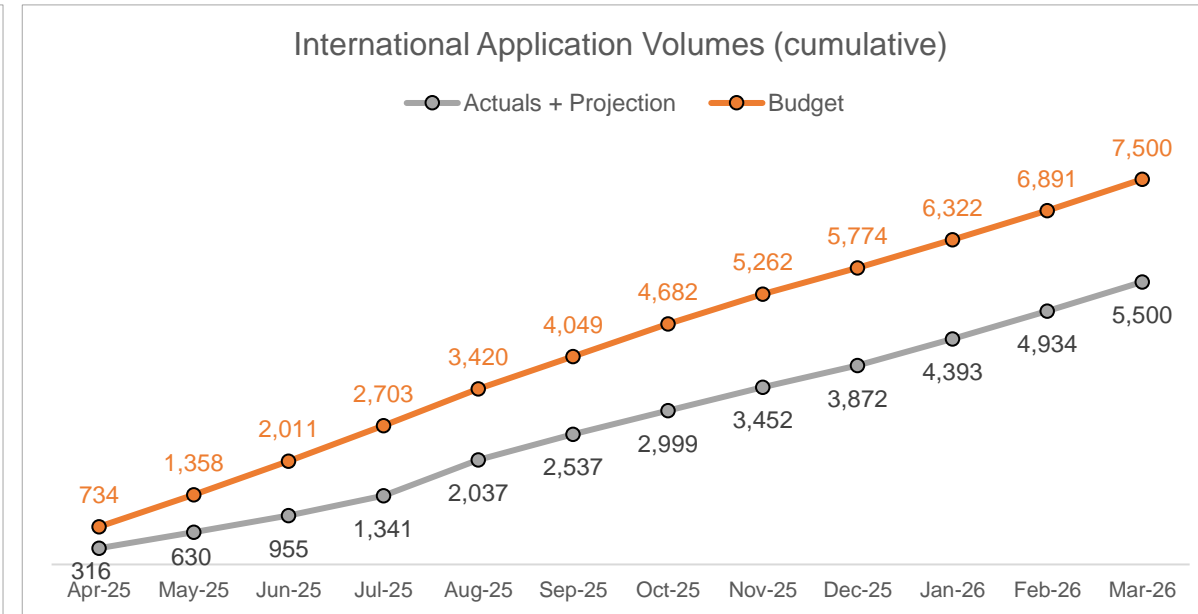


- **Registration Fees:** £829k favourable variance due to the 6% fee rise which came into effect in April 2025.
- **International Assessors Fees:** £401k favourable variance due to a decrease in international application volumes.
- **FTP Business Case:** £419k adverse variance due to the need for additional resources to meet increased operational demands, particularly in improving the timeliness of FTP investigations (subject to Council approval).
- **International Income:** £1.1m adverse variance due to a decrease in the volume of international applications (7,500 budget vs 5,500 forecast).

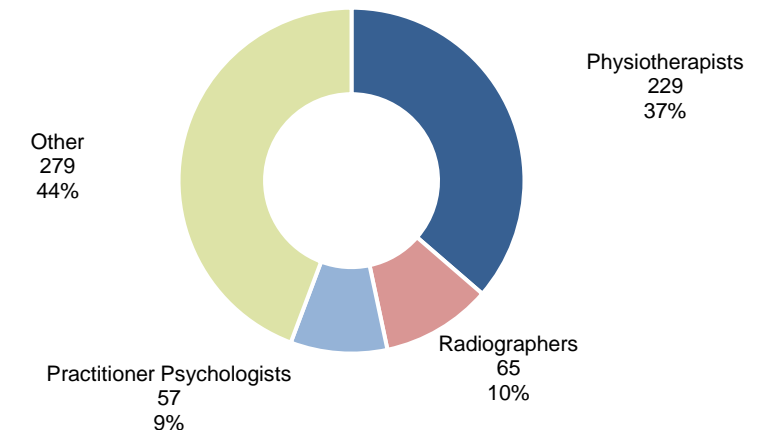
Total Income – Full Year Budget vs Forecast



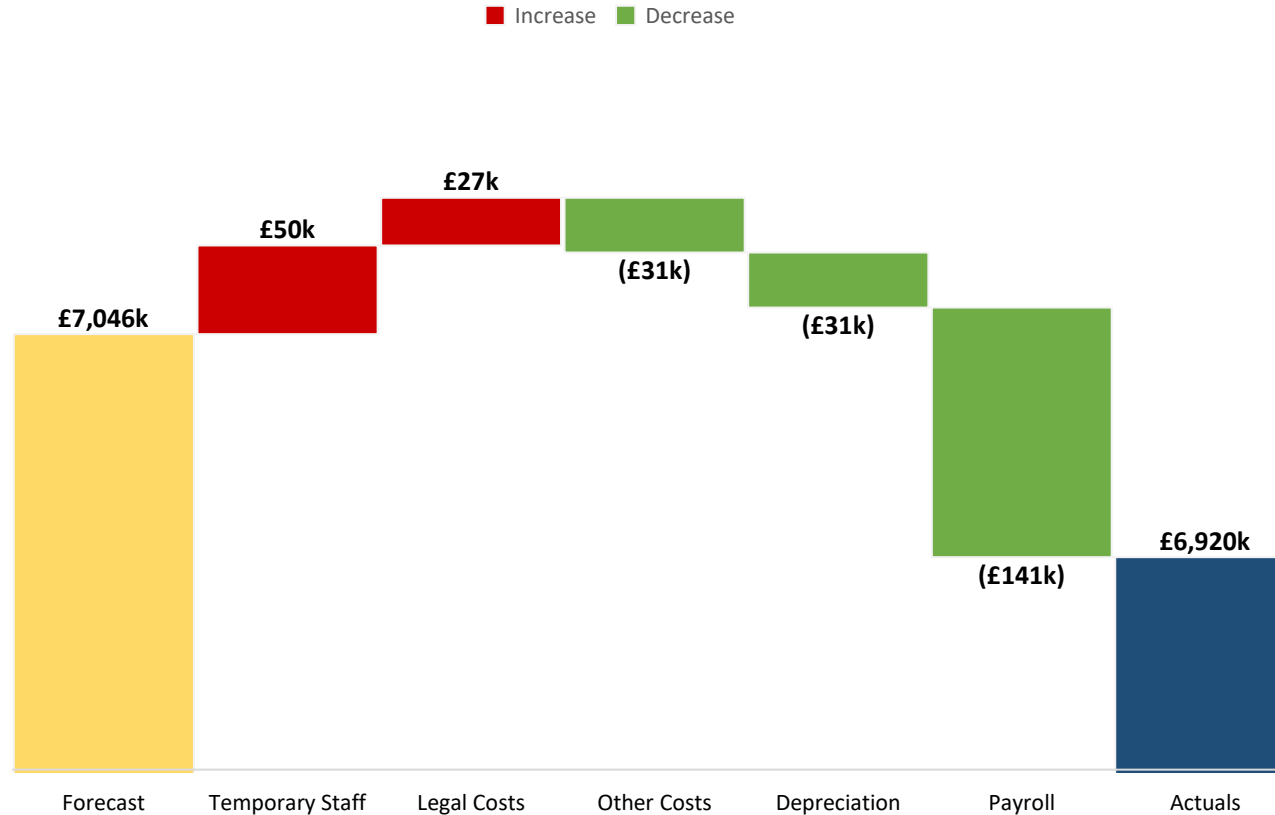
	May 2025 YTD			Full Year		
	Actuals	Forecast	Variance	Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Registration Fees	6,020	6,019	1	38,382	38,103	721
International Scrutiny Fees	402	402	0	4,763	3,683	(1,080)
UK Scrutiny Fees	97	97	0	1,416	1,516	100
Other Income	171	171	0	838	847	9
Grant Income	20	20	0	117	117	0
Total Income	6,710	6,709	1	45,516	45,266	(250)



- Financial vs Operational Reporting:** There will be a slight difference in the reported volumes of international applications, related to recognising applications based on received payments (financial) versus the number of applications processed (operational).



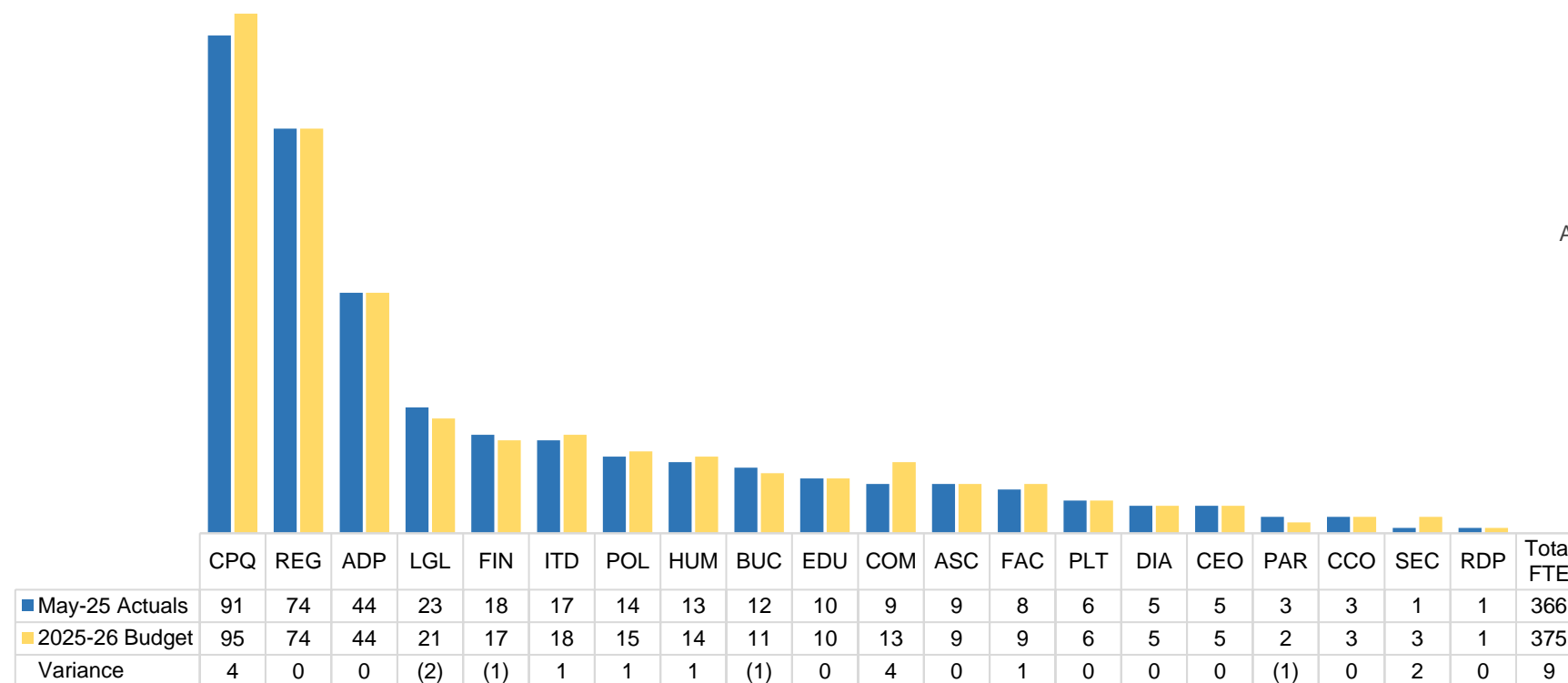
Expenditure – May 2025 (YTD) Actuals vs Forecast (by Category)



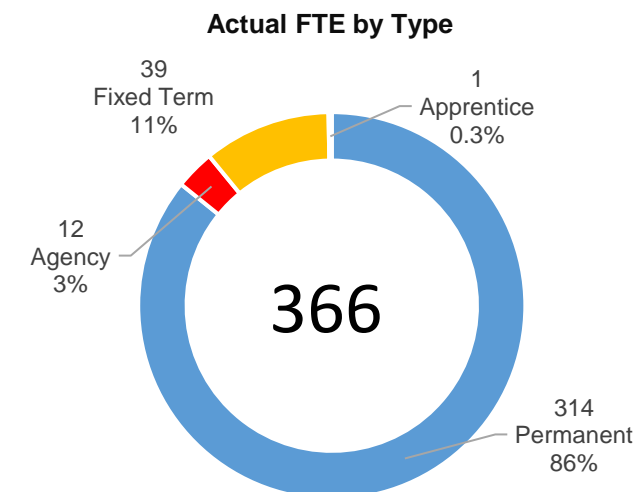
Total forecast expenditure for May 2025 YTD of £7m is **£126k** favourable compared to actual expenditure of £6.9m. This is largely due to:

- **Payroll:** **£141k** favourable mainly due to unfilled vacant posts within Registration and Governance departments.
- **Depreciation Costs:** **£31k** favourable due to timing of capitalised costs.
- **Legal Costs:** **£27k** adverse due to timing of legal cases (based on latest supplier statements).
- **Temporary Staff:** **£50k** as a result of extending temp staff in Registrations (this is offset by the payroll cost underspend) and an additional temporary staff position in IT that was unbudgeted.

