



Health and Care Professions Council Annual Report and Accounts 2023–24

Health and Care Professions Council Annual Report and Accounts 2023–24

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and 46(7) of the Health Professions Order 2001

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Purpose of this report

The Annual Report and Accounts is made up of the Performance report, the Accountability report and the financial statements. The Performance report provides information about the HCPC, our work during the year and our plans for the future; the Accountability report explains how we are structured and managed; and the financial statements set out our income and expenditure, assets, liabilities and reserves in detail.

Foreword by the Chair and Chief Executive



Christine Elliott
Chair

Introduction and wider context

Welcome to our 2023–24 Annual report and we are delighted to share that it has been a year of considerable progress with 85% of our Corporate plan milestones delivered, as well as the HCPC meeting 16 of the 18 Professional Standards Authority's Standards of good regulation.

Our achievements this year strengthen our ability to protect the public, improve patient safety and lead across the sector. This year has seen us play an active role in listening and engaging on sector issues to hear first-hand about challenges faced by health professionals and colleagues, including the workforce pressures experienced across the four nations. We have strengthened our relationships with patient safety representatives and professional bodies and collaborated on key issues, including patient consent. We have been inspired by the thousands of examples of compassionate and high quality care that registrants provided to patients and service users during 2023–24.



Bernie O'Reilly
Chief Executive
and Registrar

Workforce planning

The NHS Long Term Workforce Plan published in 2023 was aimed at addressing systemic workforce issues and improving patient safety and quality of care. As the UK regulator for 15 health and care professions, we have a role to play in facilitating delivery of the plan and the workforce strategies for health and social care in Northern Ireland, Scotland and Wales, to ensure the public is protected in keeping with our statutory obligations.

To complement the UK route retention rates released in 2023, in February 2024 we published international route retention rates for each of our professions and their modalities. These revealed important patterns in retention rates amongst different demographic groups and this insight has helped stakeholders with responsibility for workforce planning better understand the UK's international workforce. We will update both the UK and international route retention rates in 2024–25.

Our interactions with people

Giving people who interact with us a positive experience and caring for the public and registrants at what can be difficult moments in their lives has been central to our work in 2023–24. We have delivered a new dedicated fitness to practise participant support line and have reviewed the way we communicate by email and letter to ensure this is more compassionate. We have transformed our registration service operating model to enable a greater focus on good customer service for registrants and applicants, and we have made improvements to how registrants manage their registration through mobile-compatible online services.

We look forward to continued work in this area in the coming year, through our new communications strategy as well as the delivery of a dedicated sexual safety hub aimed at providing support for those who are victims of such crimes or affected by them.

Prevention

This year we have strengthened our preventative regulatory activity through the revision of our standards of conduct, performance and ethics. The new standards are a foundation for our regulatory activity. They set out clearly the outcomes we expect to best protect the public and help support the culture across the professions we regulate. The standards are also supported by guidance on social media use, something that remains a focus of concern for the public and our registrants. The standards come into effect in September 2024.

Our consultation with the sector and the public on English language requirements for international registrants is another example of us taking action to improve our preventative activity to protect people and support the sector. We hope to introduce changes to the requirements in the next financial year.

Our work on preceptorship shows how the HCPC has proactively contributed to tackling some of the challenges identified in the NHS long term workforce plan and national workforce strategies for health and social care. In November 2023 we published our Principles for preceptorship, designed to support all professionals registered with the HCPC to access preceptorship when and where they need it, to support them at key transition moments in their careers, and to help them in providing safe, compassionate and high quality care.

Supporting our delivery

Alongside our work to deliver for the public, this year we have also driven forward efficiencies and innovation for our organisation.

Our council has seen changes, as we said goodbye to two long-standing council members and welcomed two new council apprentices, as part of our commitment to diversity, with this scheme now in its fourth year and a huge success. We continue to develop the scheme and share learning and best practice with other regulators and organisations.

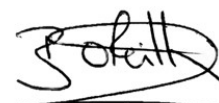
We have also made changes to our Executive Leadership Team, and we have welcomed new colleagues to our wider leadership team (heads of service) in Fitness to Practise, Tribunal Services, Governance and Communications. We look forward to welcoming our Executive Director of Corporate Affairs, Claire Amor, back from maternity leave in the new calendar year.

In September 2023, we published a sustainability statement setting out our commitments to becoming an environmentally sustainable regulator and the subsequent actions to support these commitments. We were delighted to welcome the Chief Allied Health Professions Officer for England, Professor Suzanne Rastrick OBE, to speak at a council meeting and share learning from the Greener AHPs' commitment as part of developing our work in this area.

As ever, all our achievements would not be possible without the dedicated and professional efforts of the people who work at the HCPC, who care passionately about protecting the public and reflect this in their work on a daily basis. We are pleased to see the positive impact of new leadership development schemes and mentoring opportunities and look forward to making these and similar initiatives available to more employees. We remain committed to hearing directly from our people through our Employee forum, employee pulse surveys and 'Let's talk' sessions, and reflecting on where we can improve.

As we plan for next year, we will continue to work hard to improve patient safety, proactively support developments such as AI and regulatory reform, and make the most of the unique aspects of multi-profession regulation to better protect the public. In achieving this, we will maintain a more active role in engaging and convening across health regulation, government and with patients and service users, so that we can contribute to building a health and care sector fit for the present and future. We are incredibly grateful for all the hard work put in by everyone at the HCPC and the commitment of our registrants and other stakeholders, and anticipate continued progress in the coming year.

Christi Elliott



Performance report

About the HCPC

The HCPC was established under section 60 of the Health Act 1999. As a regulator of health and care professions in the UK, our role is to protect the public. We achieve this by:

- setting the standards for education and training, professional skills, conduct, performance and ethics and continuing professional development for 15 health and care professions;
- keeping a Register of professionals who meet these standards;
- approving education programmes that professionals must complete prior to registration; and
- taking action when registrants do not meet our standards.

We regulate:

Arts therapists	Biomedical scientists	Chiropodists/ podiatrists
Clinical scientists	Dietitians	Hearing aid dispensers
Occupational therapists	Operating department practitioners	Orthoptists
Paramedics	Physiotherapists	Practitioner psychologists
Prosthetists/orthotists	Radiographers	Speech and language therapists

How we work

Our vision, purpose and values underpin everything we do:

Our vision

To be a high performing, adaptable and caring regulator that ensures public protection through strong, evidence-based regulation

Our purpose

To promote excellence in the professions we regulate and champion high quality care that the public can access safely and with confidence



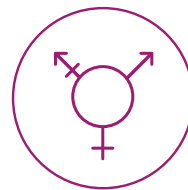
Fair

being honest, open and transparent



Compassionate

treating people with respect, empathy and care



Inclusive

collaborating with others and championing diversity



Enterprising

seeking opportunities to be creative and foster innovation to improve our performance

Our values are demonstrated by:

Working with all of our stakeholders to understand and respond to their specific needs

Actively listening to diverse and protected groups including those who may not traditionally have a strong voice

Being empathetic and compassionate in our dealings with registrants, complainants and witnesses

Contributing and adapting to reflect regional, national and profession differences

Using our data and evidence, and that of our stakeholders, to inform our decision-making

Being an excellent employer



Core activities 2023–24 highlights

This section provides highlights of our core activities in 2023–24.



Our core activities

We carry out a range of activities in delivering our statutory duties to protect the public.

Regulation

- maintain and publish an accurate Register;
- set appropriate standards;
- quality assure education and training programmes; and
- respond proportionately to fitness to practise (FTP) concerns, taking action to protect the public.

Learning

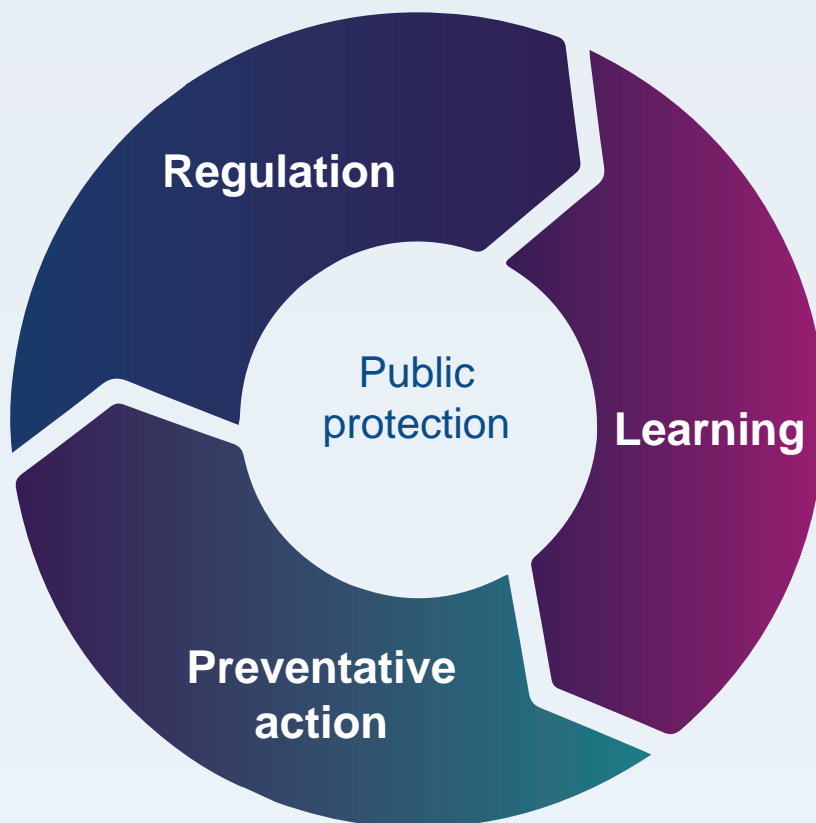
We will harness our data to have more informed insights about the impact of our processes and take that learning to improve our regulatory activity, future approach and decision-making.

We use what we know from our own learning, and that of others, to promote positive and inclusive professional working environments.

Preventative action

We will develop an approach based on preventative action. This will use our learning to address and reduce the conditions which may contribute to instances of service user harm.

This preventative approach will support quality practice by articulating the expected standards, helping registrants overcome any barriers they face in meeting those standards, thereby reducing the need for unnecessary FTP actions.



Regulation

The HCPC Register

The HCPC maintains an accurate Register of the 15 health and care professions we regulate. In the year of this report, a significant number of new registrants joined our Register, adding vital resource to the UK’s health and care workforce.

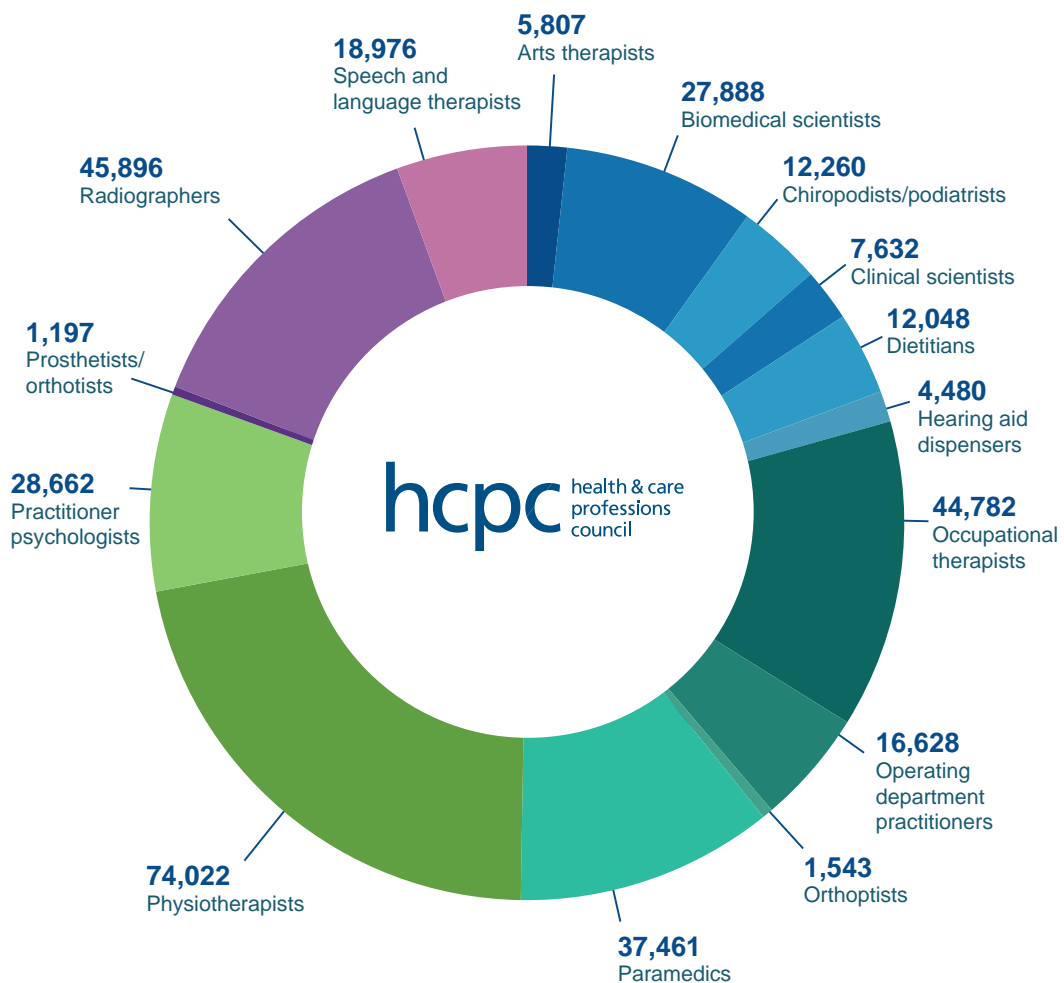


339,282
Total number of registrants on 31 March 2024



29,098
Number of new registrants during 2023–24

Breakdown by profession (on 31 March 2024)



Setting standards of practice

The HCPC works with health and care professional bodies, registrants and other stakeholders to set and reach high standards of care that the public can access safely and with confidence. As part of this work to improve and set standards, the HCPC delivered the following:



Launched a consultation on our English language requirements for international applicants to our Register



Published supporting information on our preceptorship principles



Published revised standards of conduct, performance and ethics and accompanying social media guidance, to take effect in September 2024



Responded to 896 policy enquiries

Quality assurance of education and training programmes

The HCPC quality assures education providers and programmes to ensure applicants meet our standards before joining our Register.

Our quality assurance model enables us to be flexible, intelligent and data led in our risk-based assessment of education providers and programmes. We produced our first 'state of the nation' report, which was shared with stakeholders in April 2024. We are now engaging with our stakeholders on the findings of this report.

Within our regular reviews of education providers, we have continued to consider alignment of programmes with our revised standards of proficiency (SOPs), which became effective on 1 September 2023. We have found that education providers have developed their programmes in line with our revised SOPs, which is important to ensure those who join our Register meet our requirements for registration.



131
approved education providers



1,079
total approved programmes

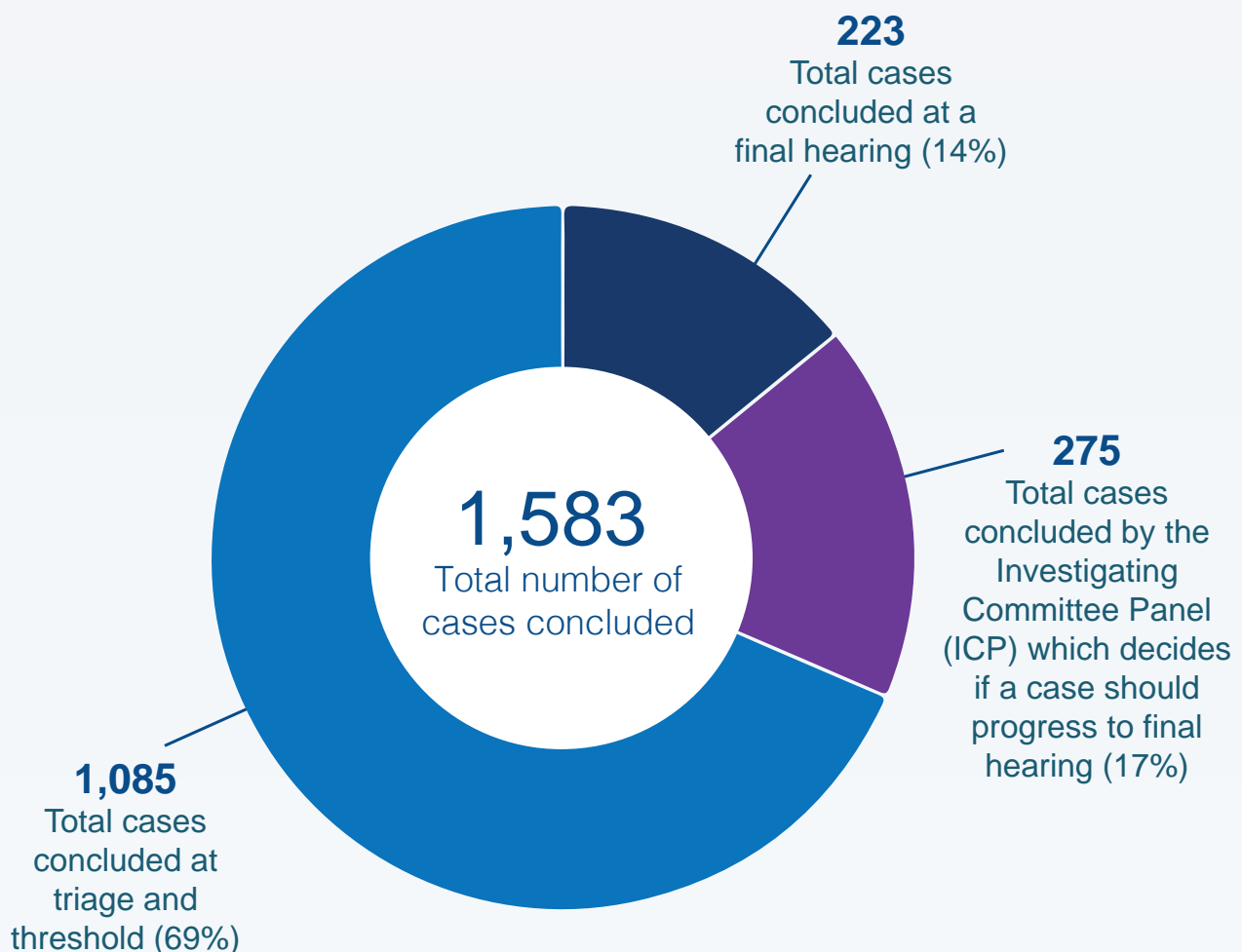


34
new programmes

Taking action to protect the public

This year we continued our FTP improvement work, with a focus on enhancing the support we provide to participants in the fitness to practise process. This included the launch of our Registrant support service in April 2023, which provides free, independent and confidential emotional support and practical advice to registrants involved in the FTP process. We also undertook a significant piece of work to change the tone of voice of our email and letter communications and introduced a suite of fact sheets to provide clear guidance on each stage of the process.

We started work to improve the experience of our FTP process by shifting the focus of our investigation work to earlier in the process, which was shown in a pilot to reduce the time FTP cases take overall. This work will conclude in 2024.



Learning



We have continued to improve the quality and scope of the data that we share with stakeholders. In 2023-24 we produced our first Education annual report setting out the 'state of the nation.' This was initially shared with our stakeholders in April 2024 and is being followed by direct engagement with stakeholders on the findings of this report.

We continue to increase and improve the data we provide to improve understanding of the HCPC Register and processes and support providers with workforce planning. We published profession and modality-specific factsheets for eight professions in 2023–24 and by the end of March 2024 we had equality, diversity and inclusion (EDI) data for 95% of the Register. These have given stakeholders the first full assessment of those professions' diversity in terms of the nine protected characteristics. In mid-2024 all professions will have their diversity factsheets updated and expanded to include additional information for other EDI characteristics. We also published our first analysis of FTP outcomes and EDI within the FTP annual report for 2022–23 and will further develop this data in 2024–25.

To complement the UK route retention rates published last year we published international route retention rates this year for each of our professions and their modalities.

We have commenced work on a standard approach to data sharing with professional bodies and we continue to improve and develop automated reporting of key FTP reports. We also published a renewal dashboard on our intranet to provide daily updates on renewal rates, current and historical renewal data and trends for our regulated professions during their two year renewal cycles. The dashboard helps to enhance efficiency and ensures data accessibility across the organisation.

We also continue to commission our own research and in 2023–24, working with the University of Plymouth, we undertook some research into the experiences of new registrants entering the workforce. This will be used to inform work across the organisation, including our review of the standards of education and training in 2024–25.

The levels of engagement have continued to increase across our channels in 2023–24. During the year, we saw a significant increase in engagement with our tailored website content across our student and employer hubs. The hubs are dedicated to sharing information with specific audiences about standards of practice and support. The student hub had 46,541 visitors compared to 28,729 in 2022–23 and there were over 9,700 more page views of our employer hub content.

Our social media following continued to increase on last year with over 19,000 new followers across different platforms. This has increased the total number of users who can regularly see and can engage with our social content to over 145,000.

During the year, we published our revised standards of conduct, performance and ethics accompanied by new content on our website and supportive webinars to inform registrants of the changes that will come into effect in the next financial year. The feedback we received from participants and partners on these engagements has been very positive.

In addition, we have fully established our regular forum for professional bodies to support information sharing and allow opportunities to discuss areas of mutual interest. The forum has been welcomed by our stakeholders and continues to support our engagement with the professions we regulate.



168,334
article and blog views



19,139
new followers on social media channels

Preventative action

The HCPC's Professional Liaison Service was established in 2020 to promote high quality professional practice through providing support to registrants, employers and students. This work is a key part of our transition to risk-based preventative regulation.

The service ran the following HCPC events and engagements in 2023–24:



5

#myHCPCstandards webinars

15

'Joining the UK Workforce' workshops to support the transition of our international registrants into UK practice

15

'Becoming a health and care professional' workshops for students on HCPC-approved programmes

3

Insights for employers webinars

6

Conference presentations

10

'Duties of a registrant' workshops to support students

19

Bespoke strategic risk learning sessions for registrants



This session was an eye opener on the importance of keeping up to date knowledge about current technology trends in my practice and how to use them to improve my practice. I am now able to use technology to reach an otherwise unreachable audience to raise awareness and also to improve my competency as a diagnostic radiographer.