Employee FTEs as at 31 May 2025

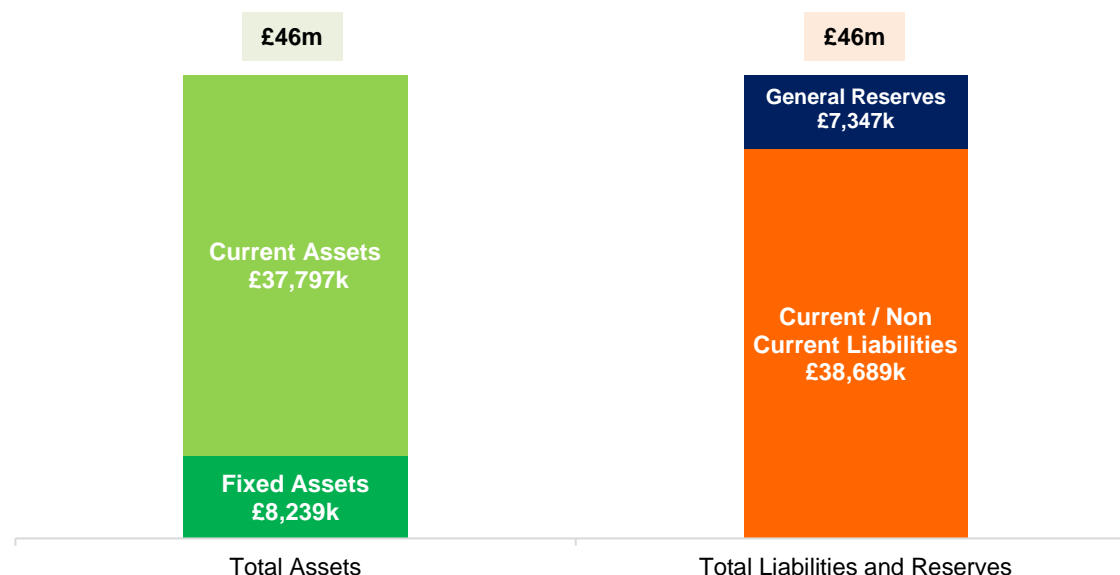


- **Communications:** lower actual FTEs primarily due to unfilled vacant posts which includes graphic designer, digital content designer, internal communications manager and public affairs and stakeholder officer.
- **Case Progression and Quality:** actual FTEs lower than budget mainly due to unfilled case manager vacant posts.
- **Governance:** lower actual FTEs due to unfilled vacant posts for Head of Governance (filled on 2 June 2025) and Governance Officer.



CPQ - Case Progression and Quality
 REG - Registrations
 ADP - Adjudication Performance
 LGL - Legal Services
 FIN - Finance and Commercial
 ITD - IT and Digital Transformation
 POL - Policy and Standards
 HUM - Human Resources
 BUC - Business Change
 EDU - Education
 COM - Communications
 ASC - Assurance and Compliance
 FAC - Facilities Management
 PLT - Professional and Upstream Regulation
 DIA - Data Insight and Analytics
 CEO - Chief Executive and Registrar
 PAR - Partners
 CCO - Chair and Chief Executive Office
 SEC - Governance
 RDP - Regulatory Development and Performance

Balance Sheet and Reserves as at 31 May 2025



- **Current assets:** mainly comprise cash and cash equivalents of around £25m and account receivables of around £13m.
- **Liabilities:** mostly relate to deferred income of around £34m as a result of registrants paying their fees in advance.
- **General reserves (or net assets):** were approximately £7.3m.
- **Positive realisable net assets:** were around £4.6m, calculated by taking our reserves position of approximately £7.3m less our 'intangible assets' of around £2.7m. This represents approximately over one month of total operating expenditure. **Note.** The HCPC's reserves policy requires us to hold positive realisable net assets

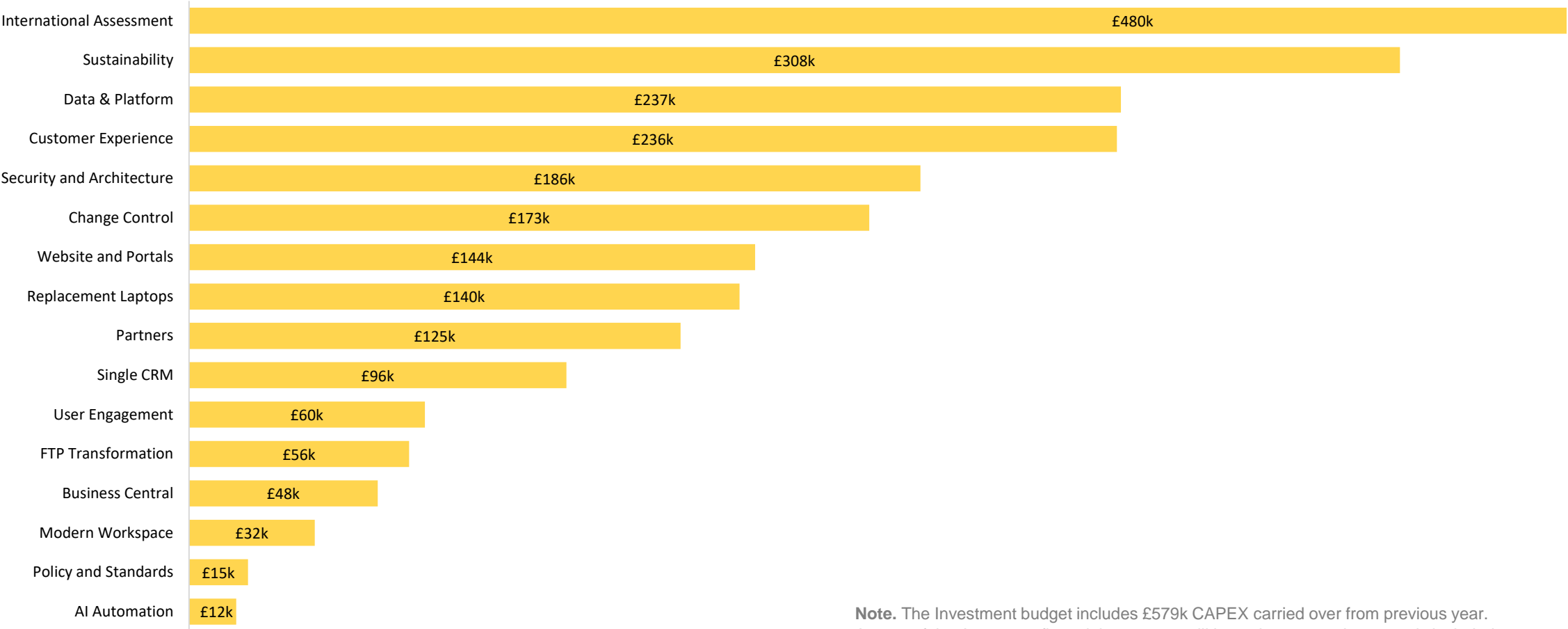
	31 May 2025 Actuals	31 May 2025 Forecast	Variance
	£'000	£'000	£'000
Opening Reserves	5,557	5,557	0
Ring Fenced Reserves	2,000	2,000	0
Surplus/(Deficit)	(210)	(337)	127
GENERAL RESERVES	7,347	7,220	127
Realisable Net Assets	4,647	4,520	127

Operating Reserves (Realisable Net Assets): are essentially the accumulation of surpluses without restrictions that are liquid (as opposed to invested in fixed assets). Having adequate reserves increases our ability to absorb or respond to temporary changes, such as the unanticipated event of significant unforecasted increases in expenditure and/or losses in income.

Investments Portfolio 2025-26

Investments Portfolio 2025-26 (£2.3m)

Budget



Note. The Investment budget includes £579k CAPEX carried over from previous year. As part of the June 2025 financial report, we will have the year to date actuals included.

Risks and Opportunities

Risks

Low	Medium	High
SMS Verification: additional costs as a result of SMS traffic volume (£100k)	Decrease in International Income: further decline in international application volumes may occur if four-month average continues through the year	Major projects Operating Expenses (OPEX): additional OPEX to be incurred from ongoing projects (e.g. test of competence)
	Legacy telephony contract: additional telephony cost due to revised pricing from vendor (£45k)	

Opportunities

Low	Medium	High
Increase in International Income: additional application volumes from August / September	Registration Payroll: opportunity for cost efficiencies related to the direct costs associated with international applications	Depreciation: savings from timing of capitalised costs
Office Cleaning Services: potential savings from review of the scope of office cleaning services	FTP Payroll: potential payroll savings from delay in recruitment for roles across FTP	Additional Rental Income: Rental of office and hearing room space
	Investment Income: additional income from utilising favourable rates by transferring funds to our notice accounts. (£80k)	

Note. Low/Medium/High Risk categories relate to the likelihood of the risk or opportunity materialising.

May 2025 Finance Report

APPENDICES

Appendix 1 – Income and Expenditure (By Department)

	May 2025 YTD			Full Year			Full Year Forecast
	Actuals	Forecast	Variance	Budget	Forecast	Variance	Actuals
	£'000	£'000	£'000	£'000	£'000	£'000	%
Total Income	6,710	6,709	1	45,516	45,266	(250)	15%
Fitness to Practise	3,374	3,496	122	21,737	22,157	(420)	15%
Registrations	718	654	(64)	4,832	4,431	401	16%
IT and Digital Transformation	668	671	3	4,210	4,210	0	16%
Chief Executive and Registrar	316	313	(3)	1,801	1,801	0	18%
Finance and Commercial	257	244	(13)	1,751	1,751	0	15%
Human Resources	208	233	25	1,412	1,412	0	15%
Facilities Management	203	221	18	1,389	1,389	0	15%
Depreciation	157	188	31	1,144	1,144	0	14%
Communications	145	165	20	1,068	1,068	0	14%
Policy and Standards	135	153	18	957	957	0	14%
Business Change	129	130	1	851	851	0	15%
Assurance and Compliance	127	122	(5)	699	699	0	18%
Education	96	100	4	609	609	0	16%
Professional and Upstream Regulation	68	67	(1)	418	418	0	16%
Major Projects	63	0	(63)	230	230	0	27%
Chair, Council and Committees	52	55	3	354	354	0	15%
Data Insight and Analytics	46	59	13	306	306	0	15%
Governance	39	49	10	292	292	0	13%
Partners	35	42	7	259	259	0	14%
Chair and Chief Executive Office	26	26	0	158	158	0	16%
Regulatory Development and Performance	17	17	0	103	103	0	17%
Total Operating Expenditure	6,879	7,005	126	44,580	44,599	(19)	15%
Operating Surplus/(Deficit)	(169)	(296)	127	936	667	(269)	(25%)
Other Exceptional Costs	41	41	0	301	301	0	14%
Contingency	0	0	0	455	455	0	0%
Total Expenditure	6,920	7,046	126	45,336	45,355	(19)	15%
Total Surplus/(Deficit)	(210)	(337)	127	180	(89)	(269)	236%

Note: 'Other Exceptional Costs' include Corporation Tax and Transformation Costs.

Appendix 2 – Income and Expenditure May 2025 YTD (by Category)

	May-25 YTD			Full Year			Full Year Forecast
	Actuals	Forecast	Variance	Budget	Forecast	Variance	% of Actuals
	£'000	£'000	£'000	£'000	£'000	£'000	%
Total Income	6,710	6,709	1	45,516	45,266	(250)	15%
Payroll	3,142	3,283	141	20,168	20,543	(375)	15%
Legal Costs	1,637	1,610	(27)	9,682	9,682	0	17%
Partners	748	738	(10)	5,800	5,399	401	14%
IT Costs	442	425	(17)	2,624	2,632	(8)	17%
Professional Fees	280	300	20	1,670	1,984	(314)	14%
Depreciation	157	188	31	1,144	1,144	0	14%
Office Services	102	101	(1)	649	649	0	16%
Staff Related Costs	100	99	(1)	596	633	(37)	16%
Temporary Staff	83	33	(50)	456	142	314	58%
Property Costs	58	73	15	423	423	0	14%
Utilities	54	52	(2)	341	341	0	16%
Corporation Tax	41	41	0	201	201	0	20%
Communication Costs	30	14	(16)	143	143	0	21%
Other Costs	27	52	25	1,192	1,192	0	2%
Travel & Subsistence	19	37	18	225	225	0	8%
Council Committee	0	0	0	22	22	0	0%
Total Surplus/(Deficit)	(210)	(337)	127	180	(89)	(269)	236%

Note. 'Other Costs' includes Bank Charges and Contingency. 'Staff Related Costs' includes Training, Recruitment Fees and Life Assurance Costs.