Registered radiographer at #myHCPCstandards event 'Digital skills and new technologies'

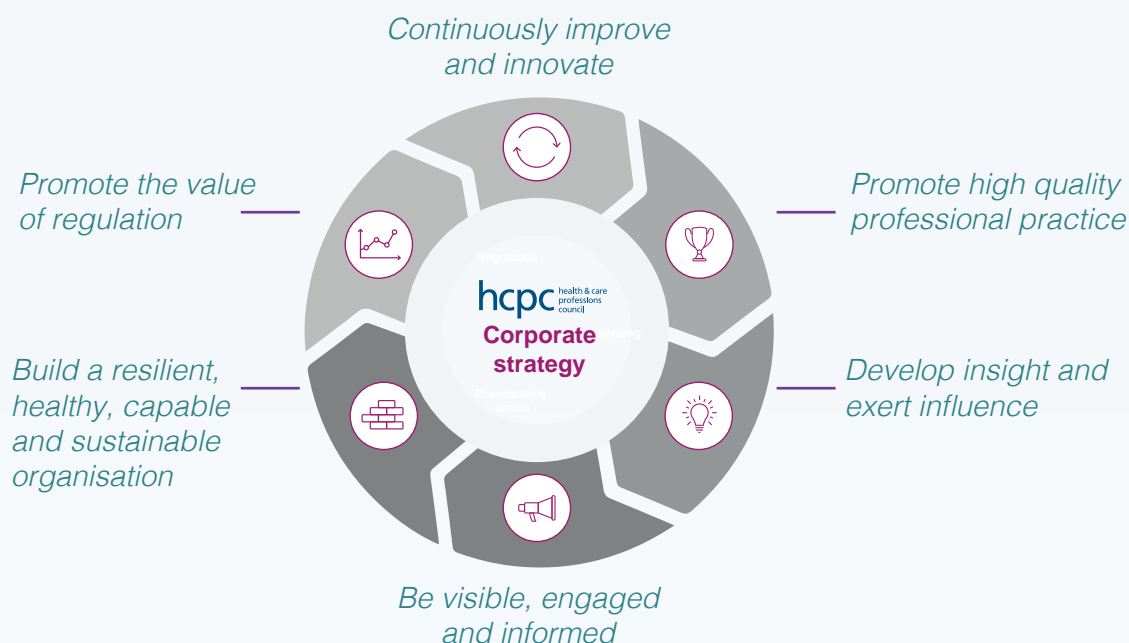
Performance analysis

This section outlines our performance over 2023–24, focusing on our strategic and operational performance and the delivery against key milestones and performance measures, as well as our performance against the Professional Standards Authority (PSA) standards of good regulation. We also outline our learnings from the last year and look ahead to the priorities in our Corporate plan 2024–25 and set out our views on regulatory reform.

Delivery of the Corporate strategy

The HCPC is adapting to become a more targeted and evidence-based regulator by focusing on upstream, preventative work, and working towards a more ambitious future, embracing advanced technology and new ways of working, underpinned by regulatory reform.

Our [Corporate strategy 2021–26](#) sets out our vision and goals, as well as six priority areas of work:



At the heart of our mission is upholding high standards in the professions we regulate. The strategy sets out our commitment to improving our core regulatory performance and meeting all the PSA's standards. It sets out an approach that is empathetic and ultimately will be more effective in ensuring the very best outcomes for the public.

In May 2023 we launched our [Corporate plan 2023–24](#), which set out how we would progress our aims from our [Corporate strategy](#) over the year. The following pages report about the delivery and performance of our plan.

Our Corporate plan for 2023–24 was structured around three key themes:

- 1 improving the experience of registrants and others who engage with the HCPC;
- 2 contributing to sector-wide workforce planning and resilience; and
- 3 driving forward efficiencies and innovation in how we work.

These three themes bring together elements of the six priority areas in our Corporate strategy, and are underpinned by our commitment to equality, diversity and inclusion (EDI), whilst public protection remains at the heart of everything we do.

Corporate plan delivery in numbers



Over 12 months we have achieved 85% of the project milestones from our Corporate plan 2023–24.

We are pleased with the progress made and are confident we have the right people, processes and plans in place to continue to improve user experience for our registrants and better serve the public.

In 2023–24 we continued to meet 16 of the 18 PSA standards. Further detail is provided on page 40.



I am grateful for the HCPC's commitment to technological advancements, as exemplified by the online Register and the registrant portal. These platforms provide easy access to important information and enable us to manage our registration efficiently. The convenience and user-friendly nature of these tools reflect your organisation's forward-thinking approach and dedication to continuous improvement.



Registered biomedical scientist

1

Improving the experience of registrants and others who engage with the HCPC

Overview of delivery 2023–24

FTP participant support

- Completed a tone of voice review of all FTP template communications to lessen the impact of the process on those involved.
- Reviewed our POhWER Lay Advocacy Service, setting out how we can increase uptake.

SCPEs (standards of conduct, performance and ethics) review

- Published revised standards and accompanying social media guidance following a wide-ranging review, which included a public consultation between March and July 2023. The updated standards and social media guidance will take effect from September 2024.

EDI

- Published a statistical analysis of the impacts of EDI factors on the FTP process and outcomes in our FTP annual report 2022–23.
- Published updated EDI factsheets across all professions, including information beyond protected characteristics.

Registration operating model

- Moved to a new operating model, enabling a greater focus on customer service for registrants and applicants, including faster processing of applications.

Service user engagement

- Worked with The Patients Association to integrate the patient perspective in key HCPC projects and initiatives, including our consultations on English language proficiency and the SCPEs.

Welsh language

- Incorporated the new Welsh language standards for health profession regulators across the organisation.

Delivery highlights 2023–24

FTP improvements

A key focus in 2023–24 has been on continuing our FTP improvement programme (phase two):

- transitioning to a new model of investigating cases called ‘frontloading’ meaning the focus is on investigation activity at the earlier stages of a case;
- the delivery of initiatives to develop and enrich the support we provide for those involved in the FTP process; and
- embedding the changes in phase one of the improvement programme and continuing to monitor impact.

A key support initiative has been the review of the tone of voice of the letter and email templates we use in the FTP process as well as the development of FTP fact sheets. This builds on initiatives introduced previously such as our Lay Advocacy and Registrant Support services and is part of wider work to deliver a more person-centred approach to how we engage with others and explain our processes.

We have employed a renewed focus on keeping parties updated on their cases through a revised best practice standard on customer service and training for team members; we have seen a decrease in the number of complaints we receive about our communication which indicates these changes are starting to have an impact.

Throughout 2023–24 we have continued to meet with representatives from the PSA and the Department of Health and Social Care (DHSC) as part of our FTP Improvement Board, which receives regular and detailed performance data. This forum has also enabled us to seek learning from the PSA’s experiences of improvement work by other health and care professions regulators.

Policy and standards

Standards of conduct, performance and ethics (SCPEs) review

We regularly review our standards to ensure that they are up to date and relevant to current practice across our professions.

In 2022 we commenced a review of our SCPEs. These standards set out the ethical framework in which our registrants must work. As part of this review, we also considered our accompanying guidance on registrants’ use of social media.

We developed proposals for revised standards and guidance in collaboration with stakeholders and then consulted on these proposals between March and July 2023. After taking into account feedback from the consultation we published updated standards and social media guidance in October 2023. The updated standards and social media guidance will take effect from September 2024.

The key changes to the revised standards were grouped into five main themes: equality diversity and inclusion, communication, duty of candour, upskilling and training responsibilities and managing existing health conditions and disabilities in the workplace. As part of the review, we also explored whether standards around sustainability should be incorporated into our wider standards. Although we did not feel that it was appropriate to include a standard on sustainability at the current time, we agreed to produce further materials to support sustainability and consider it in future standards reviews. Information and resources on practising sustainably are now available on the [HCPC website](#).

EDI – publication of factsheets/FTP outcomes

Work has continued developing our EDI data, and subsequent analysis, of HCPC registrants. At the end of March 2024 we had EDI data for 95% of the Register and a piece of work has commenced to develop a policy for an organisation-wide approach to provide support and adjustments for people who need these.

Service user engagement

Making sure that we capture a range of voices is a vital part of regulatory policy development. With this in mind, we commissioned The Patients Association to support our work on the review of the SCPEs and our review of English language requirements for international applicants to our Register.

As part of our ongoing commitment in this area, we have agreed a new formal partnership relationship with The Patients Association. This will allow us to better engage with service users directly and to utilise the wealth of experience from The Patients Association. This new agreement will enable us to build on this and further integrate the public and service user voice in our work.

Welsh language

We have had a Welsh language scheme in place since 2011, ensuring that we effectively deliver services to Welsh speaking members of the public. In 2022 the Welsh Language Commissioner introduced new Welsh language standards for health profession regulators, which we worked to incorporate in 2023–24. The standards cover service delivery, policy-making, operational areas and record-keeping and supplementary matters.

Most of the standards applicable to the HCPC came into effect at the end of 2023, although some will take effect at a later date. We are committed to continuing to improve our Welsh language capabilities in the services and information we provide.

2

Contributing to sector-wide workforce planning and resilience

Overview of delivery 2023–24

English language

- Consulted on proposed changes to our English language requirements for registration to ensure that international registrants meet expectations on communication.

Standards of education and training (SETs)

- Commenced a review of our SETs to ensure that the registrants of the future continue to join the workforce with the skills and knowledge they need to succeed.

Preparedness for practice

- Undertook research into the experiences of new registrants entering the workforce, to inform work to support registrants to meet our standards and stay on the Register. We also published our principles for preceptorship to support registrants at key transition moments in their careers, and to help them in providing safe, compassionate and high quality care.

Data insights

- Published a report investigating retention rates of first time HCPC international registrants between 2013 and 2018, including profession and modality-specific information, enabling greater visibility of the makeup of our Register and allowing us to better forecast workforce supply through new graduates and international registration.



I work entirely in private practice, and found a number of simple ideas that will save me time and improve the efficiency of my practice, such as voice notes for home visits. I don't have an online appointment system which would be very helpful. A few tips like that, obvious, but I intend to put them in place immediately.



Anonymous attendee at #myHCPCstandards event 'Digital skills and new technologies'

Delivery highlights 2023–24

English language

Communicating effectively in English is a key part of safe and effective practice for the professionals on our Register. As part of our international application process, we ask applicants to our Register to demonstrate their English language proficiency.

This year we conducted a review of our English language requirements for international applicants, which culminated in a consultation to discuss proposals to amend these requirements. These proposals focused on the types of evidence we accept, providing new options for applicants whilst ensuring that we strike the right balance between protecting the public and avoiding unnecessary barriers to international registration.

Findings from the consultation and recommendations for future action were presented to the Council in May 2024.

Preparedness for practice

In November 2023 we published supporting information to our preceptorship principles. This was aimed at helping registrants and those delivering preceptorship to use the principles in their workplaces and practice. Well-delivered preceptorship support has a key role to play in supporting both current and future HCPC registrants, helping them to achieve their potential and to fully and confidently meet the needs of those they serve.

Working with the University of Plymouth, we also undertook some research into the experiences of new registrants entering the workforce. This will be used to inform work across the organisation, including our review of the standards of education and training.

Data insight

We continue to increase and improve the data we provide to improve understanding of the HCPC Register and processes and to support providers with workforce planning.

In addition to the published analysis of retention rates for new international route registrants, we also published our first analysis of FTP outcomes and EDI within the FTP annual report for 2022–23.

We have commenced work on a standard approach to data sharing with professional bodies and we continue to improve and develop automated reporting of key FTP reports. We also published a renewal dashboard on our intranet to provide daily updates on renewal rates, current and historical renewal data and trends for our regulated professions during their two year renewal cycles. The dashboard helps to enhance efficiency and ensures data accessibility across the organisation.

Diversity factsheets

Aligned to renewal windows to ensure maximum coverage, we published profession and modality-specific factsheets for eight professions in 2023–24. These have given stakeholders the first full assessment of those professions' diversity in terms of the nine protected characteristics. In 2024 all professions will have their diversity factsheets updated and expanded to include additional information for other EDI characteristics.

International route retention rates

To complement the UK route retention rates published last year we published international route retention rates this year for each of our professions and their modalities. This revealed some important patterns in terms of retention rates amongst different demographic groups, which has helped workforce planning stakeholders better understand the UK's international workforce. Both the UK and international route retention rates will be updated in 2024–25.

EDI and FTP

We produced a chapter in the FTP annual report including analysis of FTP concerns by age, sex and profession. It also included a first look at the limited data for other EDI characteristics and for FTP rates by registration route. Coverage of EDI data was over 95% by the end of 2023–24 and a much more comprehensive analysis will be possible in 2024–25.

COVID-19 Temporary Register

Following an announcement from the DHSC, the HCPC's COVID-19 Temporary Register permanently closed on 31 March 2024. 22,000 former registrants and 6,000 final year students joined the Temporary Register to support patients and registrants, which was set up to respond to the unprecedented need for health and care services during the pandemic. We communicated with the temporary registrants in advance of the Temporary Register closing, providing them with guidance on how to apply to re-join the main Register if needed and to thank them for their service.

3

Driving forward efficiencies and innovation in how we work

Overview of delivery 2023–24

Online registration services

- Developed new system enhancements, enhancing our online application and renewal functionality for registrants and applicants enabling greater self-service and reducing manual and paper-based inefficiency.

Financial management

- Strengthened our financial management capabilities by modernising our financial IT systems through the implementation of Business Central, which allows for better integration, increased efficiency and automation, as well as real-time reporting and analytics.

Partners

- Reviewed how we work with our partners to optimise and streamline our processes and quality assurance, including a cross-departmental review of quality reviews and key performance indicators (KPIs).

Sustainability

- Published our first environmental sustainability statement and established the HCPC's carbon baseline and agreed action plan and targets, as well as an Employee Forum sponsored programme of employee engagement.

People

- Delivered on the third year of our [People strategy](#), including upgrading our recruitment portal and innovative mentoring schemes.

Engagement

- Established a Chair and Chief Executive Office to better support strategic engagement with stakeholders.

Delivery highlights 2023–24

Partners

We have been reviewing various aspects of partner processes, performance and quality assurance of partner decisions over the last year. This resulted in the implementation of a new record of assessment for international registration application assessments, which was introduced in January 2024 following a pilot and training of partners, to improve the quality and consistency of how partners record their recommendations and supporting evidence. The same improvement is currently being piloted for CPD (continuing professional development) assessments and will be implemented in July 2024. A cross-departmental workshop evaluated quality reviews and KPIs at regulatory function level and explored commonalities. Financial controls have been optimised by increasing the collaboration between Finance and FTP teams to improve payment controls.

People

The third year of our People strategy has seen us successfully complete the launch of our recruitment portal, which went live on 31 January 2024, and the development of a talent pool for future recruitment is ongoing. We have delivered innovative mentoring schemes throughout the year including the Beyond Barriers and Reverse Mentoring programmes. A further initiative has been developed as a result of these schemes: “Let’s Talk with the Senior Leadership Group,” as a way to continue these important conversations. Development of a succession plan framework progressed during the year with workshops held in the second quarter with the Senior Leadership Group to identify needs and key positions and this work will continue into 2024–25.

Financial management

This year we sought to strengthen our financial management and successfully implemented the Business Central finance system at the beginning of April 2024. The Finance team will now focus on phase two improvements in reporting, invoice processing, accounting for income and introducing more frequent direct debit functionality, which are enabled by the new system.

Sustainability

As part of our sustainability agenda, the HCPC has been on a carbon-neutral electricity tariff for a year. From April 2024 we transitioned to a new tariff that as well as being carbon-neutral is 100% generated from renewable sources.

In September 2023, we published a sustainability statement setting out our commitments to becoming an environmentally sustainable regulator and the subsequent actions to support these commitments.

Colleagues are engaged internally in contributing to how we can be a sustainable organisation.

Engagement

We have established our Chair and Chief Executive Office to provide a dedicated executive supportive function to our Chair and Chief Executive and Executive Leadership Team and to coordinate stakeholder engagement at a senior level.

Financial sustainability

In November 2023, parliament approved an increase of £19.62 to our annual renewal fee to meet a shortfall in income that had arisen over time as a result of inflationary cost pressures, and to ensure that we can continue to meet our regulatory responsibilities to protect public safety. The approved consultation document also discussed the need to introduce more regular reviews of fees resulting in smaller, incremental increases.

In order to build a resilient, healthy, capable and sustainable organisation, we have set out our plans to introduce, following a consultation, a 6% fee rise for implementation in 2025 at the earliest. This is in line with our intention to transition to a new model of regular fee reviews to provide clarity about our future funding needs and to ensure that the HCPC continues to be adequately funded, sustainable and able to effectively discharge our statutory duties to protect the public.

We aim to review our fees at least every two years, with the expectation that regular, incremental increases will be needed to maintain our financial sustainability.

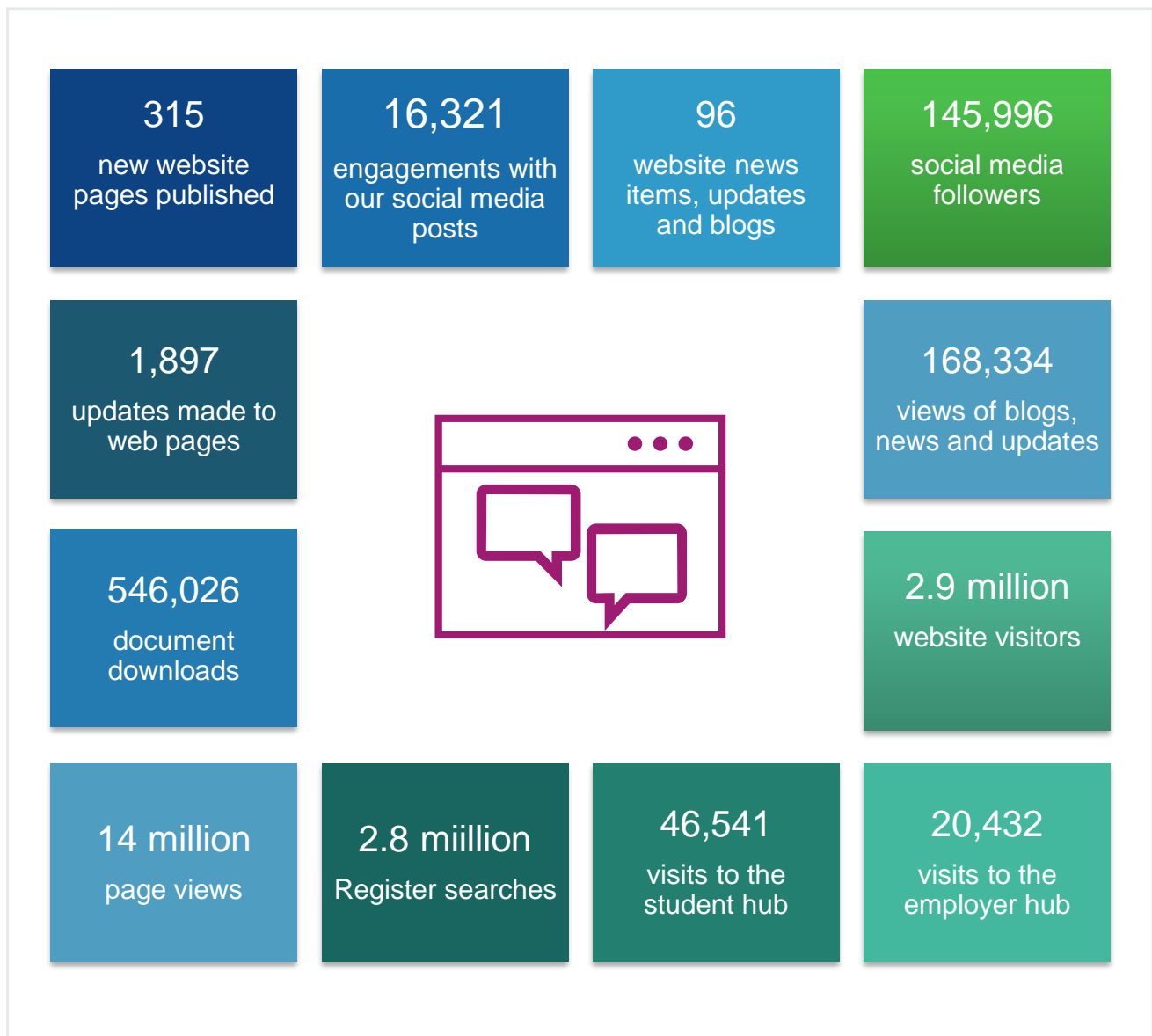
The proposed increase is underpinned by careful financial analysis and will enable us to fund the following commitments and priorities:

- maintaining delivery of our statutory registration, FTP, education and other regulatory responsibilities within existing performance standards, taking account of unavoidable cost pressures, including a 25.83% increase in the total number of FTP concerns received in 2023-24 compared to the previous year, in line with the experience of most other healthcare regulators; and
- making essential further improvements over the next three years, including to deliver a joined-up approach to the ways in which registrants can contact us; updating our registration and education system portals through the use of technology and automation to enable us to improve efficiency, safely and ethically; and improving the quality of our data to contribute to workforce planning.

Online engagement

The HCPC regularly publishes online resources such as learning materials, case studies, fact sheets and reports on our data and regulatory performance. In 2023–24, we published 50 new resources on our website and made 1,897 updates across the site.

Our other online content has continued to see high engagement levels, with our check the Register function seeing a small increase to 2.8 million checks in 2023–24 from 2.7 million in 2022–23 and downloads of documents from our site have also increased on 2022–23 figures. Our blog posts from senior members of our team provide key updates on areas of our work and have achieved 62,467 views this year, which represents a significant increase in our ‘engagement per blog’ post.