Note. YTD costs for Council Committee fees will be reallocated from Payroll cost in the next finance report.

Appendix 3 – Balance Sheet (as at 31 May 2025)

	31 May 2025 Actuals	31 May 2025 Forecast	Variance	31 March 2026 Forecast
	£'000	£'000	£'000	£'000
Property, Plant & Equipment	5,539	5,539	0	6,030
Intangible Assets	2,700	2,700	0	2,994
Total Fixed Assets	8,239	8,239	0	9,023
Current Assets				
Trade and Other Receivables	12,879	12,879	0	18,156
Cash and Cash Equivalents	24,918	24,918	0	32,025
Total Current Assets	37,797	37,797	0	50,181
Total Assets	46,036	46,036	0	59,205
Current Liabilities				
Deferred Income	33,845	33,845	0	45,993
Trade and Other Payables - other liabilities	4,726	4,854	127	5,627
Total Current Liabilities	38,571	38,699	127	51,620
Non Current Liabilities	117	117	0	117
Total Liabilities	38,689	38,816	127	51,737
NET ASSETS	7,347	7,220	127	7,467
Opening Reserves	5,557	5,557	0	5,557
Ring Fenced Reserves	2,000	2,000	0	2,000
Surplus/(Deficit)	(210)	(337)	127	(89)
GENERAL RESERVES	7,347	7,220	127	7,467
Realisable Net Assets	4,647	4,520	127	4,474

Appendix 4 – Key Contracts (as at 31 May 2025)

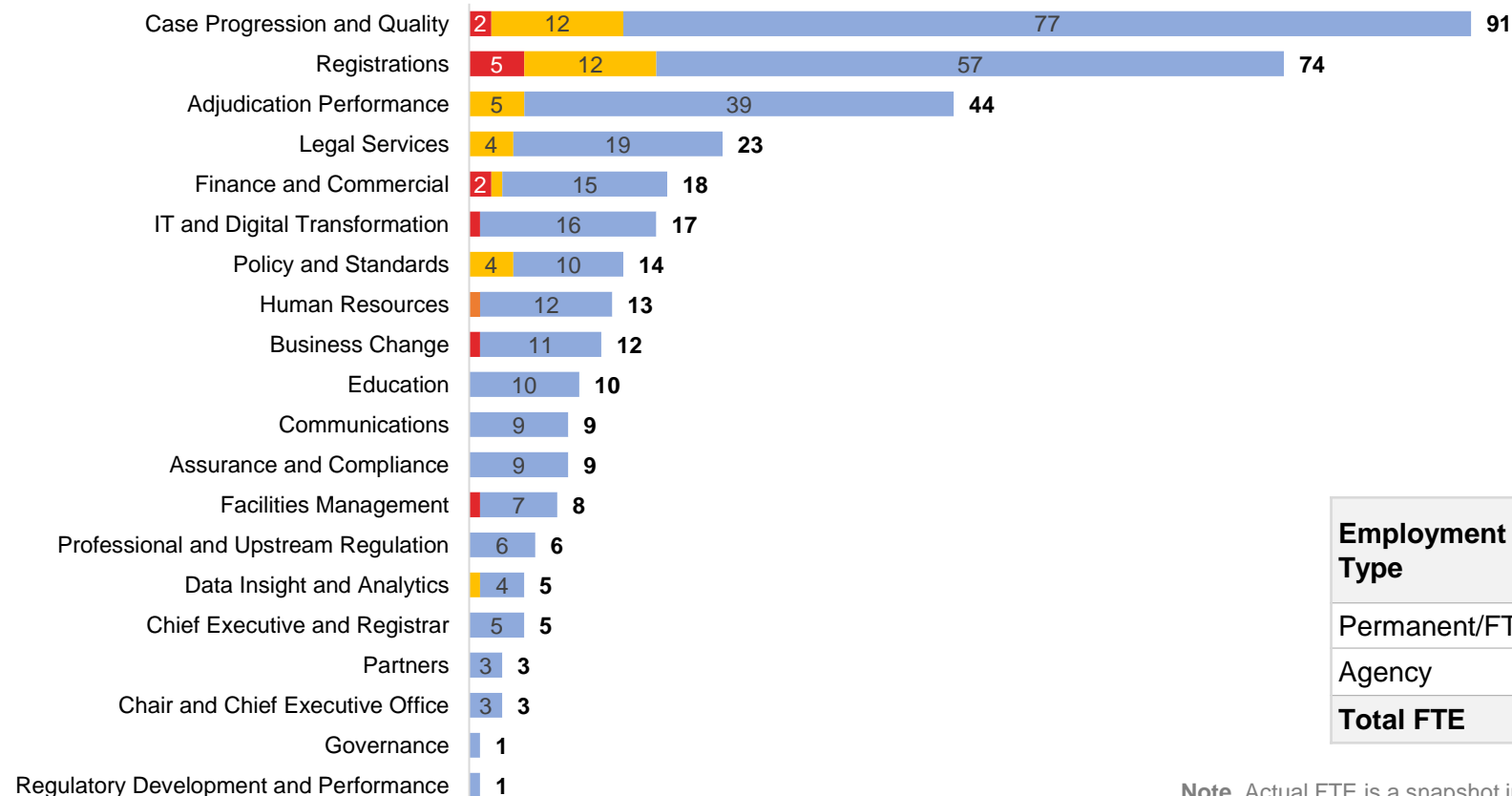
Department	Contract Title	Description of service	Contract Value	Contract Length	Supplier	Procurement Route
Finance	Insurance Agreement	General insurance contract covering property, liability, professional indemnity, travel and engineering	£98,000	12 months	Lockton	Contract Extension
Information Technology	Provision of S4 Object Storage	130TB committed data storage capacity	£75,000	24 months	Exponential-e Ltd	Contract Renewal

Note. This is a list of key contracts above £50k

Appendix 5 – FTEs (as at 31 May 2025)

Actual FTE by Employment Type

■ Agency ■ Apprentice ■ Fixed Term ■ Permanent

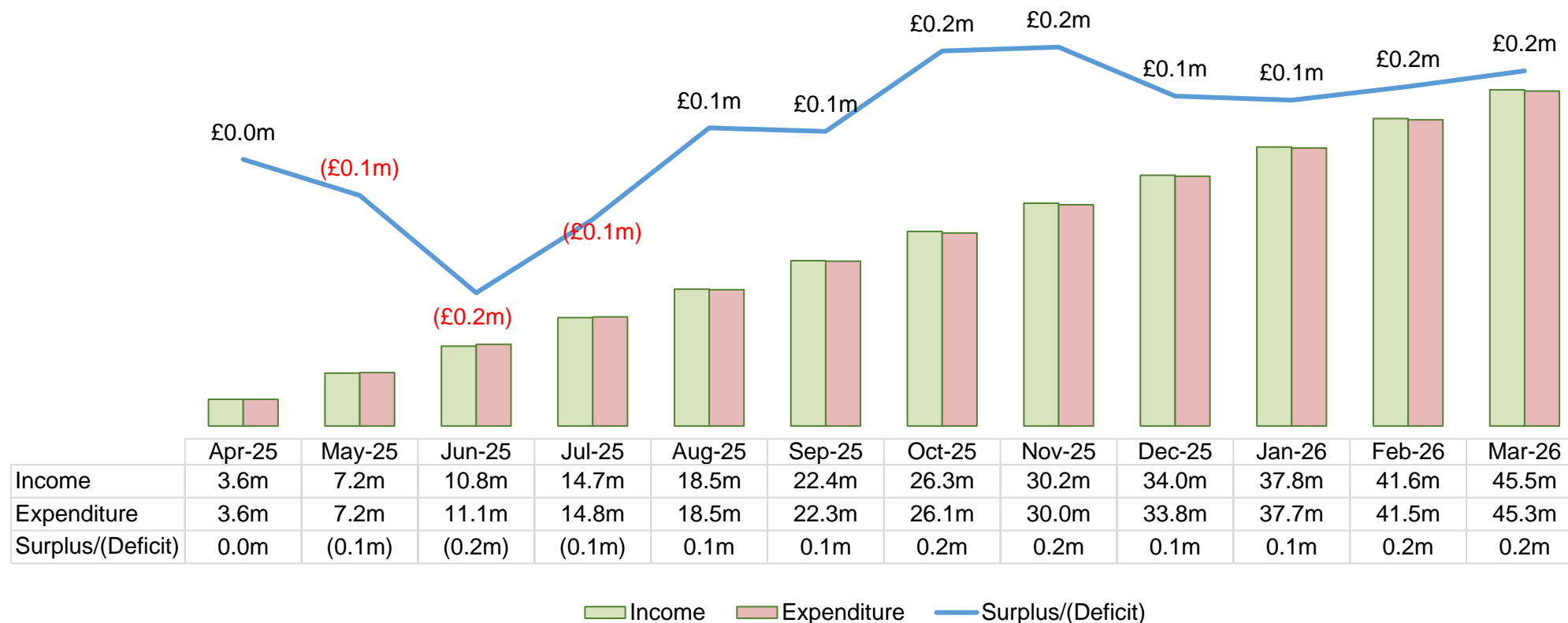


Employment Type	31 May 2025 Actuals	31 May 2025 Forecast	Variance
Permanent/FTC	354	371	17
Agency	12	4	(8)
Total FTE	366	375	9

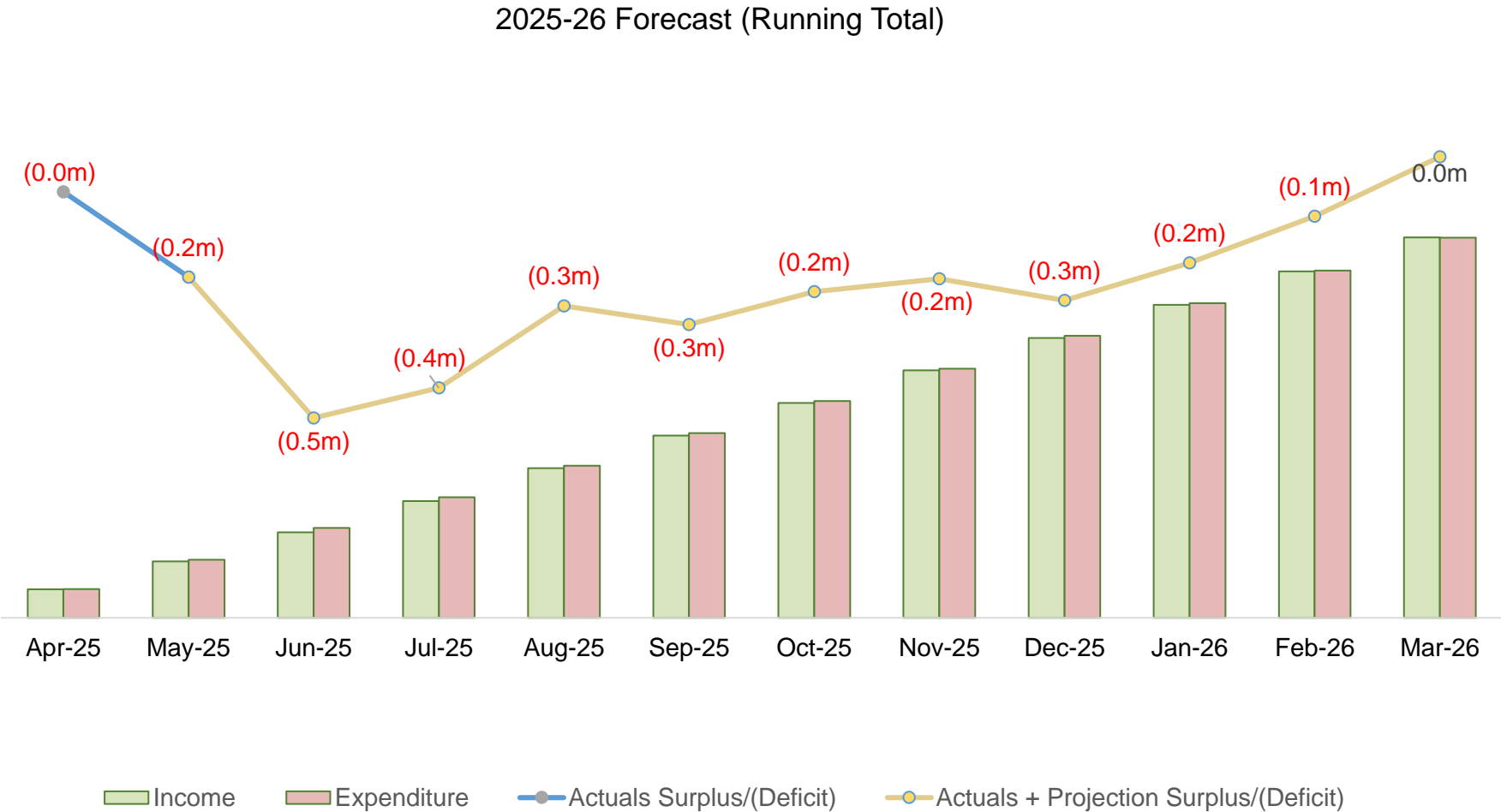
Note. Actual FTE is a snapshot in time, whereas Forecasted FTE is based on an annual view. For example, if an employee was hired on a 6-month contract at the beginning of the financial year, forecasted FTE would be shown as **0.5**, however, Actuals will be shown as **1.0**.

Appendix 6 – 2025–26 Budget Profile

2025-26 Budget (Running Total)



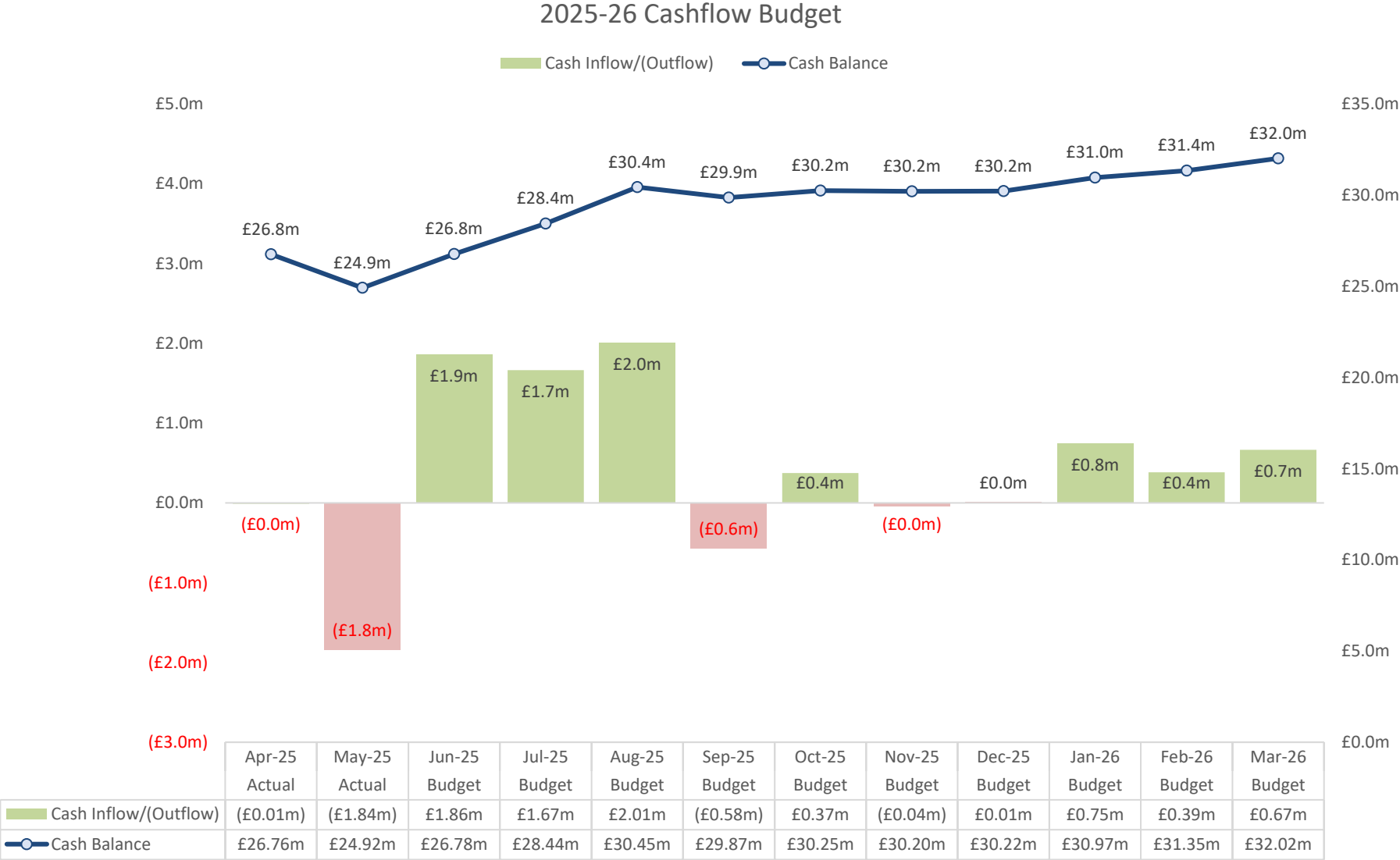
Appendix 7 – 2025-26 Full Year Forecast (By Period)



The above shows a breakeven projection if we take the May 2025 year-to-date position with the forecasts for the rest of the year.

Note. Actual + Projection is based on May 2025 YTD actuals plus forecast

Appendix 8 – Cashflow Budget (as at 31 May 2025)



Council

Meeting Date	17 July 2025
Title	Financial strategy
Author(s)	Alan Keshtmand – Head of Finance, Aihab Al Koubaisi - Financial Controller
Executive Sponsor	Alastair Bridges, Executive Director of Resources
<div>Executive Summary</div> <div>Overview</div> <p>The financial strategy sets out how the HCPC will achieve financial sustainability, deliver value for money, and maintain financial controls. It supports the delivery of the HCPC’s corporate strategy and ensures that financial planning, management and controls are robust and aligned with our regulatory responsibilities.</p> <div>Purpose</div> <p>The purpose of the financial strategy sets out how the HCPC will manage finances to support delivery of the corporate strategy and ensure we remain a financially sustainable, high-performing and innovative regulator. It also defines the framework and principles that underpin financial planning, management and controls over the medium to long term.</p> <div>Key Sections</div> <div>1. Financial sustainability</div> <p>The HCPC’s financial sustainability is underpinned by short and long-term financial planning, scenario modelling, and alignment with strategic priorities.</p> <ul style="list-style-type: none">• Strategic financial planning: Emphasising the importance of maintaining balanced budgets, a rolling five-year financial plan and bi-annual fee reviews.• Budget process: Describes how the HCPC prepares, reviews and agrees its budget in line with its financial regulations to support delivery of a balanced budget.• Management accounts and reporting process: Sets out how financial performance is monitored through monthly management accounts and quarterly reforecasts.	

- Reserves policy: Ensures the maintenance of an appropriate level of reserves to mitigate financial risks with a strategic aim of maintaining positive realisable net assets.
- Investment strategy: Provides guiding principles for ensuring that any investments made by the HCPC are appropriately managed. It specifies that only investments in sterling cash deposits with financial institutions that are appropriately regulated are permitted.
- Pension plan: Recognises the long-term funding position of the defined benefit pension scheme in order to provide financial security for its staff.

2. Value for money

Delivering value for money is a key objective of the strategy, ensuring resources are used efficiently, and investments are targeted and well-governed.

- Strategic investment and business cases: Ensures that business cases are developed for all significant investments and provide a robust rationale for investment decisions.
- Procurement practices: Embeds procurement approaches that comply with public sector procurement standards with the aim to ensure compliance, competition and value for money.
- Efficiency and continuous improvement: Supports continuous improvement and identifies opportunities to reduce cost and improve outcomes.
- Sourcing route and delivery models: Considers the most appropriate sourcing and delivery models by evaluating the technical complexity of the service, market maturity and potential for economies of scale.
- Collaboration and partnerships: Encourages collaboration with other departments and fellow regulators to share knowledge and drive efficiencies.

3. Financial controls

Strong financial controls are essential to managing public funds effectively and ensuring confidence in the HCPC's financial stewardship.

- Governance framework: Sets out the internal governance arrangements for financial decision-making, approvals and accountability.
- Income controls: Ensures robust processes are in place to maintain stable cash flows and reduces financial risk.
- Expenditure controls: Controls are designed to manage risk while also enabling the organisation to deliver its services effectively by following due process and protecting public funds.
- Transparency and integrity: Promotes openness and ethical conduct in financial management and reporting.

4. Additional information contained in the financial strategy

- Fee strategy: moves from infrequent, needs-based increases to scheduled reviews every two years, with regular, incremental changes and public consultation.
- Business cases: transitions from a less formalised investment framework to business cases aligned with HM Treasury's Green Book.
- Procurement regulation: updates from older EU-based rules (2006) to compliance with PCR 2015 and the Procurement Act 2023, reflecting the current UK regulatory framework.

5. Additional sections following the People and Resources Committee (PRC) meeting held on 12 June 2025

- Section 1 – Vision: a new section titled 'Vision' has been added explaining our approach to strategic financial management and the principles of long-term sustainability.
- Under section 4 – Strategic Investments and Business Cases: we have outlined our approach towards benefits realisation of business cases and investment projects.

Conclusion and recommendations

The Council is asked to approve the financial strategy.

Action required	The Council is asked to review this report and approve the financial strategy.
Previous consideration	The financial strategy was approved by the PRC on 12 June 2025 subject to a number of drafting points that have been incorporated in the draft submitted to the Council.
Next steps	Following approval from the Council, the updated financial strategy will be communicated across the organisation and uploaded to the intranet.
Financial and resource implications	Ensuring the financial strategy is adhered to by the organisation, in line with our corporate strategy and adopting the key areas: Financial Sustainability, Value for Money and Financial Controls.
Associated strategic priority/priorities	Build a resilient, healthy, capable and sustainable organisation
Associated strategic risk(s)	5.a The resources we require to achieve our strategy are not in place or are not sustainable

Risk appetite	Financial - measured
Communication and engagement	The finance team was involved in updating the financial strategy.
Equality, diversity and inclusion (EDI) impact and Welsh language standards	The equality impacts were considered when updating the financial strategy.
Other impact assessments	Not applicable
Reason for consideration in the private session of the meeting (if applicable)	Not applicable

FINANCIAL STRATEGY

Status of document:	Draft
Version:	1.0
Approved by:	Council (TBC)
Date of approval:	17 July 2025 (TBC)
Effective from:	17 July 2025 (TBC)
Owners:	Alastair Bridges, Executive Director of Resources Alan Keshtmand, Head of Finance and Commercial
Authors:	Aihab Al Koubaisi, Financial Controller Alan Keshtmand, Head of Finance and Commercial
Next policy review date:	May 2028

1.	Vision.....	3
2.	Executive Summary.....	3
3.	Financial Sustainability	3
3.1.	Strategic Financial Planning.....	3
3.2.	Budget Process.....	4
3.3.	Management Accounts and Reporting Process	4
3.4.	Reserves Policy	5
3.5.	Investment Strategy	5
3.6.	Pension Plan.....	5
4.	Value for Money.....	6
4.1.	Strategic Investments and Business Cases	6
4.2.	Procurement Practices.....	6
4.3.	Efficiency and Continuous Improvement.....	7
4.4.	Sourcing Route and Delivery Models	7
4.5.	Collaboration and Partnerships.....	7
5.	Financial Controls.....	7
5.1.	Governance Framework	7
5.2.	Income Controls.....	8
5.3.	Expenditure Controls	8
5.4.	Transparency and Integrity	8

1. Vision

Our approach to strategic financial management is grounded in the principles of long-term sustainability, value for money and robust financial controls. We aim to ensure the HCPC is financially resilient, able to adapt to future demands and delivers high-quality regulation efficiently. This means aligning financial planning with our Corporate Strategy, supporting the delivery of digital transformation programmes and enabling effective workforce planning through reliable forecasting and resource allocation. By strengthening data-driven decision-making and maintaining sound governance, we will continue to invest in services that protect the public while keeping registrant fees fair and proportionate.

2. Executive Summary

Financial Sustainability

The HCPC's financial strategy aligns with our corporate strategy and is designed to ensure we maintain our financial sustainability over the long-term, in support of delivering our strategic goals centred on patient safety. HCPC benefits from a relatively secure income stream from registrant fees, but is subject to a range of potential financial risks and liabilities that need to be actively managed, including through regular fee reviews.

Value for Money

The HCPC has a duty to use registrants' fees effectively and efficiently. We use our financial resources to fund our core regulatory responsibilities and invest in service improvements. We are committed to transparency in demonstrating how we are delivering value with registrants' and applicants' fees.