Health and safety

We are committed to complying with the Health and Safety at Work etc. Act 1974 and other related UK requirements. This ensures that everyone at the HCPC, whether employees or visitors, continues to enjoy the benefits of a safe working environment. One health and safety incident was reported during 2023–24, four accidents were reported (no accidents were reported in 2022–23, while one health and safety incident was reported in the same period). The HCPC encourages

and supports employees to take responsibility for safe working practices away from the office environment, including by reporting any health and safety incidents. Health and safety accidents can be categorised as either reportable or non-reportable to the Health and Safety Executive, in accordance with The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). No incidents were reportable under RIDDOR, and as such all are considered minor.

The total number of employee sick leave days in 2023–24 was 1,459 (2022–23: 1,621). The average number of sick days per full-time equivalent employee in 2023–24 was five working days or 1% of working days (2022–23: seven working days, 1% of working days).

Environmental sustainability

Improving environmental sustainability continues to be a key strategic objective for the HCPC. In 2023–24, the HCPC's Executive Leadership Team and Council agreed on high-level plans and targets for achieving our environmental ambitions. Additionally, we published our sustainability statement, setting out our commitments toward becoming an environmentally sustainable regulator and the actions planned in support of these commitments. Our target to reach net zero for the emissions directly related to our operations (those over which we have direct control) continues to be by the 2028–29 financial year. We have a longer-term interim target for emissions relating to our purchased goods and services, which contribute most significantly toward our overall emissions. This timeline will be revised where possible with greater understanding and with the aim of achieving this target earlier. At the end of the 2022–23 financial year (31 March 2023), the HCPC completed the second and final stage of the estate consolidation programme, reducing the overall estate by around 50% compared with pre-pandemic operations. Refurbishment works were required and predominantly conducted in the year prior, to accommodate the organisation's operations within the reduced estate footprint. The HCPC continues to operate a hybrid working model initially adopted as a temporary measure during the COVID-19 pandemic and then made permanent from January 2023.

Greenhouse gas emissions and carbon management

We have continued to examine our annual emissions supported by external auditors, reporting in line with the Greenhouse Gas (GHG) Emissions Reporting Protocol. Having adopted 2019–20 as our baseline year we are able to monitor ongoing progress toward our goals. There have been refinements within the latest emissions review, including to previous years, as reporting information has improved. Our audited emissions reporting covers the period from our baseline year (2019–20) up until 2022–23. We are continuing to work on developing our internal emissions reporting, from which we have also provided (unaudited and unverified) details in the table below of our anticipated emissions across Scope 1 and 2 emissions for 2023–24.

Financial year Greenhouse Gas Emissions (tCO₂e):

Scope	2019–20	2020–21	2021–22	2022–23	2023–24
Scope 1 (Gas)	41	27	33	32	28
Scope 2 (Electricity)	146	105	102	80	0
Scope 3 (All other)	4,276	3,100	4,013	2,152	not available
Total	4,463	3,232	4,148	2,264	not available

Note: Data for 2023-24 is preliminary and has not been fully externally verified, therefore this data may be subject to revisions. The Scope 3 emissions data for 2023-24 is not yet available.

The Greenhouse Gas Emissions Reporting Protocol counts the carbon in our gas usage as Scope 1 and the carbon in our purchased electricity in Scope 2. Most other activities are included in Scope 3, which includes several categories within it though predominantly relates to our purchased goods and services.

The table shows the HCPC's progress in reducing the carbon in the activities. Where we have direct control, the carbon equivalent in our Scope 1 and Scope 2 combined emissions has continued on an overall downward trajectory for the last few years. This was previously due in part to pandemic measures, but also relates to policies and activities to reduce our carbon such as reducing the estates footprint, hybrid working and effective energy management.

Going forward for Scope 1 and Scope 2 carbon emissions, the HCPC has more control and influence. We continue to monitor and manage our energy purchasing and trading strategy delivered through a government framework agreement working with Crown Commercial Services. Over time we have transitioned our electrical energy supplies. At the end of 2022–23, we moved from “brown supplies” with carbon embedded to being carbon neutral (net zero) in 2023–24. As outlined in the table above we anticipate our Scope 2 emissions are near zero. Further to this, from the start of April 2024 the HCPC has now migrated to renewable energy supplies. This energy is supplied from a mixture of wind, solar and hydroelectric power. We anticipate having made an 85% reduction on our direct emissions under Scope 1 and 2 in comparison to our baseline year.

Scope 1 emissions relate to gas consumption. The HCPC has conducted initial feasibility studies to provide options that focus on transitioning away from gas (boilers) to alternative electrical sources for heating, with longer-term potential consideration for onsite supply (potentially using solar). We will move toward the implementation of the heating system changes aligning with our organisational targets.

The Greenhouse Gas Emissions Reporting Protocol puts most of the other sources of carbon into Scope 3. The HCPC is similar to many organisations in that most of our carbon equivalent is found in Scope 3 - as much as 95%.

Scope 3 has 15 subcategories depending on the activity which produces the carbon. The HCPC's largest category inside Scope 3 is purchased goods and services. These purchases can be as much as 80-89% of our total carbon equivalent in the years for which we have data, making supply chain the single most critical area for achieving the HCPC's carbon targets. The HCPC recognises the importance of the supply chain as a key partner in our carbon reduction journey as well as social impact goals. We have begun the process of strengthening our procurement policies and our governance, and we are considering increasing our engagements with our suppliers as we partner toward our common goals.

Carbon related to travel is one category within Scope 3; in previous years we have reported our travel information and we have again reviewed and reported this information. As the table shows, there was a drastic reduction in carbon during fiscal years 2020–21 and 2021–22; this was largely due to actions taken in the COVID-19 pandemic. We saw a notable increase in emissions in 2022–23 as activities recovered from the pandemic. In 2023–24 these still continue to be significantly lower than 2019–20, at about 5%. We have continued to monitor activities in order to maintain the reduced travel emissions levels since 2019–20 while still meeting our statutory obligations and keeping our high standards for service. There are fluctuations across the previous few years, though overall moving in a positive direction.

Business travel estimated Greenhouse Gas Emissions (CO₂e)

Kh CO ₂ e*	2019–20	2020–21	2021–22	2022–23	2023–24
Flights	125,541	742	1,046	10,336	7,539
Hotels	95,396	142	1,383	3,668	3,639
Rail	68,407	217	982	2,403	2,043
Total	289,344	1,101	3,411	16,407	13,221

*The calculations are produced based on Department for Environment, Food and Rural Affairs guidelines providing an approximation of carbon emissions using the data recorded by the organisation's travel provider. A more precise calculation is planned, which will bring the methodology and level of precision into line with that for greenhouse gas emissions reported above for all scopes and years.

As we look ahead, we continue to anticipate a future that is more resource constrained, interconnected and transparent than ever before and we recognise that the key decisions we make need to be examined through the lens of a continuously changing climate.

As we look to opportunities in 2024–25 and beyond to address the challenges in areas of resource efficiencies, achieving net zero, sustainable business travel, water stewardship, biodiversity and other areas, we recognise that our organisation will be reliant on many interrelated factors and pathfinder projects critical to address these.

Our priority programmes will include:

- finding pathways to decarbonisation (net zero emissions for our operations by 2028–29) and defining concrete plans to achieve it;
- developing our adaptation and resiliency responses to the physical risks of climate change;
- leveraging our developing sustainability strategies to support employees, registrants, communities and other stakeholders;
- driving operational transformations, based on resource intensity, including changes to governance processes, supply chains and investment priorities; and
- managing regulatory changes and showing leadership in areas including risk management, finance and legal.

Monitoring and managing progress against the HCPC's sustainability objectives is becoming increasingly embedded within corporate governance structures. In July 2023, the Council approved high-level plans, emissions targets and a statement on environmental sustainability setting out our commitments in this area. Our Corporate Plan 2024–25 includes a number of actions on sustainability, which are regularly reviewed by the ELT.

Sustainability considerations are included in the remit of our Change and Benefits Forum, which supports decision-making on new investments, to ensure that the sustainability aspects of new investment proposals are considered at an early stage as part of the decision-making process. The sustainability aspects of proposals will be set out as appropriate in papers to the ELT and the Council. This area will be further enhanced as required reporting improvements develop and better demonstrate these sustainability benefits.

Risks in relation to sustainability are captured as part of the HCPC's corporate assurance and risk management processes. High-level performance metrics on sustainability are incorporated in a performance report that is reviewed by the ELT on a monthly basis and is shared with the People and Resources Committee quarterly. Our performance metrics will be further developed as a strand of a new environmental management system over the coming years. We will also continue to draw on expert external advice, where required, to ensure we have the necessary support to inform and deliver our objectives in areas including feasibility studies, modelling, auditing and verification.

The HCPC's Employee Forum is also closely involved in the development of sustainability plans, including through sponsoring employee workshops and following the actions to improve the HCPC's sustainability.

Corporate social and environmental responsibility

As part of being a compassionate regulator, the HCPC aims to be a good citizen in the communities to which we and our people belong. As part of this we are rejuvenating our approach to corporate social and environmental responsibility (CSR).

Although we are still at an early stage, we are working to establish a network of champions across the organisation to work on issues including volunteering in the local community, support for charities and improving our environmental sustainability (separately reported). We are also looking at how our corporate policies can support and encourage CSR activity and are cooperating with other regulators to share good practice and identify the scope for joint action.

Corporate plan commitments we did not deliver

When we set our 2023–24 Corporate plan, we were aware that our commitments were ambitious. Delivery progress was tracked through 2023–24 at regular intervals and decisions were made on prioritisation in response to demand. We did not complete three workstreams as planned:

- the transition to FTP frontloading in-house was pushed back due to recruitment timelines;
- work to develop our regulatory approach to advanced practice has not started in full as it is subject to funding from NHS England, which has not yet been released. Engagement with stakeholders on this subject has continued throughout. We have collaborated with NHS England and stakeholders across the UK on related work on independent prescribing. We have also published a [blog](#) setting out our position around advanced practice and outlining the next steps of our work; and
- initiation for online reporting of FTP concerns was delayed whilst a review of the approach to automatic case creation is assessed; the technical solution for the form has now been agreed and the definition phase of the project has commenced.

We intend to complete these workstreams over the next year.

Operational performance

Our strategic delivery for 2023–24 should be seen in the context of our essential regulatory business as usual delivery and the external demands we are required to meet. While strategic development work builds the foundations for our future, our day-to-day operational work enables us to deliver our core purpose of public protection.

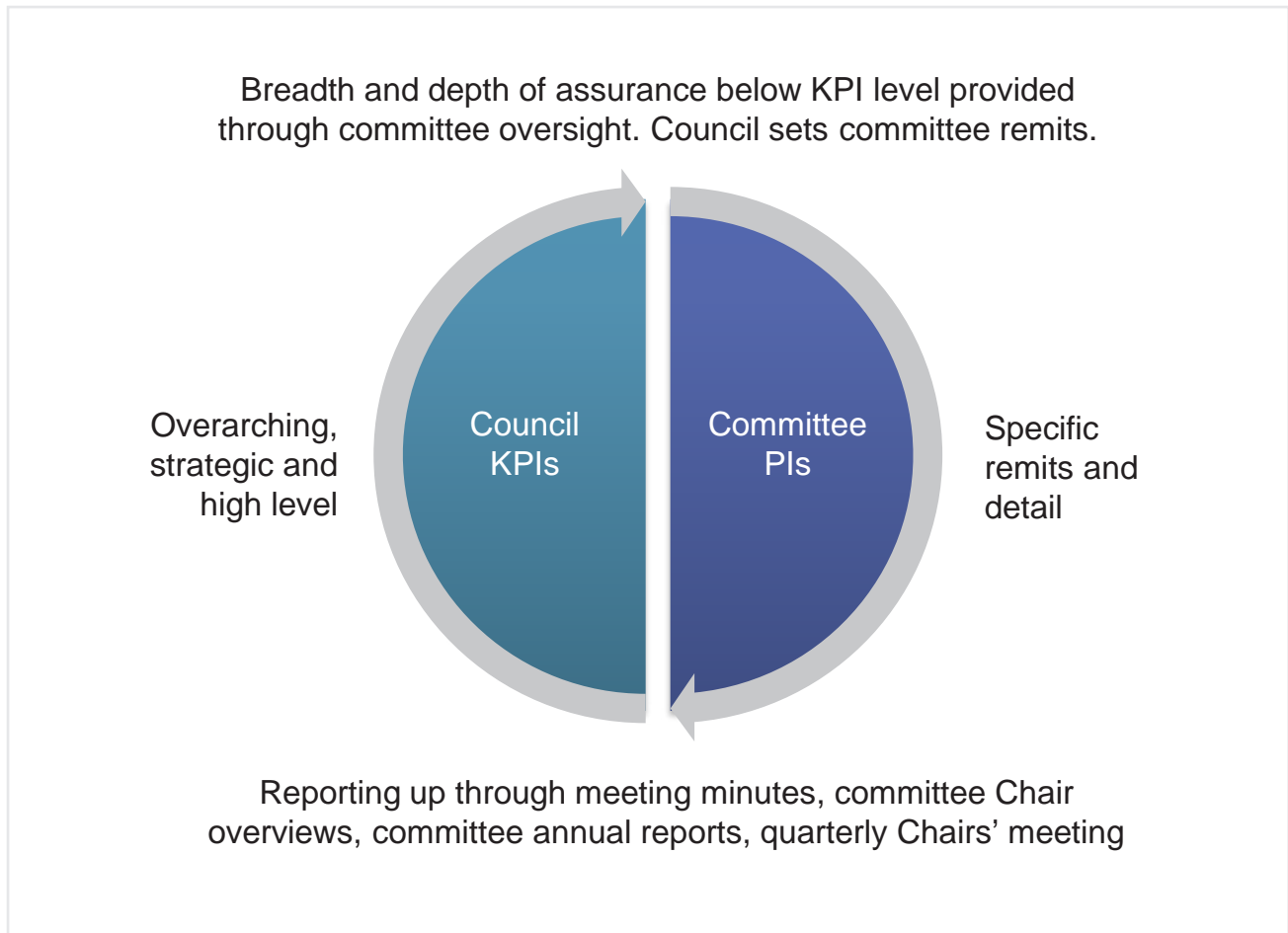
The figures below illustrate the volume of our day-to-day operations in 2023–24.



Key Performance Indicators

During 2023–24 our Council received regular performance reporting against agreed key performance indicators (KPIs) spanning the HCPC's operations. KPI data and narrative is included in the Chief Executive's report on organisational performance on a quarterly basis and can be read on our website [here](#).

The HCPC has many more performance indicators (PIs) than KPIs. This section focuses on the measures that are key for our Council to consider, taking into account the assurance the committees seek on its behalf.



Our Council KPIs are aligned to our strategic priorities and our core regulatory functions. An analysis of our performance against our KPIs for 2023–24 is provided below.

	KPI definition	2023–24 analysis
Education		
Supports the delivery of strategic priority 1: continuously improve and innovate		
Education - quality and timeliness	<p>Measure 1 - less than 20% of assessments resulting in conditions/formal requirements.</p> <p>Measure 2 - 30 days or less to provide process reports to the education provider from conclusion of quality activities.</p>	<p>For measure 1, the KPI target was met for 11 out of the 12 months.</p> <p>For measure 2, the target was met for four out of the 12 months as we continued to tackle a backlog of cases. However, performance improved over the year and the final quarter saw the target being met in two out of three months.</p>
Registration		
Supports the delivery of strategic priority 1: continuously improve and innovate and strategic priority 4: be visible, engaged and informed		
Registration responsiveness	<p>Responsiveness provides Council with a view of the customer service (timeliness) received by registrants. Our KPIs are as follows:</p> <p>UK applications - decision on 95% of all UK registration applications within 10 working days.</p> <p>International applications - decision on 95% of all international registration applications within 60 working days.</p> <p>Calls - answer 90% of telephone calls.</p> <p>Emails - respond to emails within five working days.</p>	<p>The target for the service we provide to UK graduates applying to join the HCPC Register was consistently met throughout 2023–24.</p> <p>For applications to join the HCPC Register from people who qualified outside the UK, the KPI target was met from April to October 2023. From November 2023 to March 2024 the target was not met, with between 48% and 53% of decisions being made within 60 working days. This was due to the ongoing impact of a significant spike in applications in July and August 2023, with more applications received in the second quarter than in the whole of 2020–21 and almost as many as received in 2021–22. In March 2024, a recruitment process commenced for additional registration assessors to meet the demand of applications awaiting an assessment decision.</p> <p>Our contact centre performance was strong throughout 2023-24, with 98-99% of calls answered against the</p>

	KPI definition	2023–24 analysis
		target of 90%. For those contacting us by email we have consistently met our KPI target throughout 2023-24 and responded to emails into our contact centre within one to two working days.
Professional practice and insight		
Supports the delivery of strategic priority 2: promote high quality professional practice and strategic priority 3: develop insight and exert influence		
Professional practice and insight	60% of registrants said their practice would change as a result of information gained through a professional liaison learning event. This measure focuses on outcomes which highlight the impact of our engagement.	This target was met or exceeded throughout 2023–24 except in August 2023. Only a small number of learning events took place in August as we focused on linking with and developing relationships with employers. Consequently, the score in August was skewed by a small number of registrants.
Fitness to practise (FTP)		
Supports the delivery of strategic priority 1: continuously improve and innovate		
FTP	<p>The proportion of cases concluded at each stage that are within KPI.</p> <p>This provides a view of the age profile of cases that have progressed through the FTP process and the timeliness of how cases are progressed to a final decision point.</p>	Closures at the pre-Investigating Committee Panel (ICP) stage of the process remained under 60% for most of 2023-24. However, towards the end of the third quarter the KPI target was met and in January 2024 we closed more cases within KPI than we had ever done previously (82%). This reflects our focus on balancing the progression of both the older and newer cases in the system. At the final hearing stage, more older cases are being concluded at a final hearing and this therefore impacted the KPI result.
Section 29 appeals and learning points	This includes data and narrative on the number of final FTP decisions appealed to the High Court	There was one section 29 appeal in each quarter of 2023–24. The number of learning points issued by the PSA reduced throughout the

	KPI definition	2023–24 analysis
	by the Professional Standards Authority (PSA) under its section 29 powers and the number of new PSA section 29 learning points received. This provides a view of the quality of our FTP decisions and assurance that those decisions are sufficient to protect the public.	year, with no learning points issued in the final quarter. Overall the PSA also issued fewer learning points this year (16 compared to 20 in 2022–23).

Customer service

Supports the delivery of strategic priority 1: continuously improve and innovate

Customer service	Number of complaints and percentage upheld. This provides insight into customer service performance.	Over 2023–24 the monthly average of complaints received was 36. On average, 36% of complaints were determined to be due to, or partly due to, the fault of the HCPC. We aim for less than 50% and this target was met in all but one month in 2023–24 (May 2023, when 52% of complaints were upheld).
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Finance

Supports the delivery of strategic priority 5: build a resilient, healthy, capable and sustainable organisation

Performance against budgeted operational expenditure	This measure indicates the financial grip and control in place and the accuracy of forecasting. It is based on the full-year forecast variance against the full-year budget moving from year to date. Our target is for variance to be within the range of 91.4% to 101.6%.	This KPI target was consistently met throughout 2023–24.
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	KPI definition	2023–24 analysis
Information technology		
Supports the delivery of strategic priority 5: build a resilient, healthy, capable and sustainable organisation		
Availability of core IT systems	The measure indicates the reliability of the IT infrastructure. Target: >99.5%.	This KPI target was consistently met throughout 2023–24.
Security score	Security Score in Microsoft Defender for Cloud is a metric used to score the overall cybersecurity of the HCPC. Target: >80%.	This target was met in 2023–24 except in December 2023, when the cybersecurity score decreased to 80% (the target threshold). This was due in part to a Christmas change freeze but mostly as a result of new requirements added by Microsoft.
Human resources		
Supports the delivery of strategic priority 5: build a resilient, healthy, capable and sustainable organisation		
Voluntary staff turnover	This provides an indicator that could point to cultural issues if it is higher than the target. Target: <21%.	This target was consistently met throughout 2023–24. There was a decline in voluntary turnover throughout the year (from 16% in the first quarter to 12% in the final quarter), reflecting a positive trend in employee satisfaction. Ongoing analysis of regular employee pulse surveys aims to identify and address potential issues.
Recruitment and onboarding efficiency	This measures how effective the HCPC is in attracting and making an offer to the right talent, which has been an area of challenge in a competitive job market. Target: 41 days or fewer from advert to offer date.	This target was consistently met throughout 2023–24. The introduction of a new HCPC careers website generated significant interest from prospective candidates. This contributed to a notable reduction in recruitment timelines, leading to enhanced efficiency in both recruitment and onboarding processes.

Professional Standards Authority performance review 2023–24

The PSA's review of the HCPC's performance in the period April 2023 to March 2024 was published on 30 August 2024. The HCPC has met 16 of the 18 standards including all General Standards, Guidance and Standards, Education and Training Standards, and Registration Standards. In FTP we continued to meet standards 14 and 16 and regained standard 18. We did not meet standard 15 and standard 17.

The monitoring report shows how our outcome-based approach to regulation is helping our 340,000 registrants to provide excellent care across the 15 professions we regulate. The assessment reflects the ongoing results of the HCPC's performance improvement plan that commenced in 2021.

This report also highlights the exceptional work the HCPC has done to build on the EDI data we hold about our registrants and how we have started to use the data to understand the characteristics of those within the FTP process.



The HCPC seeks and acts on feedback from a diverse range of stakeholders, and we commend its work in including a diverse range of voices in its consultation on the revised standards of conduct, performance and ethics.



PSA – Health and Care Professions Council Performance Periodic Review 2023/24

While we are encouraged by this outcome, and the acknowledgement of all the hard work delivered across the HCPC, we remain committed to our aim of meeting all the standards of good regulation. We are listening carefully to the feedback from stakeholders on the FTP Improvement Board including the DHSC and PSA. There is still work to be done, however we feel confident we are taking the right actions to enable us to meet this aim.

Financial performance review

Delivering efficiency and value

The HCPC does an important job. Our primary role is to protect the public. We do this by setting standards to support and enable our registrants to deliver safe and high quality care and service. We need to ensure we have sufficient finances and resources to do this to a high standard and on a sustainable basis. The HCPC is funded by the fees paid by our registrants.