Financial Controls

HCPC is committed to maintaining strong financial control, planning and reporting. This includes maintaining financial projections as guardrails for our corporate strategy, to ensure affordability and value over the long term; annual budgeting; regular reforecasting and variance analysis; and active management of financial risks and opportunities. These processes help ensure that operational performance is regularly compared against expectations, enabling prompt and informed financial decision-making. The approach is based on close collaboration between budget holders and the finance function, with strong governance to maintain oversight and accountability.

3. Financial Sustainability

3.1. Strategic Financial Planning

The HCPC adheres to a number of core budgeting principles to ensure financial sustainability. One of the key rules is that recurrent core expenditure must not

exceed recurrent income. This is designed to protect the organisation's financial health by ensuring that regular operational costs can be covered without relying on reserves or non-recurrent income. Additionally, the total budget, which includes both core and project expenditure, must balance to avoid deficits and maintain fiscal discipline. A rolling five-year financial plan is maintained and updated annually. This forward-looking approach ensures that strategic decisions are made with a clear understanding of their financial implications over the medium to long-term and aligns resources with corporate strategy.

The HCPC's fee setting is governed by legislation and any change to the level of registrant fees must go through a public consultation¹ and be approved by the Privy Council. The HCPC plans to review registrant and applicant fees every two years. This approach allows for regular, incremental adjustments that take account of affordability for registrants while maintaining our ability to deliver our statutory functions effectively.

3.2. Budget Process

The budget process is detailed in our Financial Regulations². The budget process involves multi-year planning with a strong emphasis on the first year, aligning closely with the annual business planning and budgeting cycle. Annual budgets outline total income, operational and capital expenditures, departmental allocations, the annual registration fee, and their impact on reserves. Once approved, budget holders are responsible for managing their allocated funds effectively, operating within a tolerance of plus or minus 5%. However, exceptions apply to demand-led regulatory functions, such as Fitness to Practise hearing costs, which may exceed budget constraints when necessary to fulfil regulatory responsibilities.

Budgets are generally fixed, but any necessary revisions are addressed through forecasting rather than altering the original budget. The Executive Leadership Team (ELT) has the authority to reallocate funds between budget lines, but any changes that exceed the total approved budget or involve core business or capital expenditures require Council approval. If a budget holder anticipates overspending, they must seek approval from the ELT. Upon approval, the revised amounts are reflected in updated forecasts, ensuring transparency and oversight throughout the budget cycle.

3.3. Management Accounts and Reporting Process

Monthly management accounts are prepared across all activities, comparing actual costs to budgets and forecasts by department and spend category, with forecasts updated monthly for major changes and detailed reforecasts conducted quarterly. Summarised accounts, including explanations for significant variances, are

¹ Consultation on HCPC Fees: [consultation-on-hcpc-fees-2024---consultation-document.pdf](#)

² Financial Regulations Policy: [Financial Regulations - Policy.docx](#)

presented to the People and Resources Committee and the Council, which may request further reports. Budget holders are responsible for reviewing these accounts, understanding the reasons behind variances, and explaining them when required. They must also manage financial risks in line with the Council's risk management policy and framework.

3.4. Reserves Policy

The HCPC maintains a reserves policy³ that underpins its commitment to financial sustainability and demonstrates good financial stewardship. The policy is based on realisable net assets, which excludes intangible assets. This ensures that the reserves figure reflects the actual resources available to the organisation should they be required.

The strategic aim of the policy is to maintain positive realisable net assets, with an aspiration to build and maintain free reserves at a level equivalent to three months' of operating expenditure. Reserves help to smooth the impact of one-off costs, manage financial shocks and provide flexibility to respond to opportunities or risks. Reserves are not intended to be used to fund routine operations or to fund structural deficits. This approach is consistent with HM Treasury guidance and supports the HCPC's long-term resilience and public accountability.

3.5. Investment Strategy

The HCPC's investment policy⁴ is designed to be prudent and aligned with its low appetite for financial risk. As such, investment activity is restricted to sterling bank deposits with financial institutions that are appropriately regulated. No more than 67% of total cash may be held with a single bank, reducing counterparty risk⁵ and ensuring diversification.

The organisation aims to achieve a positive real return over the medium term, meaning that the value of its investments should grow at a rate higher than inflation. This helps to preserve the value of the organisation's funds in real terms and contributes to long-term financial stability, even within the constraints of a low-risk investment environment.

3.6. Pension Plan

The HCPC provides a defined contribution pension scheme for its employees. Contributions are made by both the employer and employees and the scheme is

³ Reserves Policy: <https://www.hcpc-uk.org/globalassets/meetings-attachments3/council-meeting/2024/2-march/item-05-reserves-policy.pdf>

⁴ Investment Policy: https://hcpcuk.sharepoint.com/:w:/r/sites/Documents/_layouts/15/Doc.aspx?sourcedoc=%7BE7D25751-1745-4F2A-A68B-424011B85237%7D&file=HCPC%20-%20Investment%20Policy.docx&action=default&mobileredirect=true&DefaultItemOpen=1&wdLOR=c92DF7E7B-3BE7-4B6E-926F-F54F8FCB5421

⁵ In the context of the HCPC, counterparty risk often refers to the risk that a bank or financial institution where money is invested could fail and the HCPC might lose some or all of its money.

designed to provide long-term financial security for staff. In addition to pension savings, the plan includes life insurance and disability benefits, as well as provisions for early retirement in certain circumstances.

The scheme is overseen by our pension provider's client relationship management team alongside our independent specialist pension consultancy company⁶ and is subject to regular audits to ensure that it complies with relevant legislation and regulatory standards. This governance structure helps to ensure transparency, accountability and the delivery of benefits in line with expectations.

4. Value for Money

4.1. Strategic Investments and Business Cases

Major projects and strategic investments are supported by business cases that are proportionate to the scale and scope of the expenditure. These business cases follow the principles of HM Treasury's Green Book⁷ and provide a robust rationale for investment decisions. Even in cases where the primary benefit of a project is not financial, for example, where the goal is to improve regulatory effectiveness or public protection, the business case must still demonstrate comparative value. This ensures that all resources are used efficiently and that opportunities to deliver better outcomes are pursued in a structured, evidence-based way.

Our approach to benefits realisation of investment and business cases involves tracking both financial and non-financial benefits linked to project outcomes, with ongoing updates from benefits owners and deviations managed through exception processes. Benefits are centrally recorded, monitored via a benefits dashboard with RAG status and type categorisations, and reported monthly, with escalation of material issues to senior leadership. Investment and business cases are reviewed on a quarterly basis.

4.2. Procurement Practices

The HCPC's procurement policies⁸ are aligned with both the Public Contracts Regulations⁹ (contracts signed prior 24 February 2025) and The Procurement Act 2023¹⁰, with the aim to ensure compliance, competition and value for money. All purchases exceeding £10,000 are subject to competition, while contracts over £100,000 must be tendered in line with public procurement rules.

⁶ Our current pension provider is Aviva and our pension consultants are Barnett Waddingham

⁷ HM Treasury's Green Book: <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020>

⁸ HCPC Procurement Policy: <https://hpcuk.sharepoint.com/sites/Documents/Documenthub/Forms/AllItems.aspx?id=%2Fsites%2FDocuments%2FDocumenthub%2FFinance%2FProcurement%20Policy%2Epdf&parent=%2Fsites%2FDocuments%2FDocumenthub%2FFinance>

⁹ Public Contracts Regulations 2015: <https://www.gov.uk/guidance/public-sector-procurement-policy#public-contracts-regulations-2015>

¹⁰ The Procurement Act 2023: <https://www.gov.uk/government/collections/procurement-act-2023-guidance-documents>

Procurement decisions are not based solely on cost; they also consider whether the goods or services meet the organisation's needs, whether suppliers act ethically and whether staff are treated fairly. This approach reflects the HCPC's values and its commitment to social responsibility in the use of public funds.

4.3. Efficiency and Continuous Improvement

Efficiency is embedded into the HCPC's planning, budgeting and reporting processes. The organisation regularly reviews its operations to identify opportunities to reduce costs or improve outcomes. These measures may include cost-cutting initiatives, process improvements or adjustments to the scope or scale of services provided. The goal is to maximise the impact of available resources and ensure that every pound spent contributes meaningfully to our statutory objectives.

4.4. Sourcing Route and Delivery Models

The HCPC assesses its delivery models to ensure that they remain fit for purpose. When considering the most appropriate sourcing route, the organisation evaluates a number of factors, including the technical complexity of the service, market maturity, potential for economies of scale, variability of demand and the need for independence or sensitivity in delivery. Each sourcing route decision is subject to ongoing review to ensure that it continues to deliver value and meets the needs of the HCPC and its stakeholders.

4.5. Collaboration and Partnerships

Internally, the Finance and Commercial department works closely with budget holders to ensure that financial decisions are informed by operational knowledge and aligned with strategic goals. This collaborative approach is based on mutual trust, professional integrity and a shared commitment to public protection.

Externally, the HCPC engages in long-term partnerships with suppliers and collaborates with other public bodies where appropriate. This may include joint procurement exercises, shared services or collective approaches to supplier engagement. These collaborations help to reduce costs, improve service quality and promote best practice across the sector.

5. Financial Controls

5.1. Governance Framework

Financial governance at the HCPC is underpinned by a clear framework of roles and responsibilities. The Council and its subcommittees are responsible for approving the corporate and financial strategies, approving annual budgets, overseeing the internal control framework and signing off the annual report and accounts.

The Chief Executive, who also serves as the Registrar, is the organisation's Accounting Officer and is accountable to Parliament through the Privy Council. This status reflects the HCPC's position as a public body and ensures a high standard of financial oversight and accountability. The HCPC is also subject to oversight from the Department of Health and Social Care (DHSC) and should be mindful of the principles set out in HM Treasury's 'Managing Public Money'¹¹ guidance.

5.2. Income Controls

The HCPC's income control framework is designed to provide stability and predictability. The organisation operates a prepaid registration model, which means that registrants pay fees in advance. This ensures a stable cash flow and reduces financial risk. At the same time, the HCPC recognises the importance of supporting registrants who are experiencing financial difficulty. Flexible payment arrangements and other forms of support are available to those in need, helping to maintain access to the register and uphold professional standards.

5.3. Expenditure Controls

Expenditure controls at the HCPC are based on a proportionate and risk-based approach. Controls are designed to manage risk while also enabling the organisation to deliver its services effectively. The aim is to strike the right balance between control and agility, ensuring that staff have the authority they need to act while also protecting public funds. Overly burdensome controls can damage morale and hinder performance, so the HCPC seeks to create a framework that supports both accountability and innovation.

5.4. Transparency and Integrity

The HCPC is committed to transparency and integrity in all aspects of its financial management. It is also firmly committed to ethical conduct in preventing bribery, corruption, fraud and related misconduct, as laid out in our Anti-Bribery and Fraud Policy.¹² Key information, including expenditure data, executive remuneration, financial reports and performance against key performance indicators (KPIs), is published regularly. The organisation's financial conduct is guided by the Nolan principles of public life¹³ and the HCPC's own Code of Conduct¹⁴. These standards promote honesty, openness and accountability, helping to build public trust and confidence in the HCPC's financial stewardship.

¹¹ HM Treasury's Managing Public Money: <https://www.gov.uk/government/publications/managing-public-money>

¹² Anti-Bribery and Fraud Policy: [15.-anti-bribery-and-fraud-policy-13-march-2024.pdf](https://www.hcpc-uk.org/globalassets/about-us/who-we-are/council-and-committees/council/code-of-conduct-for-council-members.pdf)

¹³ Nolan principles of public life: <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

¹⁴ HCPC Code of Conduct: <https://www.hcpc-uk.org/globalassets/about-us/who-we-are/council-and-committees/council/code-of-conduct-for-council-members.pdf>

Council

Meeting Date	17 July 2025
Title	Procurement policy
Author(s)	Alan Keshtmand, Head of Finance Ife Ojo, Commercial Business Partnering Manager
Executive Sponsor	Alastair Bridges, Executive Director of Resources
<div>Executive Summary</div> <div>Overview</div> <p>The new procurement policy outlines the principles and procedures to follow under the Procurement Act 2023, which came into effect in February 2025. It governs all procurement activities undertaken from this date onwards. Contracts signed before February 2025 will still follow the Public Contracts Regulations (PCR) 2015.</p> <div>Purpose</div> <p>The procurement policy sets out the principles and procedures for acquiring goods and services in a fair and value-driven manner by incorporating the requirements of the Procurement Act 2023, ensuring that all new procurements comply with updated legal and regulatory standards.</p> <p>The policy aims to:</p> <ul style="list-style-type: none">• promote open and effective competition;• ensure value for money and responsible public spending;• strengthen transparency and accountability in procurement processes; and• align with strategic goals, including sustainability and social value. <div>Key Sections</div> <div>1. Structural Changes</div> <p>The updated procurement policy is now a standalone document, separating high-level procurement principles and governance from operational procedures. This replaces the previous approach where the policy and manual were combined, which led to complexity and overlapping information. The new structure promotes clarity, with a focus on delivering value for money, meeting legal requirements and defining roles, responsibilities and ethical conduct in procurement.</p>	

2. Content Focus

While the former policy contained both rules and procedural detail, the revised policy concentrates on governance, legal compliance and high-level responsibilities. This includes areas such as data protection, cyber security and ethical procurement. Detailed processes and step-by-step guidance have been intentionally excluded and will be provided in a separate Procurement Manual, scheduled for development in Q2 2025-26.