The HCPC has been investing to improve performance and efficiency. These improvements have been recognised by the PSA. The HCPC has met 16 of the PSA's 18 standards of good regulation in 2023–24. We remain focused on retaining these standards and making further improvements. Investment in technology and improved processes have had a positive impact on our registrants, with our registration processes having been moved predominantly online, enabling faster processing and an improved user experience. This digitisation has enabled us to be more responsive and to improve data in support of workforce planning.

The fee rise that came into effect in 2023 stabilised our finances, but we need to sustain that position so that we can plan and continue to invest in critical improvements. In order to ensure that the HCPC continues to be adequately funded, sustainable and able to effectively discharge our statutory duties to protect the public, we need to transition to a new model of regular fee reviews. We are consulting on a fee increase reflecting this new approach, which would come into effect in April 2025.

Key operating and financial statistics and financial commentary

The tables below show the key operating and financial information for 2023–24 and 2022–23. This information is reported to the Council at each meeting. Council meeting papers are available on the HCPC website at www.hcpc-uk.org/aboutus/council/councilmeetings.

<i>Income and expenditure summary</i>	2023–24	2022–23
	£000	£000
Registrants' fee income	40,004	36,248
Payroll costs	(16,095)	(15,122)
Non-payroll costs	(21,109)	(19,995)
Depreciation and Amortisation	(1,070)	(1,294)
Impairment	(184)	-
Business transformation costs	(5)	(69)
Total operating expenditure	(38,463)	(36,480)
Operating surplus/(deficit)	1,541	(232)
Other income, including grant income, net of tax	781	764
Surplus	2,322	532
Revaluation gains/(losses)	(249)	(234)
Total recognised gains/(deficit)	2,073	298

In 2023–24, our fee income increased by £3.8 million or 10% on the previous year. This was mainly due to additional net income from the increase in international applications received and additional income from renewal fees from international applicants who had joined the Register in the previous year.

Operating expenditure increased by £2 million or 5% in 2023–24, predominantly as a result of an increase in FTP costs due to higher case referrals. In addition, there were also increased costs associated with the scrutiny of the increased levels of international applications received. This increase in activity generated higher international assessors' fees, additional temporary staff costs and professional fees.

The overall retained surplus was £2.3 million. This surplus was mainly driven by the contribution noted above received from additional international applications. The HCPC's medium-term financial planning process provides the framework within which any accumulated surplus from prior years will contribute to continued investment in improvements and to mitigating risks and liabilities, alongside meeting our core operational responsibilities and carrying out regular fee reviews to ensure that our funding base is sustainable over the medium term.

<i>Statement of financial position (summary)</i>	2023–24	2022–23
	£000	£000
Property, plant and equipment	5,571	6,200
Intangible assets	3,324	3,398
Cash and deposits	26,049	14,460
Deferred income	(29,628)	(20,117)
Other working capital, net shortfall	(1,340)	(2,085)
Liabilities greater than one year	(82)	(35)
Total reserves	3,894	1,821
	£	£
Total reserves per registrant	11.48	5.68

Freehold valuation

The value of our total fixed assets is £8.9 million (2022–23: £9.6 million), of which £5.4 million is our freehold offices in Kennington, London. We carry our land and buildings on our balance sheet at valuation, this being the fair value at the balance sheet date. This year the value of the buildings has decreased by £500,000 due to the reduction in the appetite for the commercial property market (offices in particular) and the reduction in our rental yield following our rent review.

Cash flow

As a result of the requirement for registrants to pay their fees in advance, we hold relatively large cash balances. The aggregate of cash at bank and short-term deposits was £26 million as at 31 March 2024 (31 March 2023: £14.5 million). These are not surpluses or profits; the element of fees received in advance is reflected in the deferred income balance of £29.6 million (2023: £20.1 million), and fee income is recognised evenly throughout the renewal cycle.

Reserves

Our total accumulated reserves are £3.9 million as at 31 March 2024 (31 March 2023: £1.8 million), which represents approximately £11.48 per registrant (31 March 2023: £5.68). The increase in total reserves is the consequence of our surplus for the year. This is in line with our reserves policy, which requires that we maintain at least positive realisable net assets, defined as total net assets less the value of intangible assets.

Reserves policy

As at 31 March 2024, the HCPC has positive realisable net assets at £0.6 million (total reserves (net assets) less intangible assets). Our total reserves were £3.9 million, which is equivalent to 1.2 months of operating expenditure. This is an improvement on the 31 March 2023 position where a negative realisable net asset position was reported. The HCPC's policy is to maintain at least positive realisable net assets, defined as total net assets less the value of intangible assets. We aspire to increase reserves to a level beyond that, proportionate to the risks and opportunities that we face, and in step with progress against our wider financial sustainability strategy, having regard to a benchmark for total reserves defined as the equivalent of three months of operating expenditure, in line with wider norms across the economy. The HCPC is mitigating the variance against the policy by operating with a significant cash balance, which ensures that we have sufficient working capital.

Investment policy

Our investment policy was approved in October 2022. The policy provides the framework for the management of funds that are surplus to immediate requirements. The objectives of the policy, in order of priority, are to:

- ensure that our funds are held safely;
- ensure that we have sufficient liquidity to fund our operations; and
- achieve a return on surplus funds.

Surplus funds may be invested in sterling bank deposits with terms of up to 24 months in UK registered banks that have "investment grade" long-term credit ratings from both Standard and Poor's and Moody's.

Going concern

The HCPC is established in statute, and it would require an Act of Parliament to dissolve or abolish the organisation.

We continue to hold significant cash balances owing to the nature of the renewal cycle whereby registrants renew their registration with the HCPC, through up-front payment or a direct debit arrangement, on a two-yearly cycle organised by profession.

Over the year we have seen a high level of demand from international applicants for registration with the HCPC. This trend is continuing. After allowing for the direct costs of scrutinising and processing these applications, the increased fee income we receive makes a contribution to covering the associated indirect costs arising from this increased demand and flows through to increased income from registration fees in future years.

The HCPC continues to make investments that will deliver service improvements and enable cost reductions over time. The Council will continue to ensure that these investments and operational financial commitments are affordable within the HCPC's income over the medium term. This duty of financial stewardship exercised by the Council includes reviewing and seeking adjustments to the HCPC's fees as appropriate.

Over 2022–23 the HCPC consulted on an increase of £19.62 in our annual renewal fee to meet a shortfall in income that had arisen over time, which needs to be addressed to ensure that we can continue to meet our regulatory responsibilities to protect public safety. This revised fee amount came into effect from 9 November 2023. The Council will continue to monitor the financial position

closely and take any mitigating action that may be necessary. We also signalled our intention to transition to a new model of regular fee reviews in the previous consultation to increase our fees, and launched a consultation in April 2024 reflecting this change in our approach and to provide clarity about our future funding needs to ensure that the HCPC continues to be adequately funded and sustainable. Over the medium to longer term the HCPC will be seeking changes to its fee-setting powers that would enable more regular fee reviews and adjustments.

Taking all these factors into consideration - the HCPC's regulatory role being established in statute, a significant cash balance, effective management of financial operations, the ability to seek increases in fees, and medium-term planning to ensure financial sustainability - it is reasonable to assume that the HCPC will remain a going concern for the foreseeable future.

Other matters

As at 31 March 2024, the HCPC had a contingent liability arising from the case between the Nursing and Midwifery Council (NMC) and Somerville in relation to holiday pay entitlements that is estimated to total £1.87 million. The details are provided in note 18 of the financial statements (2023: £1.3 million).

External factors

Regulatory reform

Regulatory reform is a far-reaching programme of work to modernise and improve the legislative framework across all professional healthcare regulators. It will have a significant, organisation-wide impact on the way the HCPC operates in the future.

The Government has already modernised the General Medical Council's (GMC) legislation, with the introduction of a regulatory framework for physician associates and anaesthesia associates. The HCPC welcomed this as the start of a wider process of reform, alongside the announcement that the HCPC and the NMC will be next. Between them, the HCPC and the NMC regulate over a million health and care professionals, and a modern legislative regime will make a huge difference to our ability to regulate efficiently. We have continued to work closely with the DHSC, the other professional regulators and other stakeholders on the GMC's legislation, which will form the blueprint for our reform.

From our preparatory work, we know that regulatory reform will be a multi-year programme of work that will impact all parts of the organisation. At this point in time, the HCPC doesn't have sufficient certainty on the timetable for regulatory reform from the government. While this remains the case, we need to continue to invest in the development of the HCPC so we do not lose the momentum of the past few years. Where applicable, we will ensure that the investments we make are cognisant of future changes that will come with regulatory reform.

Look ahead

We are entering the penultimate year of our five year Corporate strategy. Having made good progress over the past three years, our key focus for 2024–25 is to consolidate and continue to improve our registrants' experience, pushing towards an increased number of automated and integrated systems to streamline user experience.

This is, as in previous years, set against a backdrop of significant challenges for the health and care sector, particularly around workforce planning and addressing the NHS waiting list backlog. We are also committed to continuing to support the wider health and care sector on the critical issue of workforce planning by sharing our data and insights, collaborating on international recruitment and furthering our programme of work on preceptorship.

We have structured our [Corporate plan for 2024–25](#) around the six key themes set out in our Corporate strategy:



Continuously improve and innovate

Including by applying changes to our FTP case management system to align with our new operating model and processes and implementing 'tone of voice' principles in communications from our Registration team.



Promote high quality professional practice

Including by promoting and supporting registrants to embed the revised guidance on the use of social media. Also, improving understanding and embedding of our standards among both UK and international registrants through our #myHCPCstandards and Joining the UK Workforce programmes.



Develop insight and exert influence

Including by commissioning research into the impact of the increasing ethical use of AI by healthcare professionals on professional regulation and establishing data sharing initiatives with key stakeholders.



Be visible, engaged and informed

Including by developing the Council Apprentice alumni network and beginning work required to maintain the revised PSA EDI standard, including collecting EDI data of FTP complainants and analysing EDI data for registration decisions.



Build a resilient, healthy, capable and sustainable organisation

Including by consulting on changes to fees recommended by the next regular review, for implementation in 2025, and updating our systems with new capabilities and features and strengthening cyber defences in line with evolving best practice.



Promoting the value of regulation

Including by collaborating with key stakeholders and employers who recruit and support international registrants and providing information and signposting for registrants on practising sustainably.

Equality, diversity and inclusion (EDI)

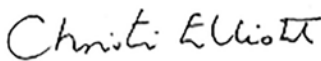
These themes are underpinned by our commitment to EDI, whilst public protection remains at the heart of everything we do. In 2023, for the first time, we were able to include EDI data analysis in our FTP annual report. We look forward to building on this analysis, as we begin to create a more informed picture of the impacts of EDI factors on the FTP process and outcomes.

Health and care workforce

We are undertaking a number of workstreams related to preparing education providers and employers for implementation of the NHS Long Term Workforce Plan and other national workforce strategies for health and social care. In 2024–25 we plan to continue our analysis of this data, seeking to understand the impact of our regulatory activities on different groups in pursuit of our core value of fairness.

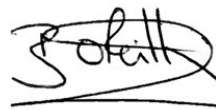
As the regulator of over 330,000 health and care professionals, we are in the unique position of holding significant quantities of data which can inform the health and care ecosystem with workforce planning. We have published analysis of our UK and international route retention rates and in 2024–25 we will publish the next iteration covering new registrations from 2018–2020 and tracked until 2024. Sharing our analysis on retention rates will help those responsible for workforce planning in the wider health and care sector, as well as inform our own work on preceptorship.

Following on from the publication of our principles for preceptorship, in 2024–25 we will focus on promoting these principles to employers and also continue to support new international registrants to successfully transition to UK practice through our Joining the UK Workforce programme.



Christine Elliott
Chair

Date 15 October 2024



Bernie O'Reilly
*Chief Executive and Registrar
Accounting Officer*

Date 15 October 2024

Accountability report

The Accountability report sets out how we meet key accountability requirements to Parliament.

It comprises three sections:

1. The corporate governance report sets out how the HCPC has been governed in 2023–24, including membership and organisation of our governance structures. The report includes the Council’s report, the governance statement and the statement of the Accounting Officer’s responsibilities.
2. The remuneration and staff report sets out the remuneration of our Council and Committee members, as well as members of our Executive Leadership Team (ELT) and includes fair pay disclosures.
3. The parliamentary accountability and audit report brings together key information to support accountability to Parliament, including a summary of fees and charges, contingent liabilities and the certificate and report of the Comptroller and Auditor General.

Corporate governance report

Council's report

The membership of our Council and its Committees during 2023–24 was as follows. Attendance at meetings is shown in the table on pages 73–74.

Council	
Christine Elliott (Chair) Maureen Drake (until 31 December 2023) Rebekah Eglinton Kathryn Foreman (until 31 December 2023) Sue Gallone Helen Gough	John McEvoy Lianne Patterson David Stirling Kathryn Thirlaway Steven Vaughan Valerie Webster
Education and Training Committee	Audit and Risk Assurance Committee
Helen Gough (Chair) Maureen Drake (until 31 December 2023) Rebekah Eglinton (from 5 March 2024) Kathryn Thirlaway Steven Vaughan Penny Joyce (independent member)	Lianne Patterson (Chair from 30 November 2023) Sue Gallone (Chair and member until 30 November 2023) Helen Gough (from 5 March 2024) David Stirling Graham Masters (independent member)
People and Resources Committee	Remuneration Committee
Sue Gallone (Chair and member from 30 November 2023) Rebekah Eglinton (until 4 March 2024) Kathryn Foreman (until 31 December 2023) John McEvoy Valerie Webster (Chair until 30 November 2023) Neville Hounsome (independent member)	Sue Gallone (Chair and member from 30 November 2023) Rebekah Eglinton (until 4 March 2024) Kathryn Foreman (until 31 December 2023) John McEvoy Valerie Webster (Chair until 30 November 2023) Neville Hounsome (independent member)

Maureen Drake was the Senior Council Member until 31 December 2023 and David Stirling was appointed to this role from 15 February 2024.

Following a review of the Executive Leadership Team structure and portfolios, the membership of the ELT as at 31 March 2024 was as follows:

Bernie O'Reilly	Chief Executive and Registrar
Claire Amor	Executive Director of Corporate Affairs
Alastair Bridges	Executive Director of Resources
Laura Coffey	Executive Director of Fitness to Practise and Tribunal Services
Andrew Smith	Executive Director of Education, Registration & Regulatory Standards and Deputy Chief Executive

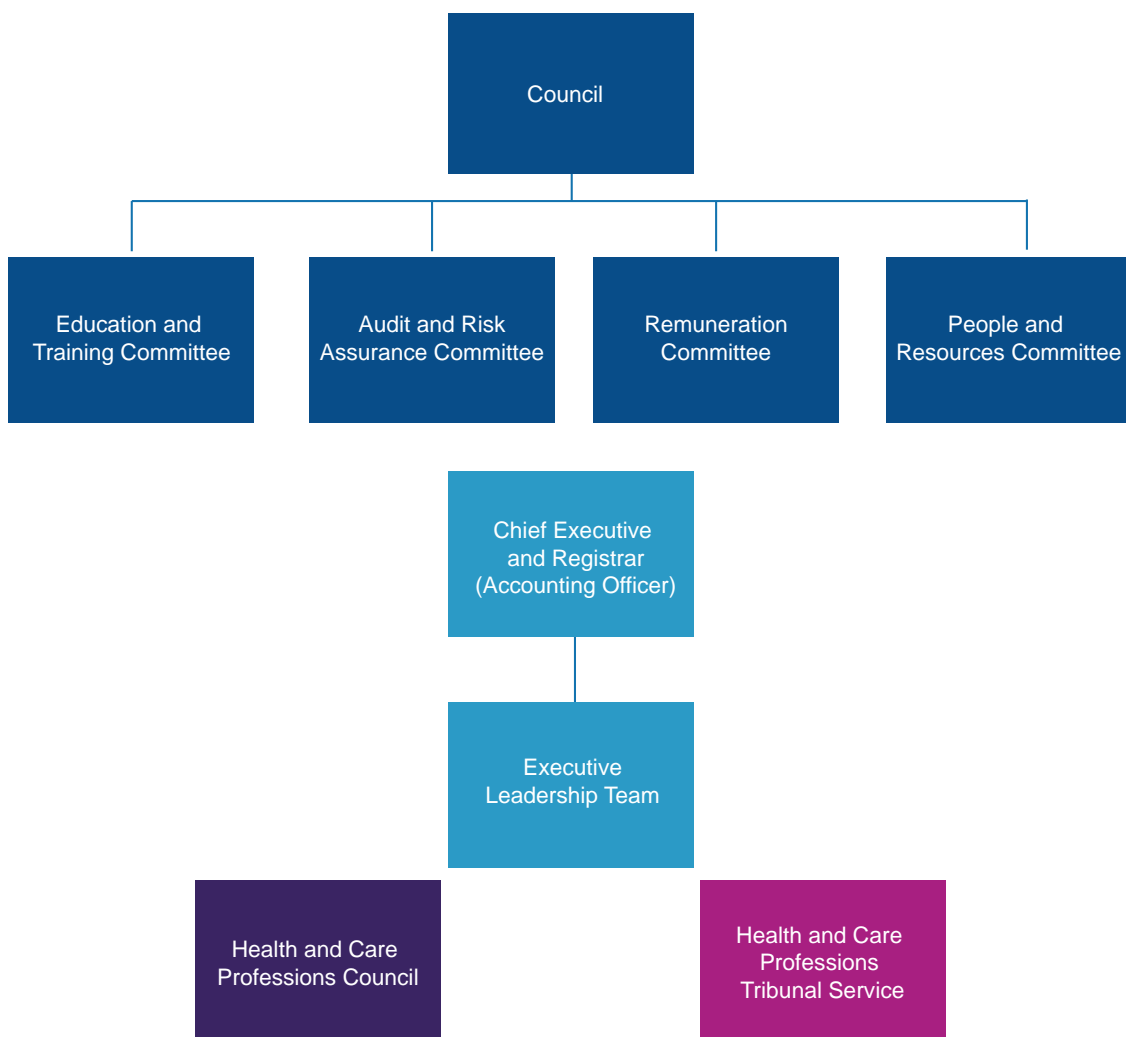
Governance statement

The governance statement describes the framework of controls at the HCPC, including the assurances around the operation of the control framework, and the processes for identifying and managing risk.

Our Code of corporate governance incorporates a series of regulatory documents and policies which govern how we operate, take decisions and the procedures followed to ensure that our actions are fair, efficient, transparent and accountable to our stakeholders. Council and Committee members' interests are declared on our [website](#). The Executive Leadership Team has no significant interest that would conflict with directorship of the HCPC, which is in line with note 19 of the financial statements.

We adhere to the principles of the HM Treasury and Cabinet Office corporate governance code of good practice published in 2017 and we adopt the supporting provisions of the code to the extent that it is practical and appropriate and compatible with our legislation.

Our governance structure



The Council

The Council provides leadership and oversight for the HCPC, including the Health and Care Professions Tribunal Service (HCPTS). The Council operates collectively, concentrating on strategic issues affecting the organisation, as well as scrutiny and oversight of policies and performance, with a view to the long-term health and success of the HCPC.

The Council comprises twelve members including the Chair (six registrant members and six lay members). From 1 January 2024, there were two vacant posts - one registrant member and one lay member. The Chair may be either a registrant or a lay member; the current Chair is a lay member. There must be at least one member (lay or registrant) from each country of the United Kingdom. Membership of the Council and Committees is shown on page 50.

Council meetings

Our Council met six times in 2023–24 in line with the Council's standing orders. Attendance at meetings during the year is shown on pages 73–74. The Council can also take decisions outside meetings where necessary, with the consent of the Chair, and these decisions are reported at the next meeting of the Council.

The Council's agendas are focused on strategic issues and delivery, as well as oversight and constructive challenge of regulatory and business performance.