3. Benchmarking

The policy has been benchmarked against other UK health and care regulators, including the Nursing and Midwifery Council (NMC), General Pharmaceutical Council (GPhC), General Medical Council (GMC) and General Dental Council (GDC), to ensure it reflects current best practices within the sector.

4. Procurement Thresholds

The new policy introduces more proportionate procurement thresholds, enabling greater focus on high-value contracts. Previously, a formal tender was required for contracts over £25,000. Under the updated policy, this threshold has been raised to £100,000, allowing more flexibility for lower-value procurements while concentrating resources on larger, strategically significant contracts.

5. Key Differences: PCR 2015 vs The Procurement Act 2023

Area	Public Contracts Regulations 2015	Procurement Act 2023	Relevance to the HCPC
Focus	EU-aligned compliance model	UK-specific, outcomes-based framework	Enables tailoring procurement for value, not just compliance
Procedural complexity	Highly prescriptive, complex procedures	Simplified, streamlined processes	Reduces administrative burden
Transparency and reporting	Rigid publication and procedural requirements	Greater use of a single digital platform for transparency	Easier reporting and contract visibility
Award criteria	Focused on Most Economically Advantageous Tender (MEAT)	Emphasises public benefit, value for money and innovation	Supports ethical and value-led procurement goals
Exemptions and flexibility	Limited flexibility and broad use of exemptions	More targeted exemptions and increased flexibility	Better accommodates niche or specialist procurements

6. Updates following the Audit and Risk Assurance Committee (ARAC) meeting on 11 June 2025 People and Resources Committee (PRC) meeting on 12 June 2025

In response to feedback from the ARAC, the following change was made to the updated policy:

- Paragraph 6.13 amended to clarify that direct awards are reported to the ARAC.

In response to feedback from the PRC, the following change was made to the updated policy:

- Paragraph 8.2 amended to avoid any inference that environmental sustainability would take precedent over quality and delivery.

Conclusion and recommendations

The Council is asked to approve the updated procurement policy.

Action required	The Council is asked to approve the updated procurement policy.
Previous consideration	The last procurement policy was reviewed by the Council in September 2021. The updated policy was reviewed at the Audit and Risk Assurance Committee meeting on 11 June 2025 and at the People Resource Committee meeting on 12 June. Both Committees recommended the policy to the Council for approval subject to minor amendments to paragraphs 6.13 and 8.2, which have been incorporated into this version.
Next steps	Following Council approval, the updated procurement policy will be implemented across the organisation.
Financial and resource implications	Ensuring the procurement policy is adhered to by the organisation and external stakeholders.
Associated strategic priority/priorities	Build a resilient, healthy, capable and sustainable organisation
Associated strategic risk(s)	5.a The resources we require to achieve our strategy are not in place or are not sustainable
Risk appetite	Financial - measured
Communication and engagement	The Heads of IT and Facilities Management were involved in providing input to the procurement policy.
Equality, diversity and inclusion (EDI) impact and Welsh language standards	The equality impacts were considered when updating the procurement policy.
Other impact assessments	Not applicable
Reason for consideration in the private session of the meeting (if applicable)	Not applicable

PROCUREMENT POLICY

Summary	Policy on how we procure contracts with suppliers for goods and services. Provides overview of key roles and responsibilities.
Approval	3 June 2025 – Executive Leadership Team
Policy owners	Head of Finance & Commercial Commercial Business Partnering Manager
Review date	17 July 2025

Version Control

Version	Date	Approval
HCPC Procurement Policy v1	3 June 2025	Executive Leadership Team
HCPC Procurement Policy v1	11 June 2025	Audit and Risk Assurance Committee
HCPC Procurement Policy v1	12 June 2025	People and Resources Committee
HCPC Procurement Policy v2	17 July 2025	Council

1.	Policy overview	3
2.	Value for money	4
3.	Legal and regulatory framework for public procurement.....	4
4.	Roles, responsibilities and ethical conduct in procurement	5
	Budget holders	5
	Procurement team	5
	Tender panel members.....	6
	Commercial business partnering manager	6
5.	Procurement thresholds and routes to market.....	7
	Contract value less than £10,000	7
	Contract value between £10,001 and £30,000	8
	Contract value between £30,001 and £100,000	8
	Contract value between £100,001 and £214,904	9
	Contract value greater than £214,904	9
6.	Procurement planning, frameworks and alternative approaches	10
	Contract planning and budgeting.....	10
	Determining aggregate contract value.....	10
	In-house vs outsourcing decisions	11
	Framework agreements and dynamic purchasing systems (DPS)	11
	Alternative procurement approaches.....	11
	Contracts and legal considerations	12
	Contract Management.....	12
7.	Vendor records and procurement ethics	13
8.	Commitment to sustainable procurement	14
9.	Data protection and information security	15
10.	Compliance and exceptions.....	16
11.	Support and raising concerns	17
12.	Appendices.....	18
	Appendix 1 – Procurement thresholds	19
	Appendix 2 – Procurement-exempt contracts.....	20
	Appendix 3 – Data protection and security in procurement	21
	Appendix 4 – Key Differences: PCR 2015 vs The Procurement Act 2023.....	22

1. Policy overview

- 1.1.** Procurement at the HCPC is a statutory requirement because, as a public and contracting authority, the overriding requirement is the need for us to demonstrate that any supplies and services purchased, represent value for money. The policy applies to all HCPC employees, committee members and also any contractors or consultants who may be involved in procurement on our behalf.
- 1.2.** The policy sets out our approach to the procurement of goods and services, which will be reviewed every three years or sooner, if significant changes in procurement regulations or organisational priorities occur. The policy covers expenditure on all types of goods and services delivered by external suppliers and details the following:
 - Roles and responsibilities of budget holders, the procurement team, tender panel members and others involved in procurement campaigns.
 - Procurement routes and the threshold values where different requirements would apply. The thresholds are intended to ensure that our procurement approaches are both compliant and proportionate.
 - Our position on matters such as collaboration and direct award tenders.
- 1.3.** HCPC employees are supported in applying the policy with guidance material published on the HCPC intranet. The procurement policy should be read alongside the financial regulations.
- 1.4.** The HCPC adopts the following principles outlined in the Procurement Act 2023:
 - Delivering value for money: ensure the best combination of cost, quality and sustainability.
 - Maximising public benefits: consider the wider social, economic and environmental impact.
 - Transparency: sharing information for the purpose of allowing suppliers and others to understand the HCPC's procurement policies and decisions. Publish procurement data and award decisions openly where required.
 - Acting and being seen to act, with integrity: Conduct procurement ethically and prevent conflicts of interest.
 - Fair treatment of suppliers: all suppliers should be treated equally and without discrimination. Procurement procedures must ensure that all bidders have fair access and that decisions are based on merit.
 - Non-discrimination: contracting authorities must not discriminate against suppliers based on their location (within the UK or from countries with which the UK has trade agreements).

2. Value for money

- 2.1.** In line with our financial strategy and financial regulations¹, the primary objective of our procurement function is to achieve value for money. Value for money is defined as the optimum combination of whole-life cost and quality (fitness for purpose) to meet the user's requirements. In procurement terms, this means getting our specifications right, finding the right market and choosing the supplier that achieves the best combination of quality, cost and sustainability over the lifecycle of the goods or services.
- 2.2.** We are a public body, funded by registrant fees paid by our health and care professionals, which makes it essential for us to achieve value for money. We spend approximately 56% of our income per year (£23 million) with our suppliers, on a wide range of goods and services.

3. Legal and regulatory framework for public procurement

- 3.1.** The primary legislation governing public procurement in the UK is the Procurement Act 2023², which came into effect on 24 February 2025. This would relate to any procurements officially commenced on or after 24 February 2025. Procurements prior to 24 February 2025 will be covered under the Public Contracts Regulations 2015³ (includes contract amendments and reporting).
- 3.2.** As of the 24 February 2025, when undertaking a procurement, the HCPC is obliged to consider and have regard to the National Procurement Policy Statement (NPPS)⁴.
- 3.3.** A procurement is officially commenced when a tender notice has been published or an invitation to tender has been issued to bidders or a contract awarded.
- 3.4.** As we are a public sector organisation, we must comply with all legal requirements covering public sector procurement including, but not limited to:
- bribery and corruption⁵
 - data protection⁶
 - freedom of information⁷
 - equality and diversity⁸
 - modern slavery⁹
 - environmental sustainability¹⁰
- 3.5.** Public procurement law is evolving and this policy will be updated as needed to reflect changes under the Procurement Act 2023. The HCPC must comply with all

¹ [HCPC Financial Regulations](#)

² [The Procurement Act 2023](#)

³ [Public Contracts Regulations 2015](#)

⁴ [National Procurement Policy Statement](#)

⁵ [The Bribery Act 2010](#)

⁶ [The Data Protection Act 2018 \(including General Data Protection Regulation\)](#)

⁷ [The Freedom of Information Act 2000](#)

⁸ [The Equality Act 2010](#)

⁹ [The Modern Slavery Act 2015](#)

¹⁰ [The Environment Act 2015](#)

current and future procurement regulations, ensuring fair, transparent and non-discriminatory practices in line with legal and ethical standards.

4. Roles, responsibilities and ethical conduct in procurement

- 4.1.** All individuals involved in procurement must follow this policy and act with integrity. Anti-bribery and conflict-of-interest declarations are mandatory before engaging in any procurement activity. Internal controls, such as checks for duplicate bank accounts, are in place to reduce fraud risk. Confidentiality must be maintained and no unauthorised commitments made. Breaches of this policy may be treated as misconduct or gross misconduct. Anyone unsure about applying the policy should consult the procurement team.
- 4.2.** Procurement thresholds are detailed in Appendix 1.

Budget holders

- 4.3.** Budget holders must ensure they are familiar with this policy and the related procedures. Where procurement responsibilities are delegated to team members or others, budget holders remain accountable for ensuring those individuals also understand and adhere to the policy and processes.
- 4.4.** They are responsible for planning the procurement of both new and existing services, including defining service specifications and deciding whether delivery should be in-house or outsourced. This planning should be aligned with the HCPC's procure-to-pay process and financial regulations, including approved spending thresholds.
- 4.5.** Procurement activities such as setting up new suppliers, raising requisitions and managing contracts must ensure that suppliers deliver in accordance with agreed terms. Where procurement involves collaboration with another public body or the use of a direct award, budget holders must consult the procurement team and obtain approval from the Commercial Business Partnering Manager.

Procurement team

- 4.6.** The Procurement team provide strategic oversight and governance to ensure all purchasing activities across the organisation are compliant and aligned with HCPC's objectives. This includes developing procurement policies, supporting budget holders and maintaining a structured framework for informed decision-making.
- 4.7.** Procurement is responsible for ensuring regulatory compliance, managing strategic supplier relationships and providing guidance and training to staff involved in procurement. The team also monitors and audits procurement activity to manage risk, handles high-value or complex tenders and uses data analysis to support cost-effective, evidence-based decisions.

- 4.8.** Contract management is a joint responsibility between procurement and budget holders, ensuring obligations are met, renewals are planned and value is maintained throughout the contract lifecycle.
- 4.9.** Working collaboratively across departments, procurement advises key stakeholders to ensure procurement practices support organisational goals. Accurate documentation of procurement decisions is maintained to ensure transparency and audit readiness.