At each meeting, the Council considers a number of standing reports containing key oversight information as below:

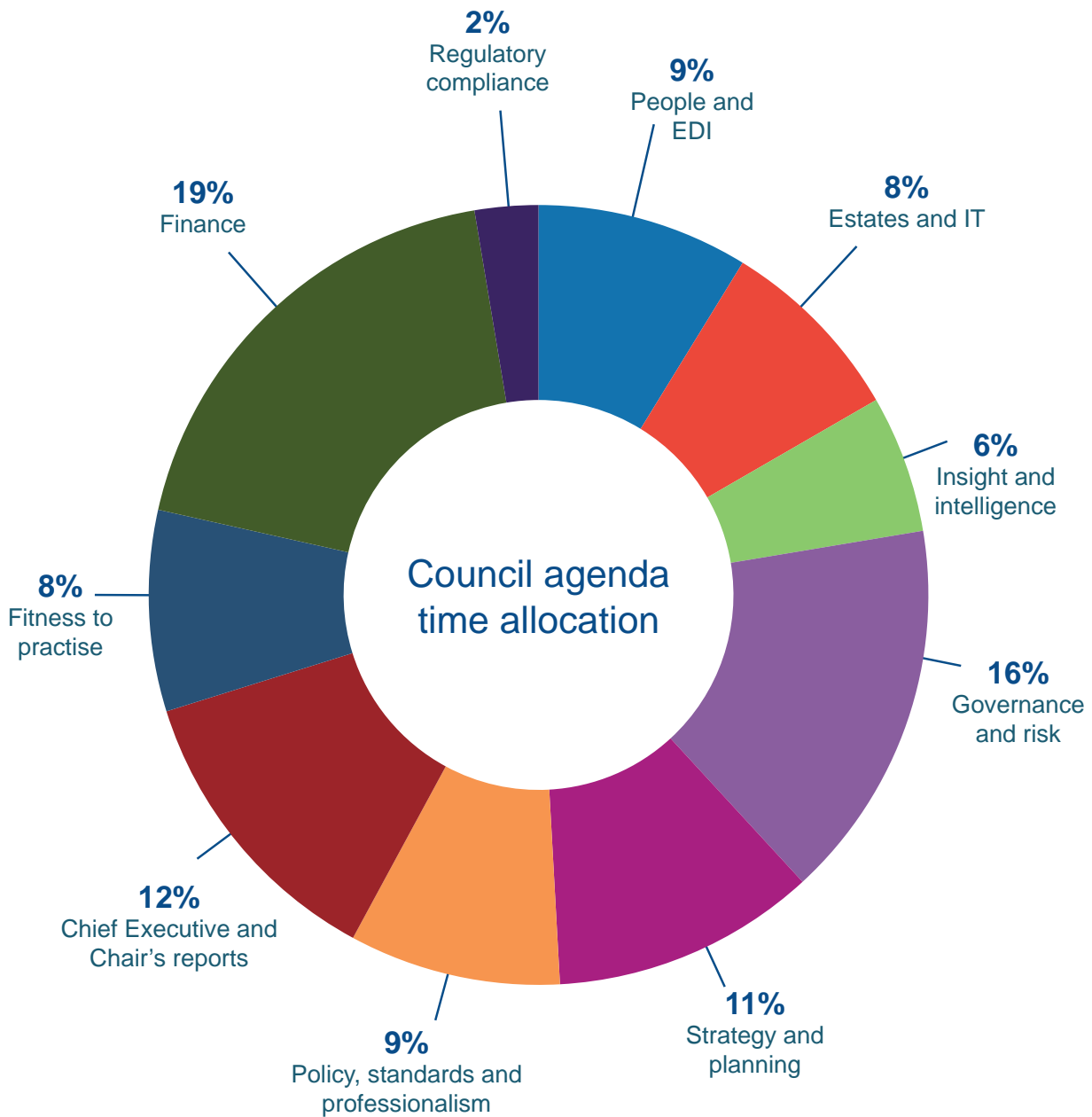
Chair's report	Chief Executive's report	Finance report	FTP report
<ul style="list-style-type: none"> • <i>Chair's update</i> • <i>People update</i> • <i>Key matters for the Council's attention</i> • <i>Stakeholder engagement</i> 	<ul style="list-style-type: none"> • <i>Stakeholder engagement</i> • <i>Regulatory performance and developments</i> • <i>Operational performance and developments</i> • <i>Policy and standards</i> • <i>Corporate plan milestone updates</i> • <i>Key performance indicators</i> • <i>Strategic risk register</i> 	<ul style="list-style-type: none"> • <i>Income and expenditure</i> • <i>Cash flow</i> • <i>Reserves</i> • <i>Capital and investment</i> • <i>Financial risks and opportunities</i> • <i>Key contracts</i> 	<ul style="list-style-type: none"> • <i>Improvement activity</i> • <i>Quality of case investigation</i> • <i>Timeliness of case investigation</i> • <i>Key risks and mitigation</i>

Other matters considered by the Council in 2023–24 included:

Reserves policy	PSA Performance Review 2022–23	Budget 2024–25	Corporate plan 2024–25
EDI Annual Report 2022–23	Regulatory IT systems review	Regulatory reform	Fees review and consultation
Standards of conduct, performance and ethics consultation	Environmental sustainability	Appointment of Registrar	English language proficiency consultation
Risk appetite review	Annual Report and Accounts 2022–23	External auditor's report 2022–23	External auditor appointment
Fitness to Practise Annual Report 2022–23	Appointment of the Senior Council Member	Council Apprentice 2024	Research on registrants' preparedness for practice
Retention of international registrants insight data	Pay policy and principles	Minutes of Committee meetings and Committee Chairs' reports	

The distribution of agenda time allocated to categories of business is shown in the below chart. The distribution is based on standalone agenda items; it should be noted that the regular Chief Executive’s report provides the Council with a holistic overview of organisational performance and developments, including a detailed narrative on EDI and culture.

Distribution of agenda time allocated to categories of business



Council seminars

As well as meeting formally to make decisions and provide guidance to the Executive Leadership Team, the Council holds a number of informal seminars each year focusing on areas of strategic interest. These seminars provide more time for exploration of subjects in depth than would be available during formal meetings.

In 2023–24 the following seminars were held:

June and
November
2023

- Equality, diversity and inclusion (EDI)

February
2024

- The responsible use of artificial intelligence with a particular focus on healthcare
- Review of existing regulatory IT systems and platforms

Council performance and effectiveness

An agreed performance review system for individual Council members has been in place for many years. There are a number of elements to this. The individual performance review system provides a mechanism for annual self-appraisal, a mechanism for appraisal of the Chair and an opportunity for members of the Council to discuss their perceptions and experiences of the HCPC with the Chair. The system is competency based, in common with many systems used for reviewing board members. Members complete a self-appraisal form, which is discussed with the Chair for feedback and identification of any learning and development needs.

Assessment of the Council's performance is carried out through reflection at the conclusion of each Council meeting and regular, more structured performance reviews. This gives Council members the opportunity to reflect on collective performance. A similar approach to assess collective performance and effectiveness is adopted by each of the Council's Committees.

The individual and collective performance reviews identify training needs and training is undertaken by the Council or Committees as a whole and also on an individual basis.

Council appointments

Appointments to the Council are made by the Privy Council, based upon recommendations made by the HCPC (which conducts the recruitment exercise). The PSA has oversight of the recruitment process and advises the Privy Council as to whether it is satisfied about the process that has been followed. Council members hold office for a term of up to four years and they may serve a maximum of eight years in any 20 year period.

Whilst reappointments can be made, subject to a satisfactory performance appraisal and the needs of the HCPC, a degree of change is often sought and there is no expectation of automatic reappointment. During 2023–24 two members of the Council departed at the end of their term. No new members were appointed.

Council Apprentice

The HCPC currently operates a Council Apprentice programme. The apprenticeship gives talented candidates who require a first foot in the door to a non-executive role the opportunity to shadow the Council for a year. They are provided with mentoring and are encouraged to participate in all Council discussions as well as joining a Committee. We are currently in our fourth cycle of the programme and we have two talented Council Apprentices with us until January 2025.

Our Council Apprentices attend and participate in all Council meetings and seminar sessions as well as joining one Committee. The Council Apprentices who were appointed in 2024 chose to join the Audit and Risk Assurance and People and Resources Committees. The Council Apprentices are entitled and encouraged to contribute to any Council or Committee meeting or discussion, however, they are not a 'voting' member of the Council as the appointment is not made by the Privy Council or overseen by the PSA.

Following a comprehensive HCPC induction, the Council Apprentices are paired with a Council member to act as a mentor throughout their year with us. Additionally, the Chair of the Council regularly meets with the Council Apprentices, including a quarterly review of how the apprenticeship is going and an end of apprenticeship evaluation for both the Council Apprentice and the HCPC's running of the scheme.

Committees

Audit and Risk Assurance Committee annual report to the Council and the Accounting Officer

The Audit and Risk Assurance Committee is made up of three members appointed by and from the Council and one independent member. The Chair and the independent member of the Committee both have recent, significant and relevant financial experience. The Committee met four times in 2023–24 in line with the Committee’s standing orders. Attendance at these meetings is detailed in the table on pages 73–74 of this report.

Members of the ELT, other employees, the internal auditors and the external auditors attend Audit and Risk Assurance Committee meetings by invitation.

The Audit and Risk Assurance Committee provides assurance on the HCPC’s processes and procedures to the Council and the Accounting Officer by:

- advising the Council and the Accounting Officer on the appointment of the internal and external auditors and reviewing their work;
- reviewing the external auditors’ management letters and any other relevant reports;
- reviewing the HCPC’s Annual report and accounts and making recommendations to the Council as appropriate;
- monitoring the ELT’s internal control and risk management processes and making recommendations to the Council as appropriate;
- making recommendations to the Council on the appropriateness of the HCPC’s accounting policies, anti-fraud policies and whistleblowing processes; and
- reviewing the internal auditors’ programme, receiving reports on their work and considering appropriate actions arising from those reports.

Internal Audit

Internal audit emphasis is focused on providing assurance on the integrity of our internal control, governance and risk management processes while also providing forward-looking and value-adding advice to the ELT where possible. The internal auditors undertake an approved programme of audits, reporting to the Committee on the effectiveness of controls and making recommendations where appropriate. BDO LLP were appointed as the HCPC’s internal auditors from the 2022–23 financial year for three financial years. During 2023–24, the Committee considered the following internal audit reports:

Internal audit focus 2023–24



Each year the internal auditor undertakes a review of the implementation of recommendations made. For 2023–24 there were 11 internal audit recommendations tested for implementation completion. The internal auditors found that of these, seven were fully implemented, with only four requiring further work to be considered fully implemented. Three of the recommendations that were either not yet implemented or partially implemented were impacted by the delayed implementation of our new finance system, Business Central, which was successfully launched in April 2024.

During 2023–24, other matters considered by the Committee included the following:

Annual Report and Accounts 2022–23	External auditor and National Audit Office (NAO) reports	Information governance annual report 2022–23	Annual review of feedback and complaints 2022–23
Strategic risk register	Operational risk register	Internal and external auditor performance	Anti-bribery and fraud policies
Unified assurance report and unified assurance framework	External audit planning reports	External auditor appointment	Reserves policy
Strategic risk deep dive: EDI	Internal audit charter	Internal audit strategy 2023–26 and annual plan 2024–25	Risk appetite

A workshop took place in February 2024 at which the Committee reviewed progress on the agreed actions from the Committee’s self-assessment in February 2023 using the NAO’s Audit and Risk Assurance Committee effectiveness tool. The Committee agreed that the actions identified through the self-assessment remained relevant and should be continued and further developed in 2024.

The workshop also included a review of the development of the HCPC’s unified assurance framework and the actions to implement the recommendations from BDO LLP’s review in 2022–23, including plans to test the ‘pillars’ of the assurance framework using a departmental self-assessment, and to support a positive culture around risk management.

Education and Training Committee

The Education and Training Committee is a statutory committee that is responsible for, and advises the Council on, matters relating to education, training and registration. The Committee consists of four members appointed by and from the Council and one independent member. The independent member brings a quality assurance perspective.

The Committee met four times in 2023–24 in line with the Committee’s standing orders. Attendance at these meetings is detailed in the table on pages 73–74 of this report. The matters considered by the Committee included the following:



During 2023–24 the Committee also received regular performance reports on the performance of the registration and education functions to provide assurance on the decisions being taken on its behalf.

The Committee has established an Education and Training Panel (ETP), which has a defined remit to approve courses of education and training (based on reports from the HCPC’s appointed visitors), approve recommendations for a focused review arising from the monitoring of an approved programme and provide a continue to approve recommendation following a focused review. The decisions of the ETP are generally papers-based, with papers circulated and decisions agreed by email. However, meetings are held when there are decisions that the executive or ETP members believe require discussion.

The Committee held a workshop in August 2023 to inform the consultation on English language proficiency for international applicants and to discuss the consultation outcomes for the standards of conduct, performance and ethics. All Council members were invited to attend the workshop.

People and Resources Committee

The People and Resources Committee is currently made up of three members appointed by and from the Council and one independent member. The Committee's purpose is to seek assurance on behalf of the Council on the HCPC's effective and efficient use of its resources, covering both finance and people, as well as other resources such as our estate, sustainability, projects and technology.

The Committee met five times in 2023–24 in line with the Committee's standing orders. Attendance at these meetings is detailed in the table on pages 73–74 of this report. The matters considered by the Committee included the following:

Resources directorate report	HR performance quarterly report	Finance quarterly report	Partner quarterly report
Employee Forum update	Gender and Ethnicity Pay Gap Reports	International applications for registration	Reserves policy
Estates update	Employee pulse survey results	HCPC budget 2024–25	Digital transformation strategy update

The Committee held a workshop in July 2023 to discuss the HCPC's Partner operating model.

Remuneration Committee

The Remuneration Committee is currently made up of three members appointed by and from the Council and one independent member. The Committee determines the annual salary review for HCPC employees including the ELT and the Chief Executive and Registrar. The Committee also makes recommendations to the Council about pay and remuneration policies.

The Committee met three times in 2023–24 in line with the Committee's standing orders. Attendance at these meetings is detailed in the table on pages 73–74 of this report. The matters considered by the Committee included the following:

Pay review 2024–25 Pay policies and principles	Council and Committee member remuneration	Expenses policies	Executive Leadership Team structure and portfolios
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Each year the Remuneration Committee receives performance appraisals for the Chief Executive and Executive Leadership Team members individually.

FTP Improvement Board

While not a formal committee of the Council, the HCPC has operated the FTP Improvement Board since January 2021.

Chaired by the Chair of the Council and attended by the Chief Executive and Executive Director of Fitness to Practise and Tribunal Services, the Board is also attended by representatives from the PSA and the DHSC. In 2023–24 the Board met twice.

The Board provides a forum for a regular focused review of the HCPC's progress against its FTP improvement programme objectives, scrutiny of FTP performance data and live risks and mitigations. The Board's agenda is focused on providing key assurance data to the members, as well as seeking feedback and constructive challenge on the HCPC's FTP improvement work.

Executive Leadership Team (ELT)

The four senior leadership roles are Executive Director of Education, Registration and Regulatory Standards, Executive Director of Fitness to Practise and Tribunal Services, Executive Director of Resources and Executive Director of Corporate Affairs. Together with the Chief Executive and Registrar, they form the Executive Leadership Team. The Executive Leadership Team meets weekly to provide strategic and operational leadership and oversight, taking decisions and directing actions as required.

Chief Executive, Registrar and Accounting Officer

The Accounting Officer has responsibility for maintaining a sound system of internal control that supports the achievement of the HCPC's policies, aims and objectives whilst safeguarding the HCPC's assets for which he is responsible. The Chief Executive, as the Accounting Officer, attends Council meetings and chairs ELT meetings. He is also the designated senior employee for employees to approach under the HCPC's whistleblowing policy.

Andrew Smith was appointed as Interim Deputy Chief Executive from 14 November 2022 ahead of the departure of John Barwick, the HCPC's former Chief Executive, to oversee the HCPC's operations from 1 January 2023 until a new substantive Chief Executive was in place and was appointed as Registrar and Accounting Officer from 1 January 2023 to 6 July 2023. Bernie O'Reilly was appointed as the substantive Chief Executive on 3 July 2023. The Chief Executive was also appointed as Registrar by the Council pursuant to article 4(1) of the Health Professions Order 2001 and Accounting Officer from 7 July 2023.

Risks and internal control: Risk management

Risk management and mitigation is an ongoing process and is achieved through our normal operational processes and structures, as well as being a key consideration in our decision-making and options analysis.

Risks and internal control: Risk appetite

Risk appetite is defined by the Council and informs the decisions of employees and the Council. The Council requires consideration of risk as part of decision papers it considers.

The HCPC's risk appetite statement was reviewed in 2023–24. In order to identify and define the new risk appetite, workshops were held with the Senior Leadership Team (SLT) and the ELT. These workshops identified the most pressing risk types for the HCPC, as well as executive appetite in managing these risks. The Council approved the new risk appetite statement in October 2023.

Risk area	Appetite	Description
Regulation (registration, education, FTP, policy and standards)	Measured	<p>Our focus is on long-term and lasting quality in our regulatory delivery. We prefer safer delivery options for meeting our requirements as a regulator, accepting a measured degree of residual risk and choosing the option most likely to result in successful delivery in order to continue as an effective regulator.</p> <p>It is essential that mitigations to ensure ongoing public protection are in place as a foundation of taking risks to deliver regulatory requirements.</p>
Influence/leadership (engagement, communications, profile, reputation, influence)	Seeks	<p>We are willing to take decisions which are likely to bring additional scrutiny of the organisation. We outwardly promote new ideas and innovations where potential benefits outweigh the risks.</p> <p>It is essential that the HCPC's voice is not perceived to be party political. The HCPC is neutral as a public body.</p>
Compliance (PSA, International Organisation for Standardisation (ISO), Information Commissioner's Office (ICO), environmental, health and safety, etc)	Measured	<p>We have a preference for safe delivery options with little residual risk. We want to be reasonably sure we would win any challenge. Data protection, IT and cybersecurity are covered by this risk type.</p> <p>It is essential that the long-term achievement of PSA standards is assured.</p>
Financial (Finance, value for money, estates)	Measured	<p>We will pursue safe delivery options, accepting small residual financial risk only if that could yield upside opportunities. Value for money, affordability and long-term financial sustainability are our primary financial concerns in fulfilling our regulatory responsibilities, but we are open to considering other benefits and constraints in evaluating financial plans.</p> <p>It is essential we remain a financially viable organisation to ensure continued public protection through continued operation. Significant financial risks are not compatible with this requirement.</p>

Risk area	Appetite	Description
People (Employees and partners)	Open	<p>We aim to invest in our people to create an innovative environment with a mix of skills. We are prepared to accept risk as long as there is the potential for improved culture, recruitment and retention.</p> <p>It is essential that risk taking in this area is consistent with the HCPC's values and culture. As an employer we are committed to upholding and promoting equality, diversity and inclusion.</p>
Reform (Regulatory reform)	Open	<p>We support innovation that demonstrates a benefit or improvement in service delivery. We are receptive to taking difficult decisions when benefits outweigh risks. Processes, oversight and monitoring arrangements enable considered risk taking.</p> <p>It is essential that the opportunities taken with regulatory reform are fully evidenced and cross-organisational impact is considered and documented.</p>
Data (Quality, analysis, sharing)	Open	<p>We accept the need for operational effectiveness in distribution and information sharing. We support innovation and new approaches, as long as there is the potential for improved data quality. (Please note data protection is covered by the Compliance risk area).</p> <p>It is essential that we understand our data when sharing and publishing analysis.</p>

Risks and internal control: Operational risk

The ELT oversees an operational risk register alongside the strategic risk register, which records risk at a more granular level, managed by risk owners across the organisation. All operational risks are mapped to one or more strategic risks. Our approach to recording and monitoring operational risk was reviewed in 2020–21 and this resulted in a redesign and definition of all operational risk across the HCPC, as well as new policy and guidance to assist risk owners.

The operational risk register is reviewed by the ELT on a quarterly basis as a minimum, or sooner if a significant change occurs to a risk profile. Our Audit and Risk Assurance Committee considers the full operational risk register annually and considers relevant underlying operational and project risks as part of strategic risk deep dive discussions at each meeting. Cyber and information security operational risks are categorised by confidentiality, integrity and availability as required by ISO 27001 certification.

Information security and personal data-related incidents

The HCPC holds a range of information including sensitive personal data. We have in place an Information Security Management System and related procedures to safeguard the data rights of our registrants, stakeholders and the public and we first achieved certification under ISO 27001:2013 in June 2015.

We were audited by the British Standards Institution (BSI) in May 2023 in a three-day monitoring audit which was successfully passed. In January 2024 BSI examined our preparedness for the transition to the new standard which was also successful. In April 2024 a recertification and transition audit of six and a half days was undertaken and our re-certification and transition to ISO 27001:2022 was recommended and subsequently confirmed by the BSI and the United Kingdom Accreditation Service (UKAS).

Internally we try to stay ahead of the increasingly complex data management environment. Our Information Security Management System Board seeks to address any information security risks identified as part of horizon scanning. Penetration testing by external organisations is undertaken on a regular basis, and high risk findings are addressed as soon as feasible.

The HCPC has policies in place which require all information security incidents, including any loss of personal data, to be reported and we encourage an open reporting culture. All incidents are assigned a risk score and are reported to the ELT along with any learning points and possible future mitigations. Any new technology or data projects are assessed under an existing data protection impact analysis (DPIA) process to locate potential areas of concern and arrange suitable mitigations. The HCPC was also under increased attack aimed at disrupting our services from mid-August 2023 to the end of the financial year. No information was lost during this attack but mitigations for various scenarios have been strengthened as an ongoing hardening of our cyber defences.

Despite our best efforts, given the volume of data processed by the HCPC, occasional errors are made. Human error is the leading cause of data incidents across all sectors. Annual information security training is mandatory for all HCPC employees, partners and Council members. We require 85% completion of the information security training, with a minimum pass mark of 80%.

In 2023–24 the HCPC recorded 41 personal information security incidents (2022–23: 37). There was an increase in incidents overall, but this is under conditions where most regulatory activities are occurring under hybrid working which has forced change on some operational processes. Much less paper documentation is created or distributed, with increased amounts of electronic delivery. Risks around increased off site working will continue to be monitored. No incidents were reported to the Information Commissioner's Office (ICO) (2022–23: one).

An appeal to the first-tier tribunal by a complainant in an FTP case relating to a request under the Freedom of Information Act 2000 concerning a registrant was denied in October 2023, with the original decision of the HCPC and ICO upheld.

We continue to address information security in our discussions with potential suppliers and develop new methods of working using DPIAs. Where possible, we use suppliers certified to the ISO27001 standard or Cyber Essentials Plus if personally identifiable information is to be accessed.

Whistleblowing

The HCPC is committed to being open and accountable, and maintaining high ethical standards in everything we do. All employees and those who work for the HCPC have an important role to play in achieving this goal and part of this responsibility includes raising concerns when things go wrong and being alive to concerns that are brought to us as a regulator.

The HCPC annually reports on its discharge of its prescribed body duties where disclosures are made to it by whistleblowers. This data is compiled in a joint whistleblowing disclosures report issued by all health professions regulators to highlight our coordinated efforts in working together to address the serious issues raised to us. From 1 April 2023 to 31 March 2024 the HCPC received seven disclosures of information.

We also operate an internal whistleblowing policy for our employees, contractors, Council members and partners. In November 2020 we launched a revised internal policy aimed at demystifying the whistleblowing process and providing assurance to our people that they can come forward without fear. No internal whistleblowing reports were received in 2023–24.

Key relationships

We value our relationships with a wide range of stakeholder groups. These groups include the general public, employers, government, education providers, unions, voluntary sector organisations, professional bodies, other regulators and registrants. These key relationships are vital to our work and we continue to develop these through a range of engagement activities.

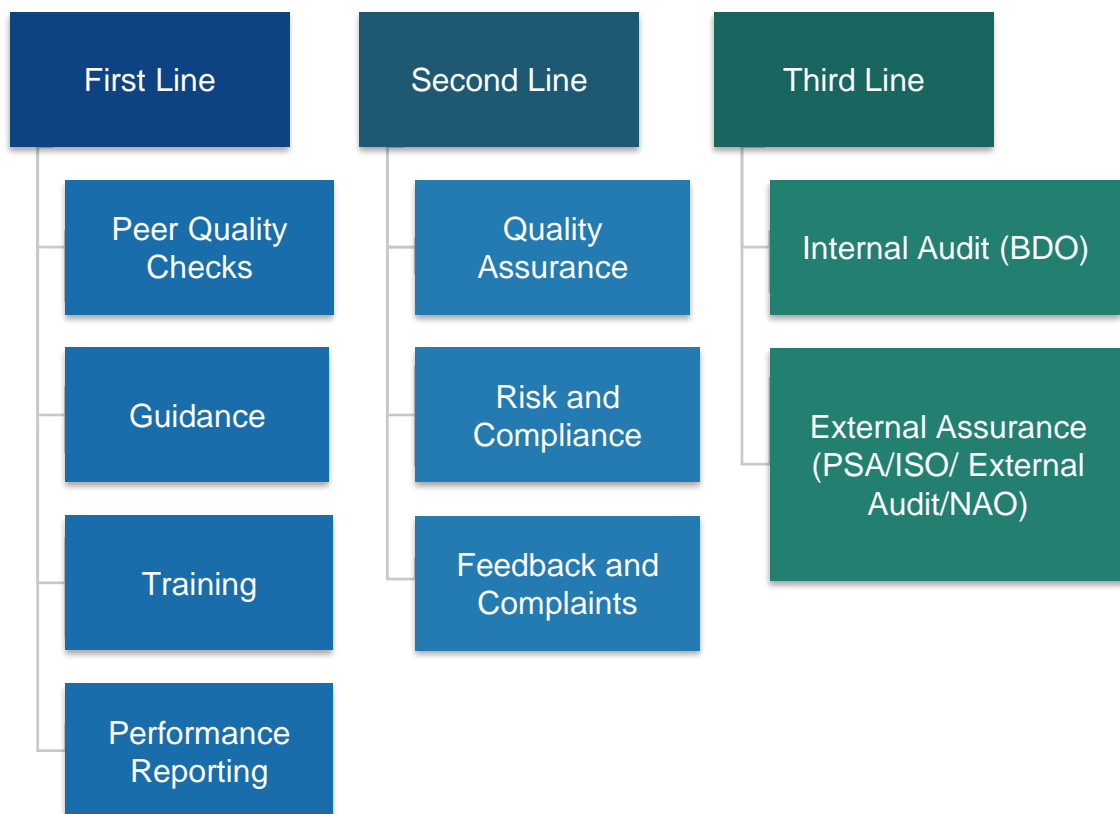
Payment of suppliers

The HCPC paid 95.05% of purchase invoices within 30 days (2022–23: 96.6%) and no interest was paid during the year under the Late Payment of Commercial Debts (Interest) Act 1998 (2022–23: nil).

Assurance on the effectiveness of the system of internal control

We use a range of assurance sources to assess the effectiveness of our system of internal control. We obtain assurance that our risk management and internal control systems are operating effectively through our three lines of assurance and we maintain an assurance map to illustrate the varying sources of assurance across the HCPC. This map is presented to the Audit and Risk Assurance Committee on an annual basis and is reviewed to inform annual internal audit and quality assurance planning.

The HCPC's three lines of assurance



Unified assurance

In March 2022 we established a unified assurance framework which provides a holistic approach incorporating all elements of assurance across the HCPC, monitored through the operational risk register and assurance map.

A key aspect of the framework is the integration of operational risk and assurance mapping facilitated by quarterly assurance business partner meetings with all functional leads. The aim of this approach is to encourage our leaders to not view any source of assurance in isolation and to draw connections between various intelligence sources to provide the most accurate picture of the health of our assurance and control.

At the end of the second year of the unified assurance framework we have continued to develop a robust culture of risk and assurance understanding. Two areas remain of significant concern with a Medium/Low assurance rating, which has not changed over the year. However, significant work has been undertaken and is ongoing in these areas. Due to the scope of the improvements required, time is needed to see the impacts of these improvements. Close monitoring is in place for these areas as an additional control.

We have seen the delivery of a significant number of improvements across all areas of the organisation, which is reflected in the increased assurance rating in these functions and in the overall assurance rating.

At the end of 2023–24 the overall assurance rating has improved from Medium to High/Medium.

The unified assurance framework will continue to be reported to our ELT and the Audit and Risk Assurance Committee, highlighting areas of concern and improvement.

Internal auditor's annual opinion 2023–24

Our internal auditors provide an independent appraisal service for management by measuring and evaluating the adequacy, reliability and effectiveness of management and internal control systems. We have chosen to outsource the provision of the internal audit service to ensure wholly independent and fully professional analysis and recommendations, which complements our own internal quality assurance, compliance and risk reviews.

Our internal audit provider during 2023–24 was BDO LLP. Our internal auditors review our assessment of risk as documented in the risk register, the previous results of internal and external audits, as well as their own professional judgement in proposing their programme of work to the Audit and Risk Assurance Committee. They make recommendations based on the appraisal of each system reviewed.

An annual assurance report is provided to the Accounting Officer and Audit and Risk Assurance Committee, giving the internal auditor's overall opinion on risk management, control and governance and their effectiveness in achieving the HCPC's agreed objectives.

The internal auditor's annual report and opinion, delivered in the June 2024 Audit and Risk Assurance Committee meeting, provided an annual assurance rating for the HCPC on a four-level scale, with level one meaning that the findings of the internal auditor's work evidenced a very strong system of control was in place, and level four meaning that the findings had indicated that there was a very low level of assurance that could be taken from the control system.

The HCPC achieved a level two or Moderate rating which indicates:

There is some risk that the system of internal control, governance and risk management will fail to meet management's objectives – some areas there are adequate and effective systems of governance, but there are also some specific areas of significant risk. Significant improvements are required in specific areas to improve the adequacy or effectiveness of governance, risk management and internal control.

The 2023–24 opinion is consistent with the Moderate rating given in 2022–23.

Auditors and audit information

The Health Professions Order 2001 requires that the annual accounts are audited by “persons the Council appoints” and then examined and certified by the Comptroller and Auditor General, who reports to Parliament.

As in 2022–23, for 2023–24 the Council has engaged Haysmacintyre LLP to audit the accounts. Work to support the Comptroller and Auditor General's certification to Parliament has been undertaken by the National Audit Office. The auditors have audited the financial statements and sections of the Accountability report marked as subject to audit.

The cost of providing audit services was £83,980 (£70,980 including VAT charged by Haysmacintyre LLP and £13,000 charged by the National Audit Office) (2022–23: £102,000 charged by Haysmacintyre LLP and £13,000 by the National Audit Office).

Risks and internal control: Strategic risk

Taking into account the HCPC's Corporate strategy 2021–26, the Council agreed a set of six strategic risks. The strategic risk register is considered at each meeting of the Audit and Risk Assurance Committee and by the Council on a quarterly basis as part of the Chief Executive's organisational performance report.

Each strategic risk has a brief explanation, an inherent risk score, a current risk score as a result of existing controls and mitigations and a target risk score when future planned mitigations and controls are in place. Progress on implementing these future mitigations is also reported. The strategic risk register provides an assessment of compliance with the agreed risk appetite and current positive and negative influences on the risk score.

Our strategic risks are set out below. The detail provided below is a summary; our strategic risk register provides full details of our strategic risk management in 2023–24.

Strategic risk	How we mitigated this risk in 2023–24
<p>Our regulatory performance does not meet the expectations of our stakeholders and as a result, stakeholders have negative experiences of our regulation</p> <p>This includes the appropriateness of the timeliness and quality performance targets we set ourselves, being in line with the expectations of our stakeholders. This requires awareness of new developments within the regulatory sector and strong stakeholder engagement to ensure expectations are understood. This risk also relates to the experiences of those participating in our regulatory processes, for example registrants, witnesses, professional bodies and education providers.</p> <p>Relevant strategic aim: continuously improve and innovate</p>	<ul style="list-style-type: none"> • Monitored regulatory performance through the performance report/KPIs and ran an internal working group focused on ongoing PSA standard compliance, best practice learning and improvement. • New frontloading FTP investigation model for most serious cases in place, which means a greater portion of the investigative work takes place at an earlier stage in the FTP process. Implementation continues to bring this process in-house. • Completed tone of voice review of FTP templates to ensure communication is clear, supportive and jargon-free. • Development of new operating model in the Registration department to support improved accountability and ownership of services. • Enhanced online registration services introduced, including mobile compatibility for all registration and application portals.
<p>The HCPC's regulatory expectations are not appropriate or not understood by registrants and other stakeholders</p> <p>This includes the quality and suitability of our standards and guidance in setting a threshold for safe practice which protects the public. It also includes how effectively we communicate our regulatory expectations, and the effectiveness of our professionalism and upstream regulation work.</p> <p>Relevant strategic aim: promote high quality professional practice.</p>	<ul style="list-style-type: none"> • A review of our English language requirements was undertaken, followed by a consultation and the analysis of responses. • Preparatory work and scoping of the review of the standards of education and training was completed ahead of the 2024–25 review. • Development of advanced practice definition/guiding principles was started. • The review of the standards of conduct, performance and ethics and social media guidance was completed and approved following full consultation. An implementation working group is in place and #myHCPCstandards webinars have been held exploring each of the standards.
<p>We are unable to harness the benefits of the wealth of data we hold</p> <p>This includes our effectiveness in collecting, maintaining and utilising the data we need to be an intelligence driven regulator. It includes the effectiveness of our insight and intelligence work. It relies heavily on the work of the digital transformation and IT team and includes operational reporting in the Corporate Services team. It also relies on regulatory teams inputting information.</p> <p>Relevant strategic aim: develop insight and exert influence.</p>	<ul style="list-style-type: none"> • Statistical analysis of FTP outcomes as impacted by EDI factors is in progress. Further integration of this data will progress in 2024–25. • EDI factsheets were published across all professions and will be published on an annual basis going forward. • Defined minimum data sets across regulatory areas, including system development and improvement work. This will continue in 2024–25.

Strategic risk	How we mitigated this risk in 2023–24
<p>We do not understand our stakeholders' needs and so are unable to be as effective a regulator as we can be</p> <p>This includes how effectively we engage with our stakeholders and our credibility with them and how well we play our part in the wider system. It includes our EDI practice externally, the ability to respond and influence external drivers for change, like the impact of Brexit, devolution or a change in government as well as issues like workforce development.</p> <p>Relevant strategic aim: be visible, engaged and informed.</p>	<ul style="list-style-type: none"> • Undertook extensive positive public affairs engagement raising our profile and influence. • Held regular quarterly professional body forums and EDI forums to share mutual areas of interest and importance. • Service user group forum developed and involved in standards of conduct, performance and ethics and English language requirements reviews. • Undertook required Welsh language scheme accessibility enhancements, and secured a deadline extension for completion of two standards until 2025. • Chair and Chief Executive office established and posts filled.
<p>The resources we require to achieve our strategy are not in place or are not sustainable</p> <p>This risk includes not securing the resources we need to be effective and/or not being efficient and effective in our use of our resources (resources include financial, knowledge, skills, culture and infrastructure). It includes the development of our culture, people and physical assets, our continued financial viability and the significant failure of key business processes.</p> <p>Relevant strategic aim: build a resilient, healthy, capable and sustainable organisation.</p>	<ul style="list-style-type: none"> • Fee rise in place from November 2023. • Beyond Barriers mentoring and reverse mentoring programs successfully running from September 2023. • New careers website implemented that is more approachable, enhances our employer brand and provides a better more engaged user experience. • Environmental sustainability statement published. Working with employee forum on engagement with employees. Carbon calculation for the most recent year of our audited accounts has been conducted. Moving towards renewable energy supply for electricity from April 2024. • Implemented phase 1 of the roll-out of Business Central, our new finance system.
<p>The HCPC is unable to realise the benefits of regulatory reform, or these benefits are significantly delayed</p> <p>This risk includes the HCPC's capacity and capability to engage and influence regulatory reform effectively to ensure its benefits are realised, as well as the HCPC being viewed by government as a priority regulator for reform.</p> <p>Relevant strategic aim: promoting the value of regulation.</p>	<ul style="list-style-type: none"> • Continued active engagement with the DHSC on regulatory reform as it develops the GMC's legislation as a blueprint for our own. Monthly meetings with the DHSC are still ongoing alongside regular catch-ups with the GMC and the NMC. Scoping a meeting with DHSC officials to understand lessons learned and requirements for the HCPC with a view to put together a timeline. • Prepared a business case for the resources needed for the HCPC's regulatory reform.

Responsibility for the system of internal control

The Council is responsible for establishing and maintaining a sound system and processes that support the achievement of the HCPC's policies, aims and objectives, and enables it to monitor and manage strategic and operational risk in line with its agreed risk appetite. The system of internal control is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. These risks are reported to the Council on a quarterly basis as part of the Chief Executive's organisational performance report which includes risk scores, details of the mitigations and controls in place and planned improvements and additions to existing mitigations.

The Audit and Risk Assurance Committee provides assurance to the Council about the operation of the system of internal control and risk management. This includes overseeing the internal audit strategy and annual plans and the findings and implementation of recommendations made as a result of individual internal audit reviews. Internal audit provides the Committee with independent and objective assurances on the adequacy of the HCPC's internal control and risk management systems. The Audit and Risk Assurance Committee also receives reports of the quality assurance and compliance activity taking place within the HCPC at each meeting as part of the unified assurance framework and the Committee also undertakes its own regular targeted comprehensive assurance reviews to delve deeper into specific areas of risk or assurance mechanisms.

Each strategic risk has a member of the ELT as the nominated risk owner and each operational risk has an identified risk owner, who is responsible for regular review of the risks. Risk owners are responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and accountability and that controls operate effectively under the leadership of the Chief Executive as Accounting Officer and Registrar. This includes assessing the types of risk involved, reviewing the control systems regularly, ensuring that controls are being complied with and these systems continue to operate effectively, and implementing new controls to reduce the risk where new or increased risks are identified.

The Council has ultimate responsibility for the financial viability of the HCPC and for making arrangements for the proper administration of its finances, including the systems of risk management and internal control. The Council exercises financial supervision and control by approving the annual corporate plan and budget and the corporate strategy, setting the risk appetite for this area, defining and approving essential features of the financial control framework, including policies on reserves, investment and procurement.

The assurance provided to the Council by the Audit and Risk Assurance Committee also extends to financial risk and the system of internal financial control, with independent and objective assurance provided to the Committee by both internal and external audit. Further assurance is provided by the internal quality assurance, compliance and risk management functions through the reporting of the strategic and operational risk registers and as part of the unified assurance framework.

Certain duties and responsibilities have been delegated to the Chief Executive, in his capacity as Accounting Officer, and the Executive Director of Resources in the Council's scheme of delegation and the HCPC's financial regulations.

Based on the assurance described, we are satisfied that the system of internal control that has been in place during 2023–24, and up to the date of approval of the annual report and accounts, is appropriate and proportionate to manage the risks to the achievement of our strategic objectives and complies with HM Treasury's guidance.

Statement of accounting officer's responsibilities

Under the Health Professions Order 2001, the Privy Council has directed the Health and Care Professions Council to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Health and Care Professions Council and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

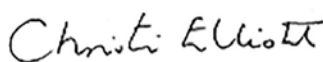
In preparing the accounts, the Accounting Officer is required to take into consideration the accounting principles and disclosure requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Privy Council, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis; and
- confirm that the Annual report and accounts as a whole are fair, balanced and understandable, and take personal responsibility for the Annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Privy Council has appointed the Chief Executive as Accounting Officer of the Health and Care Professions Council. The responsibilities of the Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Health and Care Professions Council's assets, are set out in Managing Public Money published by HM Treasury.

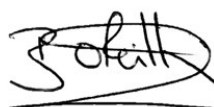
The Accounting Officer has taken all necessary steps to make himself aware of any relevant audit information and to establish that the auditors are aware of that information. So far as he is aware, there is no relevant audit information of which the auditors are unaware.

The Accounting Officer confirms that the Annual report and accounts as a whole is fair, balanced and understandable and takes personal responsibility for the Annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.



Christine Elliott
Chair

Date 15 October 2024



Bernie O'Reilly
Chief Executive and Registrar
Accounting Officer

Date 15 October 2024

Remuneration and staff report

Council and Committee members' fees and expenses (subject to audit)

During the year, the Chair of the HCPC was remunerated at a rate of £65,000 (full year equivalent). Council members and Committee Chairs were paid a salary of £12,000 and £14,000 (full year equivalent) respectively for attendance at Council meetings or Committee meetings, and meetings attended on behalf of the HCPC. Independent Committee member and Council Apprentice remuneration remained as a daily rate of £341 (2022–23: £341). Expenses are payable for travelling and subsistence costs to reimburse the out-of-pocket expenses incurred, within the parameters set out in the Council and Committee members' expenses policy.

Council and Committee member fees totaling £212,686 (2022–23: £219,449) were paid and accrued to 19 members (2022–23: 23 members), including the independent Committee members, and Council Apprentices, who are not members of the Council.

Benefits in kind with a total taxable value of £4,944 (2022–23: £5,155) were paid to Council and Committee members. The figures for 2022-23 have been updated in this report to include all relevant expenses, as some expenses had previously been classified as business travel. These figures relate solely to expenses claimed by Council and Committee members and designated as a benefit in kind by HMRC. These benefits are travel expenses claimed by Council and Committee members for travelling to meetings at the HCPC's offices in London, which are covered by a PAYE Settlement Agreement with HMRC. The gross taxable value of these home to office travel expenses is disclosed (to the nearest £100) in the following table in the column headed "Expenses". This column does not include Council members' expenses for travel to other locations or other expenses that are paid by the HCPC in accordance with the Council and Committee members' expenses policy and are not a taxable benefit.

The fees for the period 1 April 2023 to 31 March 2024 for Council and Committee members paid and accrued were as follows. This table has been subject to audit.

Council / Committee member	Council and Committee attendance: number of meetings attended out of total in 2023–24	2023–24			2022–23 (restated)		
		Allowance or fees* £'000	Expenses £	Total £'000	Allowance or fees* £'000	Expenses £	Total £'000
Damien Baker ¹	Council 4/4 Audit and Risk Assurance 3/3	0-5	-	0-5	0-5	-	0-5
Oliver Davies ¹	Council 4/4 Education and Training 1/2	0-5	100	0-5	0-5	-	0-5
Maureen Drake ²	Council 4/4 Education and Training 3/3	5-10	300	5-10	10-15	900	10-15
Rebekah Eglington ³	Council 6/6 Education and Training 0/1 People and Resources 5/5 Remuneration 3/3	10-15	600	10-15	10-15	400	10-15
Christine Elliott	Council 6/6	65-70	300	65-70	65-70	200	65-70
Kathryn Foreman ⁴	Council 3/4 People and Resources 4/4 Remuneration 2/2	5-10	200	5-10	10-15	400	10-15
Sue Gallone ⁵	Council 6/6 Audit and Risk Assurance 3/3 People and Resources 1/1 Remuneration 1/1	10-15	200	10-15	10-15	200	10-15
Helen Gough ⁶	Council 6/6 Audit and Risk Assurance 0/1 Education and Training 4/4	10-15	200	10-15	10-15	300	10-15
Neville Hounsborne	People and Resources 4/5 Remuneration 3/3	0-5	-	0-5	0-5	-	0-5

Council / Committee member	Council and Committee attendance: number of meetings attended out of total in 2023–24	2023–24			2022–23 (restated)		
		Allowance or fees* £'000	Expenses £	Total £'000	Allowance or fees* £'000	Expenses £	Total £'000
Penny Joyce	Education and Training 4/4	0-5	-	0-5	0-5	-	0-5
Geraldine Kinkead-Richards ¹	Council People and Resources 1/1	0-5	-	0-5	-	-	-
Graham Masters	Audit and Risk Assurance 4/4	0-5	100	0-5	0-5	-	0-5
John McEvoy	Council People and Resources Remuneration 6/6 4/5 2/3	10-15	1,100	10-15	0-5	300	0-5
Jordan McKenna ¹	Council Audit and Risk Assurance 2/2 1/1	0-5	-	0-5	-	-	-
Lianne Patterson ⁷	Council Audit and Risk Assurance 6/6 3/4	10-15	400	10-15	0-5	800	0-5
David Stirling	Council Audit and Risk Assurance 5/6 4/4	10-15	400	10-15	10-15	600	10-15
Kathryn Thirlaway	Council Education and Training 5/6 3/4	10-15	500	10-15	10-15	200	10-15
Steven Vaughan	Council Education and Training 5/6 3/4	10-15	100	10-15	10-15	-	10-15
Valerie Webster ⁸	Council People and Resources Remuneration 5/6 5/5 3/3	10-15	400	10-15	10-15	300	10-15

* The allowances or fees and total remuneration are reported in bands of £5,000. The Council Chair's allowance is £65,000 (full year equivalent). Council members receive an allowance of £12,000 (full year equivalent). Chairs of the Council's committees receive a supplement of £2,000 in addition to their allowance as a Council member to recognise the additional responsibilities of these roles. Independent Committee members and Council Apprentices receive a day fee of £341 for each formal governance meeting attended.

1. Damien Baker and Oliver Davies were appointed as Council Apprentices on 31 January 2023 and their appointment ended on 31 January 2024. Geraldine Kinkead-Richards and Jordan McKenna were appointed as Council Apprentices on 31 January 2024 and their appointment runs until 30 January 2025. These are not public appointments and the postholders are not voting members of the Council.
2. Maureen Drake completed her eight-year term of office and left the Council on 31 December 2023.
3. Rebekah Eglinton stepped down from the People and Resources Committee and the Remuneration Committee on 4 March 2024 and joined the Education and Training Committee on 5 March 2024.
4. Kathryn Foreman completed a six-year term of office and left the Council on 31 December 2023.
5. Sue Gallone stepped down as Chair of the Audit and Risk Assurance Committee on 30 November 2023 and became the Chair of the People and Resources Committee and the Remuneration Committee on 30 November 2023.
6. Helen Gough joined the Audit and Risk Assurance Committee on 5 March 2024.
7. Lianne Patterson became Chair of the Audit and Risk Assurance Committee on 30 November 2023.
8. Valerie Webster stepped down as Chair of the People and Resources Committee and the Remuneration Committee on 30 November 2023. Valerie remains a member of both Committees.