Tender panel members

- 4.10.** Tender panels are composed of a mix of employees, typically including the procurement team, the budget holder and other nominated staff from across the business. For high-value or strategically important procurements, the panel should also include a member of the Executive Leadership Team and may include external experts or committee members where appropriate.
- 4.11.** To ensure objectivity, individuals who have been involved in managing the incumbent supplier may need to be excluded. Panel members must familiarise themselves with the procurement policy, related procedures and the evaluation framework set out in the procurement manual¹¹.
- 4.12.** Panel members are responsible for conducting fair, unbiased evaluations based on predefined criteria, ensuring compliance with public procurement laws. They must maintain confidentiality, declare any conflicts of interest and make decisions that are ethical and aligned with the HCPC's commitment to value for money, quality and sustainability. The panel's collective scores determine the successful supplier and clear documentation must support the final decision.

Commercial business partnering manager

- 4.13.** The Commercial Business Partnering Manager leads the procurement team and is responsible for managing the procurement work plan, ensuring activities align with organisational priorities and procurement policy.
- 4.14.** They act as the primary escalation point for procurement-related issues, providing guidance and resolving disputes concerning procurement routes, tender evaluations and moderation.
- 4.15.** Additionally, they commission legal advice, when required, to ensure the HCPC's procurement practices remain legally sound. They also ensure that procurement policies and related manuals are regularly reviewed and updated to reflect best practice and evolving regulatory requirements.

¹¹ [HCPC procurement manual](#)

5. Procurement thresholds and routes to market

- 5.1. The HCPC sets its own contract value limits and procurement processes for spend below the thresholds set by the Procurement Act 2023, based on the organisation's spend profile (see table below). While such spend is not legally bound by the Procurement Act 2023, the HCPC is expected to follow its principles.

Contract Value	Procurement Route	Process
Less than £10,000	Direct award or competitive quotes	<ul style="list-style-type: none"> Obtain at least one written quote. It is recommended to seek multiple quotes for cost comparison and alternative solutions. Ensure documentation of the process.
£10,001 - £30,000	Competitive quotes	<ul style="list-style-type: none"> Budget holders are required to obtain a minimum of three written quotes, ensuring a fair and transparent evaluation based on a balance of price and quality. Engage the procurement team for guidance. Notify both successful and unsuccessful bidders. Maintain procurement records.
£30,001 - £100,000	Various routes (RFQ, RFP, mini tender, framework)	<ul style="list-style-type: none"> Budget holders lead the procurement, selecting the best approach with the Procurement team. Possible routes: Request for quote (RFQ) or proposal (RFP), mini tender or framework agreement (further competition among suppliers). Ensure necessary approvals for awarding the contract. Keep complete and accurate records, submitting copies to Procurement team upon completion.
£100,001 - £214,904	Public tender or framework	<ul style="list-style-type: none"> The procurement team manages the process. Identify the best route: Competitive public tender, public framework agreement or dynamic purchasing system (DPS). The budget holder prepares the specification and evaluation criteria, while the procurement team will prepare and the evaluation & scoring sheet, awarding letters and the draft contract, reflecting the specification. Conduct formal tender evaluation, ensuring compliance with procurement regulations.
Greater than £214,904	Formal public tender or framework	<ul style="list-style-type: none"> Follow the Procurement Act 2023. Tenders over this value must be advertised on the Find a Tender Service (FATS) unless using a framework agreement. Engage the Procurement team 6-12 months in advance to plan and execute the process. The Procurement Team runs a compliant tender and prepares all the documents in collaboration with the Budget holder. A Tender Panel will evaluate all bids and awards the contract. Final contract award decisions must align with procurement law and evaluation criteria. Contract signatory depends on value and financial regulations.

Contract value less than £10,000

- 5.2. If the estimated aggregate contract value is less than £10,000 including VAT:
- Obtain a minimum of one written quote.
 - It is recommended to obtain more than one quote as it is recognised good practice, allowing for a comparison of costs and/or alternative solutions.

Contract value between £10,001 and £30,000

5.3. If the estimated aggregate contract value is between £10,001 but less than £30,000 including VAT:

- Budget holders are responsible for tendering all contract(s) values between £10,001 but less than £30,000 including VAT.
- Key requirements for these contracts are to apply the principles of this policy and obtain written quotes that are evaluated in a fair and transparent manner, based on an appropriately balanced split between price and quality.
- Engage the procurement team to provide support and guidance throughout the process, from inception to tender award and obtaining contract signatures.
- Obtain a minimum of three written quotes, evaluating quotes, selecting the successful bidder and informing the unsuccessful bidders.

Contract value between £30,001 and £100,000

5.4. For all procurement activity between £30,001 and £100,000 including VAT, budget holders are responsible for tendering all contract(s). There are numerous ways to source the requirements, i.e. routes to market. The procurement team can recommend the best route for your requirements including support on the below:

- Request for quote (RFQ) or request for proposal (RFP) from potential suppliers.
- Running a mini-tender process.
- Use a suitable accessible framework agreement from which to run a further competition between suppliers who are on it (no need to publish this opportunity).
- Procurement approach to take, which will depend on the value and level of risk and complexity associated with your requirements.
- Making sure necessary approvals are obtained for award of contract and appropriate forms of contract are created and signed (refer to appendix 1 – Procurement Thresholds).
- Keeping complete and accurate records of the procurement process.

Contract value between £100,001 and £214,904

5.5. For all procurement activity between £100,001 and £214,904 including VAT, the procurement team is responsible for tendering, which includes:

- Supporting the budget holder in selecting the most appropriate procurement route, typically through a competitive tender, a public framework agreement or a dynamic purchasing system (DPS). Before proceeding, the procurement team will check for any existing contracts or suitable frameworks that may already meet the requirements.
- If no suitable framework or DPS exists, due to the unique or niche nature of the requirement, a compliant direct tender under the Procurement Act 2023 may be necessary. In such cases, collaboration with other health and care regulators should be considered if they have similar needs.
- The procurement team and the budget holder will jointly prepare the tender documentation. The budget holder is responsible for drafting the specification and evaluation criteria, including service levels and key performance indicators (KPIs), where applicable. The procurement team will develop the evaluation and scoring templates, draft contract and award letters, ensuring alignment with the specification.

Contract value greater than £214,904

5.6. If the estimated aggregate contract value is greater than £214,904 including VAT:

- For contracts above the UK public procurement threshold (£214,904 including VAT), it is strongly recommended to use either a compliant public tender or an existing framework agreement under the Procurement Act 2023.
- Tenders above this threshold must follow strict legal procedures and timescales. This includes publishing an Invitation to Tender (ITT) on the Find a Tender Service (FATS) or conducting a further competition within a framework (which does not require FATS publication).
- To ensure timely delivery, the procurement team should be contacted well in advance, typically 6 to 12 months prior to the expected service start date. A procurement business partner will be assigned to provide expert guidance, run the tender process and ensure full compliance with procurement regulations.
- The procurement team will support the end-to-end process, including choosing the appropriate route, drafting and issuing tender documents, managing evaluations and awarding the contract.

- A tender panel will evaluate submissions. This typically includes the procurement business partner, the budget holder and an executive director. For particularly high-value or strategic procurements, the panel may also include independent experts, external advisers or committee members where appropriate.
- The contract award decision lies with the appropriate authority (budget holder, ELT member, Chief Executive or nominee) based on contract value (see Appendix 1 – Procurement thresholds). However, the award can only be made to the winning bidder, based strictly on the agreed evaluation criteria and valid scoring outcomes. Arbitrary decisions to overturn panel scores or award to another bidder are prohibited under UK procurement law. If issues arise with the process, these must be resolved before proceeding, potentially requiring suspension or retendering.
- The contract signatory, usually the budget holder, an ELT member or the Chief Executive, must be determined in line with financial regulations. The procurement team will confirm that the process met all compliance standards before the contract is formally executed.

6. Procurement planning, frameworks and alternative approaches

Contract planning and budgeting

- 6.1.** At the start of each financial year, as part of the budgeting process, the procurement team will:
- Provide a list of anticipated contracts (new, renewed, varied, or extended) with a total expected lifetime value exceeding £100,000 including VAT.
 - Prompt budget holders and contract owners to identify upcoming procurement needs or changes for Council notification.

Determining aggregate contract value

- 6.2.** The aggregate contract value must be calculated pre-tender and include all years of the contract, any extension options and VAT.
- 6.3.** Budget holders are responsible for estimating this value. It determines the procurement route (refer to Appendix 1 – Procurement thresholds).
- 6.4.** Artificially lowering the value to avoid policy or the Procurement Act 2023 obligations is prohibited.

In-house vs outsourcing decisions

- 6.5.** The procurement team will support budget holders in deciding whether services should be delivered in-house or outsourced.
- 6.6.** For contracts over £100,000 (including VAT), the procurement team will guide the evaluation of procurement routes.

Framework agreements and dynamic purchasing systems (DPS)

6.7. Use of frameworks:

- HCPC prefers national framework agreements and DPS for all procurements, including low-value contracts.
- Frameworks are pre-procured agreements compliant with the Procurement Act 2023 and established by public sector bodies (e.g. Crown Commercial Services).
- They offer goods/services at pre-agreed prices and terms, often across multiple suppliers.

6.8. Framework agreement benefits:

- Better pricing due to public sector buying power.
- Standardised, favourable terms and conditions.
- Reduced legal risk and quicker procurement timelines.
- Assurance of supplier capability and consistent service quality.

6.9. Dynamic purchasing systems (DPS):

- Similar to frameworks, but allow new suppliers to join at any time.
- Promote SME participation and typically last longer than frameworks.

Alternative procurement approaches

6.10. Collaborative procurement:

- HCPC encourages joint procurements with other regulators or public bodies to improve value.
- Budget holders should engage the procurement team early if collaboration is considered.
- Approval from the Commercial Business Partnering Manager is required for participation in joint tenders.

6.11. Direct award (single source request) are only permitted in exceptional cases, such as:

- Urgent, unforeseen requirements
- Sole supplier situations

- Cost/risk of change outweighs benefits
- Specialised services only available from one provider

6.12. Direct award process:

- Budget holders must initiate a Single Source Request (SSR) for contracts >£10,000 including VAT.
- SSR must justify the direct award and include supporting evidence (e.g., market research).
- Approval is required from:
 - Commercial Business Partnering Manager or Head of Finance & Commercial (mid-value contracts)
 - ELT member (higher thresholds)
 - Chief Executive (high-value contracts per Appendix 1)
- The Procurement team will:
 - Review compliance with the Procurement Act 2023
 - Ensure transparency and documentation
 - Publish notices (e.g., contract award on FATS) where applicable

6.13. Direct award monitoring:

- All direct award documentation must be retained.
- Direct awards are reported to the Audit and Risk Assurance Committee.
- Internal audit will assess policy adherence periodically.

Contracts and legal considerations

- 6.14.** Contracts >£10,000 (including VAT) must be formalised in writing and signed. Below this threshold, a purchase order with terms may suffice.
- 6.15.** Use the HCPC's standard terms unless supplier terms are reviewed and approved by the procurement team.
- 6.16.** Legal advice may be commissioned by the Commercial Business Partnering Manager where necessary.
- 6.17.** Contracts must be signed electronically and by the vendor first.

Contract Management

- 6.18.** Contract owners are responsible for supplier performance and outcome delivery. They may delegate to a designated contract manager.
- 6.19.** Procurement provides a contract management framework and training.
- 6.20.** Management responsibilities must be confirmed during the procurement process.

6.21. Contracts must align with HCPC financial regulations and include clear KPIs and relevant social, environmental or innovation-related provisions, directly linked to the contract subject and stated in tender documents.

6.22. Contract changes may be permitted if:

- There are clear, precise review clauses in the original contract.
- Additional services/supplies are needed due to unforeseen events or supplier replacement, capped at a 50% value increase.
- Amendments are non-substantive and occur due to supplier insolvency or genuine restructuring.

7. Vendor records and procurement ethics

7.1. The procurement policy ensures that vendor records remain accurate, secure and relevant throughout the lifecycle of the contract. It also sets expectations for ethical procurement behaviours in alignment with the HCPC's values and the Procurement Act 2023.

7.2. Vendor due diligence and performance monitoring:

- The HCPC must maintain comprehensive and accurate records of all vendors engaged through the procurement process. This includes documenting evidence of background checks conducted during evaluation and selection, such as financial stability assessments, legal compliance checks, references and any other relevant due diligence measures.
- Following contract award, vendors will be regularly evaluated to ensure they meet their contractual obligations. This includes performance monitoring against key performance indicators (KPIs), conducting health and safety assessments and addressing any non-compliance issues in a timely manner.

7.3. Record accuracy, security and retention:

- All vendor records must be accurate, up to date and reliable for audit and compliance purposes. These records will be securely stored in line with the HCPC's data protection policies, ensuring confidentiality and adherence to applicable legal and regulatory requirements, including GDPR.
- Records will be retained for the duration of the contract. At the time of any extension or renewal, records must be reviewed and verified to ensure continued accuracy and relevance. Everyone involved in procurement and contract management is responsible for maintaining good documentation practices throughout the process.