Remuneration of the Chief Executive and Executive Leadership Team (ELT)

The salary levels for the Chief Executive and the ELT are reviewed annually in March by the Remuneration Committee, after due consideration of annual performance and changes in market rates.

In the HCPC's remuneration package, the most significant item is salary. No performance bonuses are payable to any employee. The Chief Executive and the ELT are members of the Aviva pension scheme, which is a stakeholder, defined contribution scheme to which the HCPC contributes. The employer contribution levels are 16.5% of pensionable salary for employee contracts pre-dating May 2007 and 7% of salary for employee contracts dated May 2007 onwards, subject to an employee contribution of at least 3% of salary. Employees may increase their contribution above 3% up to the maximum tax relievable allowance set by HM Revenue & Customs however the HCPC's maximum contribution will be double those contributions up to a maximum of 8% of salary.

The Chief Executive and Registrar's contract of employment requires a termination notice period of six months by both the employee and the employer. All Executive Directors require a termination notice period of six months.

In 2023–24 the Chief Executive did not receive a pay award. Two Executive Directors received pay awards of 2%, one Executive Director received a non-consolidated pay award of 4.86% and one Executive Director did not receive a pay award.

Executive Leadership Team remuneration (subject to audit)

The salaries and remuneration paid to members of the ELT, including the Chief Executive and standing co-opted members of the ELT, were as follows.

Name	Position	2023-24				2022-23			
		Salary/ Remuneration (in bands of £5,000)	Pension benefits (to nearest £1,000)	Taxable benefits (to nearest £100)	Total (in bands of £5,000)	Salary/ Remuneration (in bands of £5,000)	Pension benefits (to nearest £1,000)	Taxable benefits (to nearest £100)	Total (in bands of £5,000)
Alastair Bridges ¹	1) Executive Director of Resources (from 1 November 2023)	130 - 135	9	-	140 - 145	125 - 130	9	-	135 - 140
	2) Executive Director of Resources and Business Performance (until 31 October 2023)								
Andrew Smith ²	1) Executive Director of Education, Registration & Regulatory Standards and Deputy Chief Executive (from 1 November 2023)								
	2) Registrar and Accounting Officer (from 1 January to 6 July 2023)	135 - 140	11	-	145 - 150	120 - 125	9	-	130 - 135
	3) Interim Deputy Chief Executive (from 14 November 2022 to 31 October 2023)								
	4) Executive Director of Regulation (until 31 October 2023)								
Bernie O'Reilly ³	Chief Executive (from 3 July 2023) and Registrar and Accounting Officer (from 7 July 2023)	130 - 135	8	-	135 - 140	-	-	-	-

Name	Position	2023-24				2022-23			
		Salary/ Remuneration (in bands of £5,000) £'000	Pension benefits (to nearest £1,000) £'000	Taxable benefits (to nearest £100) £'000	Total (in bands of £5,000) £'000	Salary/ Remuneration (in bands of £5,000) £'000	Pension benefits (to nearest £1,000) £'000	Taxable benefits (to nearest £100) £'000	Total (in bands of £5,000) £'000
Claire Amor ⁴	1) Executive Director of Corporate Affairs (from 1 November 2023)								
	2) Executive Director of Governance, Assurance and Planning (from 1 November 2022 to 31 October 2023)	110 - 115	8	-	120 - 125	85 - 90	6	-	90 - 95
	3) Head of Governance (until 31 October 2022)								
Laura Coffey ⁵	1) Executive Director of Fitness to Practise and Tribunal Services (from 1 November 2023)	110 - 115	9	-	115 - 120	30 - 35	3	-	30 - 35
	2) Interim Executive Director of Regulation (from 5 December 2022 to 31 October 2023)								

1. Alastair Bridges's job title changed to Executive Director of Resources on 1 November 2023. His full year equivalent salary for this role in 2023-24 was in the band of £130,000-£135,000
2. Andrew Smith became Executive Director of Education, Registration and Regulatory Standards and Deputy Chief Executive on 1 November 2023. His full year equivalent salary for this role in 2023-24 was in the band of £135,000-£140,000. His full year equivalent salary for his former role of Interim Deputy Chief Executive in 2023-24 was in the band of £135,000-£140,000.
3. Bernie O'Reilly joined the HCPC on 3 July 2023 as Chief Executive and was appointed as Registrar with effect from 7 July 2023. His full year equivalent salary for this role in 2023-24 was in the band of £175,000-£180,000.
4. Claire Amor's job title changed to Executive Director of Corporate Affairs on 1 November 2023. Her full year equivalent salary for this role in 2023-24 was in the band of £110,000-£115,000. Her full year equivalent salary for her former role of Executive Director of Governance, Assurance and Planning in 2023-24 was in the band of £100,000-£105,000. In addition, an amount of £0-£5,000 was paid as a non-consolidated pay award for additional responsibilities providing temporary leadership of directorates in May 2023 and this is included in the remuneration figure in the table above.
5. Laura Coffey became Executive Director of Fitness to Practise and Tribunal Services on 1 November 2023. Her full year equivalent salary for this role in 2023-24 was in the band of £115,000-£120,000. Her full year equivalent salary for her former role of Interim Executive Director of Regulation in 2023-24 was in the band of £100,000-£105,000.

Executive Directors remuneration (continued)

No benefits in kind were paid to executive directors during the year.

Fair pay disclosures (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the 25th percentile, median (50th percentile) and 75th percentile remuneration of the organisation's workforce. When calculating fair pay disclosures, the HCPC has not included agency and temporary staff remuneration within the HCPC's total employees' remuneration. This is due to the difficulties in calculating agency and temporary staff remuneration, given their services are provided through an intermediary who adds a variable mark-up to the remuneration of the agency or temporary staff personnel. Total remuneration for these purposes is salary as there are no additional components of remuneration that are required to be included.

The banded remuneration of the highest paid director of the HCPC in the financial year 2023–24 was £175,000-£180,000 (2022–23: £135,000-£140,000). This represents a 30% increment in 2023–24 from the prior financial year. The fair pay disclosure accurately reports the highest paid director at the year end. However, it's important to note that this may differ from the highest paid director mentioned in the remuneration table due to the departure of the individual during the year. This difference is a result of personnel changes within the organisation.

The average total remuneration for all employees on an annualised basis, excluding the highest paid director for the financial year 2023–24 was £40,647 (2022–23: £38,797). This represents a 4.77% increase in 2023–24 from the prior financial year. This increase in average remuneration is largely due to the pay band restructure with salary uplifted and annual pay award in 2023–24.

The range of staff remuneration for 2023–24 from the lowest paid employees to the highest paid director was £22,000-£175,000 (2022–23: £20,000-£135,000).

The 25th percentile remuneration of employees was £28,424 (2022–23: £27,271), which represents a 4.23% increase in 2023–24. The mid-point of the banded remuneration of the highest paid director of the HCPC was 6.24 times (2022–23: 5.04) the 25th percentile remuneration of all employees.

The increase in the 25th percentile remuneration is due to pay band restructure with salary uplifted within the lower level pay bands and the impact from 2023–24 annual pay award.

The median (50th percentile) remuneration of employees was £36,575 (2022–23: £35,000), which represents a 4.50% increase in 2023–24. The mid-point of the banded remuneration of the highest paid director of the HCPC was 4.85 times (2022–23: 3.93) the median remuneration of all employees.

The increase in median remuneration can be linked to 2023–24 annual pay award.

The 75th percentile remuneration of the workforce was £45,856 (2022–23: £44,270), which represents a 3.58% increase in 2023–24. The mid-point of the banded remuneration of the highest paid director of the HCPC was 3.87 times (2022–23: 3.11) the 75th percentile remuneration of all employees.

The increase in the 75th percentile remuneration is due to several new roles within higher level pay bands, individual staff promotions and the impact from 2023–24 annual pay award during 2023–24.

Total remuneration includes salary, allowances (at a minimum of six months), non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Consultancy and off-payroll engagements

Off payroll arrangements are in place for extraordinary work that is limited in time and not part of normal operations of the HCPC. Examples of this work included IT system projects and the development and implementation of transformation and improvement plans. Overall, the HCPC has incurred consultancy costs of £5,000 during 2023–24 (2022–23: £68,000). There have been no off-payroll engagements during 2023–24 or 2022–23.

Exit packages (subject to audit)

One employee was paid a redundancy payment and three employees were paid other departures payment during the year. The number of exits for each of the cost bands were as follows.

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	2023–24 Total number of exit packages by cost band	2022–23 Total number of exit packages by cost band
£0–£25,000	1	3	4	7
£25,001–£50,000	0	0	0	0
£50,001–£100,000	0	0	0	1
£100,001–£150,000	0	0	0	1
£150,001+	0	0	0	0
Total number of exit packages	1	3	4	9
Total cost	£6,815	£7,938	£14,753	£231,176

Employee numbers and costs (subject to audit)

Employee numbers and costs are shown in note 4 of the financial statements, together with the cost of agency and contract workers.

Employee sickness absence and turnover

Both employee turnover and sickness absence form key performance indicators monitored by our Council. Additionally, our People and Resources Committee was created in January 2021 in order to increase the Council's oversight on our performance as an employer.

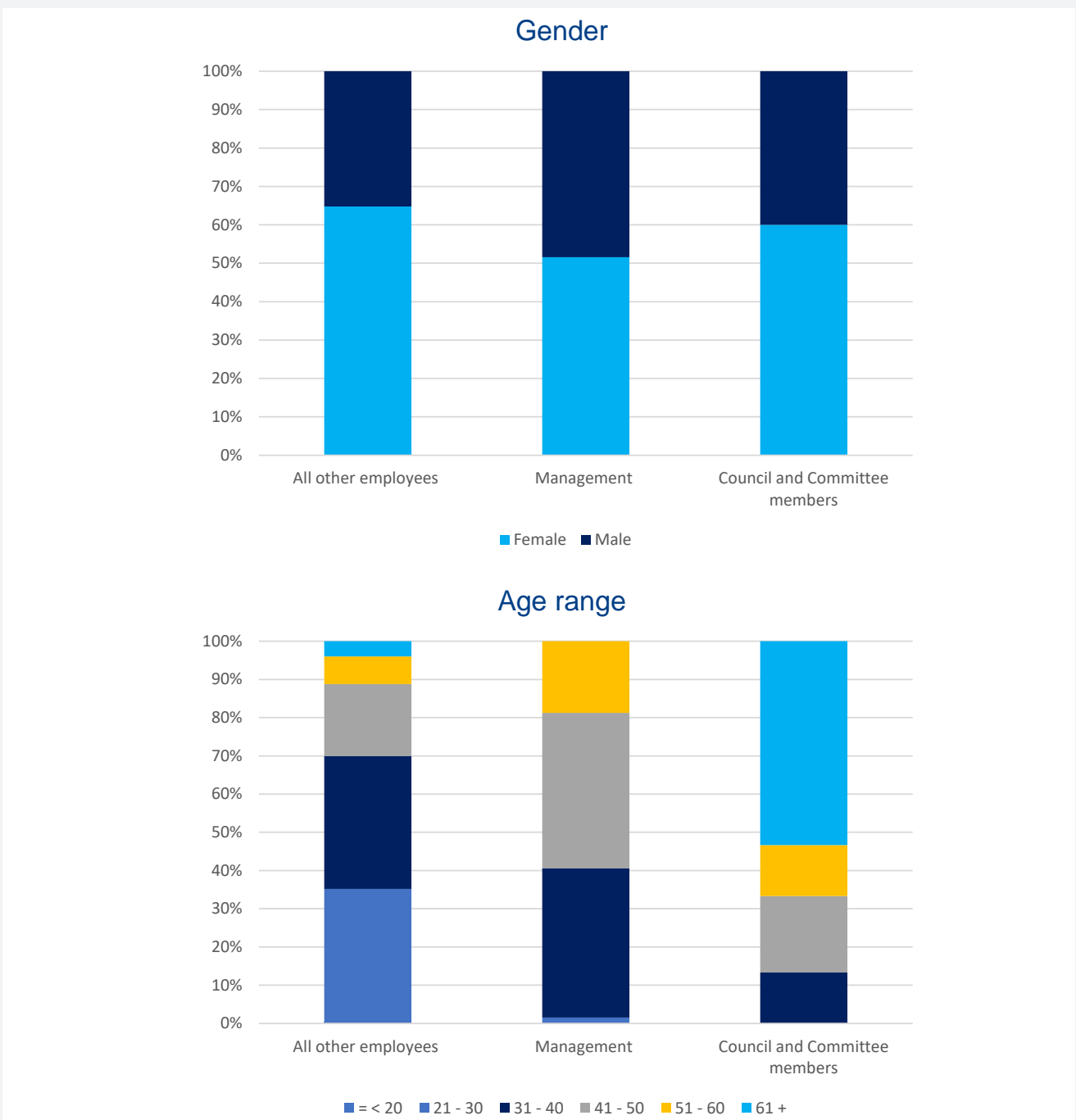
Overall employee turnover for 2023–24 was 17%, however the average voluntary turnover for the financial year was 12%. 1% of available working days were lost to sickness absence with an employee average of five sick days taken.

Equality and diversity

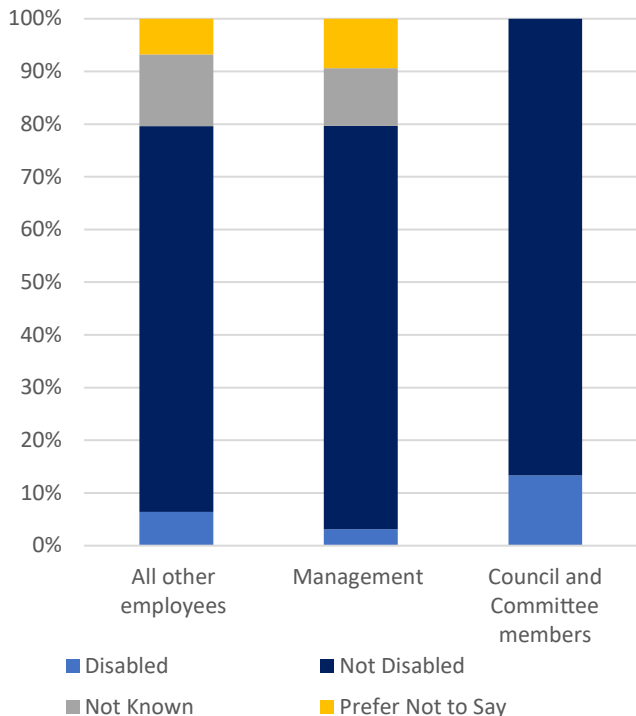
We are committed to meeting our obligations under the Equality Act 2010, continuing to ensure that we are an organisation that values diversity and promotes equality. This includes ensuring Council and Committee members, partners and employees receive regular training in equality and diversity matters and ensuring that the organisation values participation and respectful working relationships.

We are an equal opportunities employer and provide opportunities and advancement for all suitably qualified persons regardless of age, disability, gender (including gender reassignment), race, marriage or civil partnership status, pregnancy and maternity, religion, belief (or non-belief) or sexual orientation. We are recognised as a positive place to work for disabled people and are a Disability Confident Employer under the government Disability Confident Scheme.

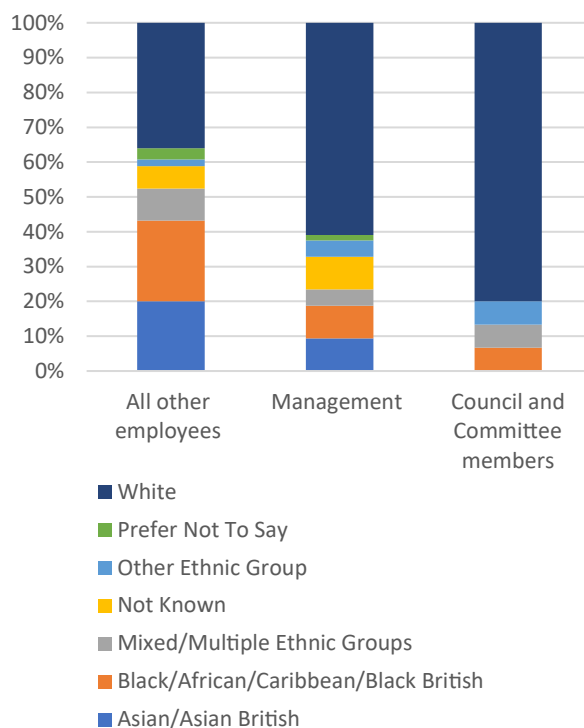
Our diversity as at 31 March 2024 was as follows:



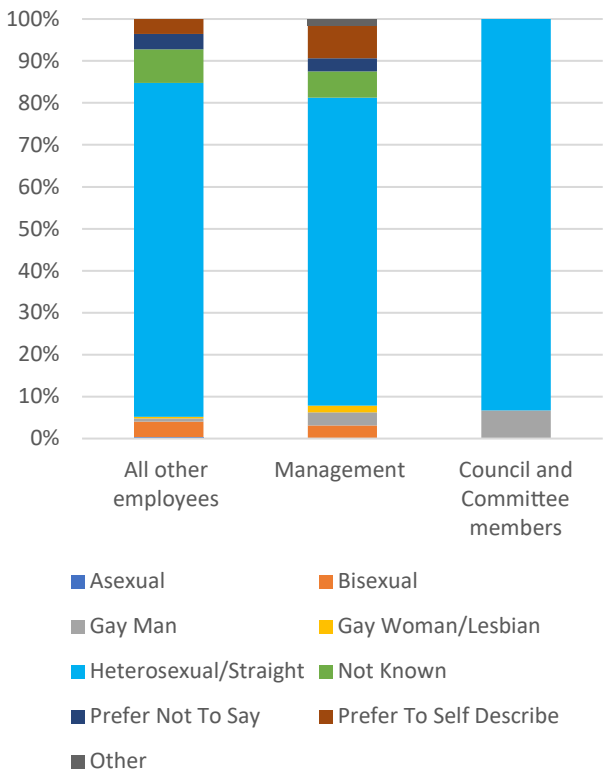
Disability



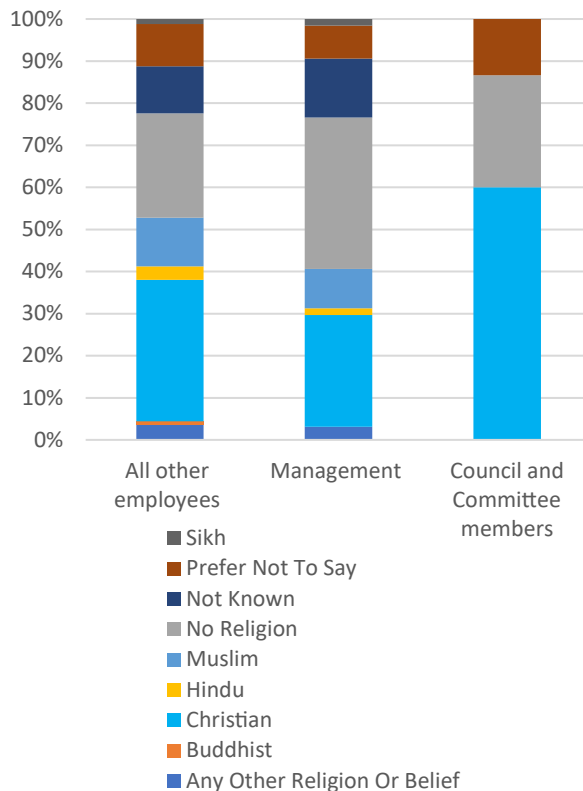
Ethnic origin



Sexual orientation



Religion



Gender pay gap

The HCPC is committed to doing everything that it can to reduce the gender pay gap. As at 5 April 2023, our mean gender pay gap for employees was -11.32% (2021–22: -10.58%) and our median gender pay gap was 0%. This can be explained by where female and male employees can be found within the pay quartiles. Although the HCPC's workforce (and partners) is 63% female, the average hourly pay, including for these purposes remuneration for partners, is slightly higher than that of males, which would suggest that females are generally more likely to have higher pay.

It is important to note that the data includes partners, which are required to be included as part of the guidelines for the purposes of this report. Female partners are higher in number (72%) compared to male partners (26%). This has reduced the pay gap when compared to employees only, as a higher proportion of female partners are receiving a higher hourly rate compared to male partners, which happened in the upper quartile.

In April 2023 the HCPC conducted a comprehensive review of its pay structure. The revised pay structure, which is better aligned with market comparators and is characterised by increased simplicity and fairness to all employees, has contributed towards the anticipated reduction in the pay gap.

Ethnicity pay gap

As at 5 April 2023, our mean ethnicity pay gap for employees was 26.12% (2021–22: 23.62%) and our median ethnicity pay gap was 18.60%. The HCPC is committed to doing everything that it can to reduce the ethnicity pay gap. The gap can be explained by where ethnic minority employees can be found in our pay band structure. More white employees can be found within the higher pay bands compared to ethnic minority employees, which remains a feature from the previous years. The HCPC is committed in supporting underrepresented employees in gaining experience and knowledge to progress to higher pay band roles, for example, implementing positive action into our new management and leadership programmes from 2024.

Parliamentary accountability and audit report

Accountability

Fees charging (subject to audit)

Article 45 of the Health Professions Order 2001 provides that ‘the Council may charge such fees in connection with the exercise of its functions as it may, with the approval of the Privy Council, determine and, subject to this article, the expenses of the Council are to be met out of fees received by the Council and other sums paid to it in connection with the exercise of its functions’.

Article 45 also provides that the government may make grants or loans to the Council, but we do not rely on government funding to cover our ordinary operating costs. In accordance with the Order and our reserves policy, we set our fees at the levels required to recover our full costs and maintain our finances on a sustainable basis. We have complied with the charging requirements as set out in HM Treasury’s guidance. The detailed breakdown of our fees is set out in note 2 of the financial statements.