7.4. Record-keeping responsibilities by contract value:

- For contracts valued below £100,000 (inclusive of VAT), the budget holder is responsible for maintaining all relevant documentation. This includes correspondence with bidders, requests for quotes, received quotes, evaluations and the signed contract. The signed contract must be submitted to the procurement team for record purposes.
- For contracts valued at £100,000 or above, the procurement team will retain full documentation of the procurement process and contract. Tender panel members must document and retain the rationale for their scoring decisions. The contract awarder and signatory must ensure sufficient evidence is available to support their decisions, typically recorded on a contract signatory request form.

7.5. Ethical standards, values and supplier expectations:

- All procurement activity must be carried out in accordance with the HCPC's organisational values: fairness, compassion, inclusivity and entrepreneurship. The HCPC expects suppliers to uphold equivalent values and behaviours in their service delivery.
- Suppliers must also have robust policies covering equality, diversity and inclusion, anti-modern slavery, anti-bribery and corruption and, where relevant, safeguarding and protecting people. In safeguarding matters, suppliers must understand HCPC's policy and know how to recognise, respond to, report and record concerns regarding harm to others.
- The HCPC actively supports small and medium-sized enterprises (SMEs), local businesses and the delivery of social value through its supply chain, wherever compatible with achieving value for money and legal procurement requirements.
- The HCPC is committed to fair and timely treatment of its suppliers. It does not withhold payments to create cash flow advantages. Suppliers will be paid as soon as practicable, once goods or services have been satisfactorily received and confirmed by the relevant budget holder. Payment is made within 30 days of invoice receipt, subject to internal approval processes.

8. Commitment to sustainable procurement

8.1. The HCPC is committed to minimising the environmental impact of its procurement activities and promoting sustainability in line with UK public procurement principles. This includes reducing waste, conserving resources and supporting ethical and environmentally responsible practices across our supply chain. Sustainable procurement is integral to achieving long-term value for money and public benefit.

8.2. Environmental responsibility:

- Procurement decisions will take into consideration carbon emissions reduction, waste minimisation and resource consumption. Goods and services must align with sustainable development goals and support environmentally sound practices.
- Suppliers are encouraged to use renewable energy, reduce packaging and deliver innovative, low-impact solutions that promote environmental stewardship. Preference may be given to suppliers holding relevant environmental certifications (e.g. ISO 14001).

8.3. Ethical and fair-trade standards:

- The HCPC supports the use of fairly traded goods and works only with suppliers that adhere to ethical trading practices. This includes ensuring fair wages, safe working environments and respect for workers' rights.
- Where appropriate, procurement specifications will include mandatory or preferred requirements for fairly traded products and socially responsible sourcing.

8.4. Alignment with national policy and social value

- Our procurement activities are aligned with key UK government initiatives such as the Social Value Act, the Net Zero Strategy and the Greening Government Commitments. These frameworks guide us to deliver broader economic, social and environmental benefits through our contracts.

8.5. Supplier collaboration and innovation

- The HCPC engages with suppliers to embed sustainable practices throughout their operations. We encourage collaborative approaches and innovation that enhance environmental, social and economic outcomes.
- Where appropriate, preference will be given to suppliers who demonstrate a clear commitment to sustainability through certifications, fair trade accreditation or comparable credentials.

9. Data protection and information security

- ### **9.1.**
- The HCPC ensures that all suppliers handling personal data comply with data protection laws, including UK GDPR. Suppliers must demonstrate appropriate security measures before engagement and throughout the contract lifecycle. All contracts involving personal data require clear data protection terms and may require a Data Protection Impact Assessment (DPIA), which must be approved by the Data Protection Officer before procurement proceeds.

- 9.2.** New IT procurements must meet recognised security standards (e.g. ISO 27001:2022, Cyber Essentials Plus). Existing contracts involving personal data are periodically reviewed and reassessed to maintain compliance.
- 9.3.** Prior to engaging new suppliers, a security assessment is conducted to verify adherence to HCPC's information governance standards.
- 9.4.** Further detailed information is available in Appendix 4 - Data protection and security in procurement.

10. Compliance and exceptions

- 10.1.** All employees, Council and Executive Leadership Team members involved in procurement must comply fully with this policy to ensure value for money and legal compliance as a public body. Exceptions to the policy are rare and require formal approval.
- 10.2.** Exceptions process:
- Direct Award/Single Source Request (SSR): For non-competitive contract awards or contract changes not covered by existing contracts.
 - Waiver Request: For all other exceptions to the policy.
 - Approvals for SSRs and waivers must be obtained promptly from the Commercial Business Partnering Manager, Executive Director of Resources and Chief Executive (for contracts over £100,000) before any supplier commitment.
- 10.3.** Competitive tendering:
- Competitive tendering is required for all contracts above £10,000, including direct awards under framework agreements, as frameworks are themselves competitively procured.
- 10.4.** Procurement Act 2023 compliance:
- Exceptions are considered case-by-case in line with the Procurement Act 2023. Poor planning is not a valid reason for exceptions. All exceptions are reported to the Audit and Risk Assurance Committee and subject to internal audit review.
- 10.5.** Emergency situations:
- In rare cases of major incidents affecting business continuity (e.g. building or IT emergencies), the policy may be suspended temporarily, as per Schedule 5 of the Act, emergency direct awards must be proportionate and documented, with a transparency notice published before contract award.

10.6. Non-compliance with the Procurement Act 2023 and this policy exposes HCPC to risks including:

- Supplier challenges via the Public Procurement Review Service (PPRS), which can review procurement processes from the last two years.
- Investigations and sanctions by Procurement Compliance Services with public reporting of findings.
- Potential outcomes such as fines, claims for damages, suspension of contract awards, substantial legal costs and reputational damage.

11. Support and raising concerns

11.1. The procurement team is available to assist with any procurement-related questions and can be contacted at procurement@hcpc-uk.org. Additionally, the procurement intranet pages provide access to templates and detailed guidance to support successful procurement activities.

11.2. If you have concerns about supplier performance, behaviour or procurement conduct, these should initially be raised with the Commercial Business Partnering Manager or your line manager. If you feel unable to do so or, if concerns are not properly addressed, the HCPC's Speaking Up (whistleblowing) policy allows you to escalate issues to the Speak Up Guardians, Chief Executive or Chair of the Audit and Risk Committee.

12. Appendices

Appendix 1 – Procurement thresholds

Aggregate Contract Value (incl. VAT)	Route to market	Who runs the tender? (incl. evaluation and supplier debriefing)	Should opportunity be formally advertised?	Type of agreement required?	Who must approve the contract award?	Who signs the contract?		Contract award notice needed?	Time needed to conduct process?	What to do with the contract?	Who is responsible for contract management?	
						Contract listed within budget?	Method of acceptance / commitment authorisation					
£0 to £10,000	One written formal quote	Budget holder or nominated person	Not required	Only Purchase Order Terms	Budget Holder	N/A ¹²	Budget Holder	N/A	Allow 2 weeks	N/A	Budget holders in collaboration with Procurement	
£10,001 – £30,000	Three formal written quotes		Optional			Yes	Contract signed by Budget Holder		Allow 4-8 weeks			
						No	Contract signed by Executive Director					
£30,001 – £100,000	RFQ or RFP or mini tender process	Budget holder or nominated person in collaboration with Procurement		If the contract value is greater than £10K (incl. VAT), a signed contract agreement is mandatory	Based on contract value (ELT Member or Tender Panel)	Yes	Contract signed by Executive Director		Allow 8-10 weeks	All signed contracts and attached documents are to be provided to Procurement		
£100,001 – £214,904	Competitive public tender or use of public framework agreement					Yes – Contracts Finder (or Find a Tender Service) or contact Procurement	No		Contract signed by CEO			Allow 10-12 weeks
							Yes		Contract signed by CEO			
					Must align with Financial Regulations and financial approval thresholds.	No	Contract signed by CEO , after approval from the Chair	Yes – Contracts Finder (or Find a Tender Service) or contact Procurement	Allow 6-12 months depending on complexity of requirement			
						N/A ¹³	Contract signed by CEO , after approval from the Chair					

¹² £0 to £10,000: due to low value of contract, it is unlikely to be itemised as part of annual budgeting exercise. Even if it is listed, the method of acceptance would remain as is.

¹³ Above £214,904: regardless of whether this is listed within the budget, as it is above the UK public procurement threshold for goods and services, the method of acceptance would remain as is.

Appendix 2 – Procurement-exempt contracts

Certain contracts are exempt from the rules of the Procurement Act 2023, as listed in Schedule 2 of the Act. These exemptions apply where the standard procurement rules would be inappropriate or impractical, allowing greater flexibility for specific types of purchases.

If your requirement falls into one of these exempt categories, it is not subject to the usual procurement procedures outlined in this policy.

Area	Exempt Contract Types
Employment	<ul style="list-style-type: none">• Employment Contracts including contract with individual appointed to a public office
Facilities	<ul style="list-style-type: none">• Contracts relating to the acquisition, including rental of building or land and building• Utilities contracts for the purchase of water or energy or fuel for the production of energy, by utilities carrying out a relevant utility activity.
Finance	<ul style="list-style-type: none">• Loans or financial services• Investment services or activity or for an ancillary service in relation to financial instruments where the services or activity is provided by an investment firm or a qualifying credit institution• Contract for services by the Bank of England (i.e. near risk-free wholesale sterling facilities)
Legal	<ul style="list-style-type: none">• Legal services that are exempted are those relating to judicial or other dispute resolution proceedings, notary services and services that must be carried out by a particular person under an order of a court, tribunal or enactment, e.g. legal services provided by appointed guardians.

Appendix 3 – Data protection and security in procurement

- 1 The HCPC takes its responsibilities under data protection legislation seriously and ensures that any personal data shared with or processed by suppliers is handled in compliance with applicable laws, including the UK GDPR. We must verify upfront that all engaged suppliers can demonstrate appropriate technical and organisational measures to safeguard individual rights and effectively implement data protection principles.
- 2 This requirement applies throughout the entire lifecycle of any contract or service agreement, regardless of contract value, procurement route or service type. Wherever personal data processing is involved, the HCPC Data Protection Officer (DPO) will assess suppliers' information security and data protection compliance arrangements, which may include conducting a Data Protection Impact Assessment (DPIA) to evaluate risks to individuals' rights and freedoms.
- 3 All contracts involving personal data must include explicit data protection clauses, clearly outlining the nature and scope of the data processing to be undertaken. When supplier staff are involved, the procurement team, in coordination with HR, will advise whether individual contracts between supplier staff and the HCPC are required.
- 4 For all new procurements involving personally identifiable information (PII), a DPIA is mandatory. This three-stage assessment process ensures that potential impacts on data subjects are thoroughly evaluated. The HCPC requires that data be stored within the UK or European Economic Area (EEA), where information rights protections are deemed adequate. New IT-related procurements are expected to be certified to recognised standards such as ISO 27001:2022, Cyber Essentials Plus or equivalent certifications approved by the Information Governance team.
- 5 The DPIA must be formally approved by the DPO before procurement proceeds. Should there be any changes during implementation affecting data processing, these must be reviewed and accepted by the DPO prior to going live.
- 6 Existing contracts that involve PII are subject to periodic reassessment in line with guidance from the Information Commissioner's Office (ICO). Any significant developments altering how data is stored, used, or shared require a new DPIA. If no changes occur within three years, a fresh DPIA must be undertaken by the service user and submitted for review.
- 7 Before engaging any new supplier handling HCPC information, a security assessment will be conducted. The Information Governance team provides the latest assessment questionnaires, which the relevant department completes based on existing supplier documentation. The responses are then evaluated by the Chief Information Security and Risk Officer (CISRO) and IT department to ensure compliance with HCPC's security standards.

Appendix 4 – Key Differences: PCR 2015 vs The Procurement Act 2023

Area	Public Contracts Regulations 2015	Procurement Act 2023	Relevance to the HCPC
Focus	EU-aligned compliance model	UK-specific, outcomes-based framework	Enables tailoring procurement for value, not just compliance
Procedural complexity	Highly prescriptive, complex procedures	Simplified, streamlined processes	Reduces administrative burden
Transparency and reporting	Rigid publication and procedural requirements	Greater use of a single digital platform for transparency	Easier reporting and contract visibility
Award criteria	Focused on Most Economically Advantageous Tender (MEAT)	Emphasises public benefit, value for money and innovation	Supports ethical and value-led procurement goals
Exemptions and flexibility	Limited flexibility and broad use of exemptions	More targeted exemptions and increased flexibility	Better accommodates niche or specialist procurements