Losses and special payments (subject to audit)

There were no losses and special payments for the HCPC over the reporting requirements as set out in HM Treasury’s Managing Public Money guidance (2022–23: nil).

Remote contingent liabilities (subject to audit)

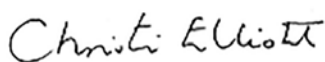
As at 31 March 2024, the HCPC had £17,500 worth of remote contingent liabilities relating to legal claims from registrants (31 March 2023: nil).

Losses and gifts (subject to audit)

The HCPC has received no gifts in year (2022–23: nil).

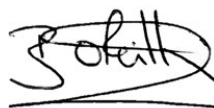
Regularity of expenditure (subject to audit)

The Accounting Officer is able to identify any material irregular or improper use of funds by the Council, or material non-compliant use of funds. To the date of this statement, there have been no instances of material irregularity, impropriety or funding non-compliance discovered during the financial year.



Christine Elliott
Chair

Date 15 October 2024



Bernie O'Reilly
Chief Executive and Registrar
Accounting Officer

Date 15 October 2024

Independent auditor's report to the members of the HCPC

Opinion

We have audited the financial statements of the Health and Care Professions Council (the Council) for the year ended 31 March 2024 which comprise the Statement of Comprehensive Net Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Equity, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the UK.

In our opinion, the financial statements:

- give a true and fair view of the state of the Council's affairs as at 31 March 2024 and of its surplus for the year then ended;
- have been properly prepared in accordance with IFRSs (UK adopted international accounting standards); and
- have been prepared in accordance with the requirements of the Health Professions Order 2001 and the directions issued thereunder by the Privy Council.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The members are responsible for the other information. The other information comprises the information included in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Council and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report.

We have nothing to report in respect of the following matters where we report to you if, in our opinion:

- adequate accounting records have not been kept by the Council, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members of the Council for the financial statements

As explained more fully in the Statement of Responsibilities of the Accounting Officer, the Council and Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council Members are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations relates to the Health Professions Order 2001 and the directions issued thereunder by the Privy Council, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Health Professions Order 2001 and the directions issued thereunder by the Privy Council and the application of IFRS, income tax and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members, as a body, in accordance with the Health Professions Order 2001 and the directions issued thereunder by the Privy Council. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
Date: 16 October 2024

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Certificate and report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Health and Care Professions Council for the year ended 31 March 2024 under the Health Professions Order 2001.

The financial statements comprise the Health and Care Professions Council's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Income, Cash Flow Statement and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Health and Care Professions Council's affairs as at 31 March 2024 and its retained surplus for the year then ended; and
- have been properly prepared in accordance with the Health Professions Order 2001 and Privy Council determinations issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Health and Care Professions Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Health and Care Professions Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Health and Care Professions Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Health and Care Professions Council is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Privy Council determinations made under the Health Professions Order 2001; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Health and Care Professions Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Health and Care Professions Council or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by determinations made by the Privy Council have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance statement does not reflect compliance with determinations made by the Privy Council under the Health Professions Order 2001.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Health and Care Professions Council from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with the Health Professions Order 2001 and Privy Council determinations;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Privy Council determinations; and
- assessing the Health and Care Professions Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council and Accounting Officer anticipates that the services provided by the Health and Care Professions Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Health Professions Order 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which my procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on my understanding of the Council, I identified that the principal risks of non-compliance with laws and regulations relates to the Health Professions Order 2001 and the determinations issued thereunder by the Privy Council, and I considered the extent to which non-compliance might have a material effect on the financial statements. I also considered those laws and regulations, including the Framework of Authorities, that have a direct impact on the preparation of the financial statements such as the Health Professions Order 2001 and the determinations issued thereunder by the Privy Council and the application of IFRS, income tax and payroll tax.

I evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates; and
- In addressing our assurance over regularity, considering any special payments made in year, review of Council and Audit and Risk Assurance Committee papers and minutes and an overall comparative review of current year to prior year.

Because of the inherent limitations of an audit, there is a risk that I will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as I will be less likely to

become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date
18th October 2024

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements

Statement of Comprehensive Net Income for the year ended 31 March 2024

	Note	2023–24 £'000	2022–23 £'000
Income			
Fee income	2	40,004	36,248
Total operating income		40,004	36,248
Expenditure			
Staff costs	4 & 5	(16,095)	(15,122)
Depreciation and amortisation	8 & 9	(1,070)	(1,294)
Impairment	8	(184)	-
Finance costs		-	(9)
Other expenditure	6	(21,109)	(19,986)
Business transformation costs		(5)	(69)
Total operating expenditure		(38,463)	(36,480)
Surplus/(Deficit) for the year after operational costs		1,541	(232)
Other income			
Grant income received from the Department of Health and Social Care	3	229	537
Rental income	3	167	175
Other income	3	565	84
Surplus on ordinary activity before taxation		2,502	564
Taxation	7	(180)	(32)
Retained surplus for the year		2,322	532
Other comprehensive net income			
Revaluation (loss) on freehold property	8	(249)	(234)
Total comprehensive net surplus		2,073	298

The notes on pages 98–114 form part of these financial statements.

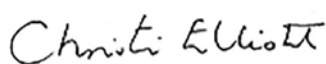
The operating surplus for the year arises from the HCPC's continuing operations.

Statement of Financial Position as at 31 March 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Non-current assets			
Property, plant and equipment	8	5,571	6,200
Intangible assets	9	3,324	3,398
Total non-current assets		8,895	9,598
Current assets			
Trade and other receivables	11	2,982	2,289
Short-term deposits	13	7,656	3,666
Cash and cash equivalents	12	18,393	10,794
Total current assets		29,031	16,749
Total assets		37,926	26,347
Current liabilities			
Trade and other payables	14	(4,322)	(4,374)
Deferred income	15	(29,628)	(20,117)
Total current liabilities		(33,950)	(24,491)
Liabilities greater than one year	16	(82)	(35)
Assets less liabilities		3,894	1,821
Reserves			
General reserve	SoCiE	3,894	1,572
Revaluation reserve	SoCiE	-	249
		3,894	1,821

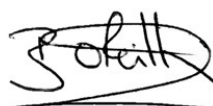
The notes on pages 98–114 form part of these financial statements.

Approved and authorised for issue on behalf of the Council and signed on its behalf:



Christine Elliott
Chair

Date 15 October 2024



Bernie O'Reilly
Chief Executive and Registrar
Accounting Officer

Date 15 October 2024

Cash flow statement for year ended 31 March 2024

		2023–24	2022–23
	Note	£'000	£'000
Cash flows from operating activities			
Surplus/(Deficit) from operating activities		1,541	(232)
Depreciation and amortisation	8 & 9	1,070	1,294
Impairment	8	184	-
Loss on disposal of right of use assets		-	677
Decrease/(Increase) in trade and other receivables	11	(693)	271
Increase/(Decrease) in trade payables	14	(52)	778
Increase in deferred income	15	9,511	708
Increase/(Decrease) in liabilities greater than one year	16	47	(107)
Net cash inflow from operating activities		11,608	3,389
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(75)	(105)
Purchase of intangible assets	9	(725)	(603)
Disposal of short-term deposits	13	(3,990)	(61)
Rental income	3	167	175
Other income	3	565	84
Net cash outflows from investing activities		(4,058)	(510)
Taxation	7	(180)	(32)
Cash flows from financing activities			
Income from the Department of Health and Social Care	3	229	537
Payment of lease liabilities		-	(830)
Net cash inflows/(outflows) from financing activities		229	(293)
Net increase in cash and cash equivalents in the period		7,599	2,554
Cash and cash equivalents at the beginning of the period	12	10,794	8,240
Cash and cash equivalents at the end of the period	12	18,393	10,794

The notes on pages 98–114 form part of these financial statements.

Statement of Changes in Equity for year ended 31 March 2024

	Note	Revaluation Reserve £'000	General Reserve £'000	Total £'000
Balance at 1 April 2022		483	1,040	1,523
Surplus for the year		-	532	532
Loss on revaluation of property		(234)	-	(234)
Balance at 31 March 2023		249	1,572	1,821
Balance at 1 April 2023		249	1,572	1,821
Surplus for the year		-	2,322	2,322
Loss on revaluation of property	8	(249)	-	(249)
Total recognised income and expense for the year		(249)	2,322	2,073
Balance at 31 March 2024		-	3,894	3,894

The Revaluation Reserve is a capital reserve used when an asset has been revalued. Revaluations are completed periodically to reflect the fair value of an asset owned by the organisation.

The General Reserve is a reserve used to record all resource inflows and outflows, other than those revaluations which are reflected in the Revaluation Reserve.

The notes on pages 98–114 form part of these financial statements.

Notes to the financial statements for year ended 31 March 2024

1. Accounting policies

1.1 Basis of preparation

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adapted and interpreted by the 2023–24 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Health and Care Professions Council (HCPC) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the HCPC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of land and buildings.

1.3 IFRS, amendments and interpretations in issue but not yet effective, or adopted

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors requires disclosure in respect of new IFRS, amendments and interpretations that are, or will be, applicable after the accounting period. Standards, amendments and interpretations issued by the International Accounting Standards Board, but not yet effective that have not been early adopted, and which are relevant to the HCPC are:

- **IFRS 17 – Insurance Contracts:** The standard is expected to be effective in the public sector for accounting periods beginning on or after 1 April 2025. No material impact to the HCPC's financial statements is anticipated following its implementation.

1.4 IFRS amendments and interpretations adopted

No IFRS amendments and interpretations were adopted during 2023–24 by the HCPC.

1.5 Going concern

The HCPC is established in statute, and it would require an Act of Parliament to dissolve or abolish the organisation. We continue to hold significant cash balances owing to the nature of the renewal cycle whereby registrants renew their registration with the HCPC, through up-front payment or a direct debit arrangement, on a two-yearly cycle organised by profession.

The HCPC is committed to reviewing its fees at least every two years to help ensure its continued financial sustainability. In September 2022, the Council agreed that the HCPC should consult on an increase in its fees. Following the consultation and parliamentary approval the revised fees came into effect from November 2023. The HCPC is currently reviewing its fees with a view to further updating them from 2025, in accordance with the commitment to regular reviews.

In fulfilment of its financial stewardship role, the Council will continue to review the HCPC's

expenditure and investment plans, to ensure that they are affordable within our projected income.

Given the HCPC's regulatory role, a significant cash balance, effective management of financial operations, the ability to seek increases in fees and that the HCPC is established in statute, it is expected that the HCPC will continue with the provision of a service in the future. Accordingly, in accordance with the FReM, the Council considers there are no material uncertainties in relation to going concern.

1.6 Accounting judgement and estimation

Estimates and the underlying assumptions are reviewed on a regular basis by the Council. Areas of significant judgement made by management are:

- **IAS16 – Property, Plant and Equipment:** judgement is made on fixed asset lives, revaluation of land and buildings and the capitalisation threshold as discussed below.
- **IAS36 – Impairments:** the Council makes judgements on whether there are any indications of impairments to the carrying amounts of the HCPC's assets.
- **IAS37 – Provisions:** judgement is made on the best estimate that can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.
- **IAS38 – Intangible Assets:** recognition and measurement of intangible assets is in accordance with IAS38. Judgement is made annually on the carrying value and estimated useful lives of intangible assets.

Property, plant and equipment

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses in respect of both land and buildings recognised after the date of the revaluation. Valuations are performed with a maximum interval of five years, and more frequently if open market values are considered to be volatile, to ensure that the fair value of a revalued building does not differ materially from its carrying amount. The fair value of freehold properties is determined with a full valuation carried out by professionally qualified Chartered Surveyors. This is done on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No. 4 and the guidance notes of the Royal Institution of Chartered Surveyors. The latest valuation was at 31 March 2024. We consider this fair value measurement to fall within Level 2 of the fair value hierarchy per IFRS 13. Property capital costs incurred between valuations are capitalised at cost.

Any revaluation surplus is credited to the asset revaluation reserve included in the accumulated funds section of the Statement of Financial Position (SoFP), except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of comprehensive net income, in which case the increase is recognised in the Statement of comprehensive net income. A revaluation deficit is recognised in the Statement of comprehensive net income except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the buildings and the net amount is restated to the revalued amount of the buildings.

Plant and equipment are stated at historic cost of acquisition less accumulated depreciation and impairment losses as a proxy for fair value. The HCPC's plant and equipment assets are relatively low value items with short useful lives. Depreciation is provided on a straight-line basis at rates

calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. Individual assets costing £5,000 or more are capitalised and subsequently depreciated.

Property, plant and equipment assets are depreciated using the straight-line method based on estimated useful lives. The annual rate of depreciation for each class of depreciable asset held at 31 March 2024 is as follows:

- freehold buildings – over 50 years;
- office furniture and equipment – over four years;
- computer equipment – over three years; and
- leasehold improvements – over the shorter of the remaining minimum term of the lease or the expected useful life.

Intangible assets

Intangible assets are stated at historic cost of acquisition less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. Individual assets costing £5,000 or more are capitalised and subsequently amortised.

Amortisation is not provided for until the asset is fully developed and in use. The annual rate of depreciation for each class of intangible asset held at 31 March 2024 is as follows:

- software licences – over three years; and
- software system development costs – over three to seven years.

The carrying value of non-current assets is assessed annually and any impairment is charged to the Statement of comprehensive net income. The estimated useful life and residual values of non-current assets are also assessed annually.

1.7 Financial instruments: Financial assets

The HCPC classifies its financial assets under the requirements of IFRS 9 into one of the categories below, depending on the purpose for which the asset was acquired.

Trade and other receivables. These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services but also incorporate other types of contractual monetary assets. Under IFRS 9 these are held at and are subsequently carried at invoiced value or amortised cost using the effective interest rate method, less provision for impairment. Details of trade and other receivables are found in note 11.

Cash and cash equivalents. These include current accounts and instant access deposit accounts held with banks. The deposits comply with the HCPC's investment policy. Cash and cash equivalents are held at amortised cost under IFRS 9. Details of cash and cash equivalents are found in note 12.

1.8 Financial instruments: Financial liabilities

The HCPC classifies its financial liabilities as follows.

Trade and other payables. These are recognised at invoice value and arise principally from the receipt of goods and services. Under IFRS 9 these will remain at amortised cost.

Currency, liquidity and interest rate risk. Refer to note 21 for further details.

Provisions. A provision is recognised in the SoFP when the HCPC has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Pensions. The HCPC contributes to a defined contribution pension scheme on behalf of its employees. The HCPC contributions are expensed to the Statement of comprehensive net income on an accruals basis. There are no unfunded employee benefit arrangements.

Income. Fee income comprises registration fees, readmission fees, renewal fees and scrutiny fees. Scrutiny, registration and readmission fees are collected upon application for registration and recognised once the registrants' names have been added to the HCPC register. Renewal fees are accounted for over the period in which we are obliged to maintain an individual's registration. There are no significant judgements or estimates required in assessing the HCPC's obligations, which are evenly spread throughout the period of registration. Accordingly, registration fees with the exception of scrutiny fees (which are recognised on receipt) are initially deferred and then subsequently released/recognised on a monthly basis throughout the registration period. IFRS 15 requires income to be deferred only where the cash has been received as at the SoFP date; accordingly deferred income is then reduced by netting off against accounts receivable any deferred income balance not received on or prior to the SoFP date.

Registrants have a choice of whether to pay two years up front or on a six monthly basis by direct debit. When registrants have paid two years up front, some of the deferred income balance may relate to periods more than twelve months from the SoFP date. However, under the HCPC's fees and refunds policies, refunds are only payable for complete unused years, so any refunds in relation to the deferred income balance will only be paid within the next twelve months. Therefore, the HCPC does not split its deferred income balance between current and non-current liabilities.

Interest income is recognised on an accruals basis. Rental income is recognised as the contractual obligation is fulfilled; the income is received quarterly in advance.

Government grants. Grant income received in a financial year relating to costs incurred in that year is offset against the related cost. Grant income received after the financial year end relating to costs incurred in the previous year is taken to reserves. Grant income received in a financial year relating to costs to be incurred in future years is deferred in the SoFP. Grant income received from the DHSC relates to the provision of a temporary register by the HCPC in response to the COVID-19 pandemic; and to support the registration/recruitment of overseas health professionals to meet additional DHSC requirements for health professionals.

Value Added Tax. The HCPC is not registered for VAT so no input VAT on purchases is recoverable and expenditure is stated including input VAT where applicable.

Taxation. Corporation tax is payable on the HCPC's investment income and net rental income only.

2. Fee income by profession

	2023–24	2022–23
	£'000	£'000
Registration fees:		
Arts therapists	499	456
Biomedical scientists	2,582	2,275
Chiropodists/Podiatrists	1,159	1,272
Clinical scientists	674	693
Dietitians	1,072	941
Hearing aid dispensers	381	437
Occupational therapists	4,113	3,948
Operating department practitioners	1,496	1,272
Orthoptists	138	143
Paramedics	3,155	2,672
Physiotherapists	7,013	4,134
Practitioner psychologists	2,568	2,531
Prosthetists/Orthotists	112	338
Radiographers	4,355	4,139
Speech and language therapists	1,724	1,737
Miscellaneous	8,963	9,260
	40,004	36,248

Miscellaneous income principally consists of international scrutiny fees and UK scrutiny fees. This income is not split by profession. The increase in fee income is largely driven by a significant increase in international scrutiny fees flowing through from the previous year (2022–23) to form part of registration income for 2023–24. International scrutiny fee income totalled £7.55m (2022–23: £7.56m).

3. Other income

	2023–24	2022–23
	£'000	£'000
Bank deposit interest	565	64
Grants from the DHSC	229	537
Rental income	167	175
Other income	-	20
	961	796

The increase in bank deposit interest is mainly due to the increase in interest rates during 2023–24. In addition, more funds were deposited in savings accounts to benefit from the higher interest rates.

4. Staff costs

			2023–24	2022–23
	Permanent staff £'000	Others £'000	Total £'000	Total £'000
Wages and salaries	11,366	848	12,214	11,213
Social security costs	1,164	73	1,237	1,212
Apprenticeship levy	-	45	45	41
Pension costs	835	53	888	788
Temporary staff costs	-	1,566	1,566	1,572
Other payroll expenses including recruitment	-	145	145	233
Redundancy costs	-	-	-	63
	13,365	2,730	16,095	15,122

The average number of full-time equivalent persons employed during the year was as follows:

	Permanently employed staff	Other	2023–24 Total	2022–23 Total
Directly employed	274	26	300	282

The increase in staff is mainly in the Registration department to provide the resources necessary to respond to increased numbers of registrants, together with an increase in international applications being processed. There was also an increase in Fitness to Practise department staff in response to an increase in the number of case referrals, in accordance with wider trends across the healthcare regulation sector.

5 Pension funding arrangements

The Aviva scheme is a designated stakeholder, defined contribution scheme and the HCPC's auto-enrolment staging date was 1 April 2014. At 31 March 2024, there were 290 active members in the pension scheme (31 March 2023: 273 active members). During the financial year ended 31 March 2024, the HCPC contributed £888k to the pension scheme (2022–23: £788k).

6. Other expenditure

	2023–24 £'000	2022–23 £'000
Professional services	9,816	8,500
Partners (agents)	5,456	5,555
Office services	273	275
Computer services	2,305	1,938
Communications	409	431
Other departmental costs	945	740
Property services	852	1,409
Projects	-	93
Council and committee expenses	240	260
Professional Standards Authority (PSA) levy	813	785
	21,109	19,986

Professional services costs include the legal expenditure associated with fitness to practise (FTP) hearings and ad hoc professional services engaged with service providers for the organisation. The increase in these costs is largely due to legal costs pressures reflecting higher case volumes and costs associated with the transfer and progression of cases between the HCPC's external legal providers.

Partners are HCPC registrants, members of the public and legal professionals who contribute their expertise to the HCPC and play important independent roles in the regulatory process. There are a range of partner roles including CPD (continuing professional development) assessors, legal assessors, panel chairs, panel members, registration assessors and visitors.

The reduction in property services costs was mainly a result of savings from exiting the lease for 33 Stannary Street as of 31 March 2023. Business rates were also lower in 2023–24 in comparison to 2022–23 for the HCPC's premises. No business rates were paid for 33 Stannary Street in 2023–24, due to the HCPC having exited the lease.

Other departmental costs include organisational and departmental training which amounts to £132k (2022–23: £194k).

The decrease in project related costs was due to no revenue projects being undertaken during 2023–24; resulting in no project related expenditure.

Because the HCPC is not registered for VAT, other operating expenditure includes irrecoverable VAT of approximately £2.4m in 2023–24 (2022–23: £2.2m).

	2023–24 £'000	2022–23 £'000
<i>Auditors' remuneration</i>		
External audit - Haysmacintyre LLP	71	102
External audit - National Audit Office	13	13
Internal audit - BDO LLP	37	72

In 2022–23 there were additional, one-off audit costs for Haysmacintyre LLP of £55k that were agreed after the completion of the external audit of the HCPC's annual report and accounts for 2021–22. These one-off costs did not recur in 2023–24 and, as a result, there is a year-on-year reduction in audit fees.

7. Taxation on investment income

	2023–24	2022–23
	£'000	£'000
UK corporation tax on taxable income for the year	165	32
Interest and penalties	15	-
Tax charge for the year	180	32

The increase in corporation tax is mainly due to the increase in interest income received, principally as a result of higher interest rates received. Refer to note 3 (Other income). Interest and penalties relate to late filing of corporation tax returns for the period 2020–21 and 2021–22.

8. Property, plant and equipment 2023–24

	Freehold land £'000	Freehold properties £'000	Leasehold improvement £'000	Office furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost or valuation:						
At 1 April 2023	2,726	3,174	941	258	956	8,055
Additions	-	-	-	-	75	75
Disposals	-	-	(941)	-	-	(941)
Impairments	(92)	(92)	-	-	-	(184)
Revaluation ¹	(158)	(158)	-	-	-	(316)
At 31 March 2024	2,476	2,924	-	258	1,031	6,689
Depreciation:						
At 1 April 2023	-	-	941	209	705	1,855
Charge for the year	-	67	-	36	168	271
Disposals	-	-	(941)	-	-	(941)
Reversal on revaluation ¹	-	(67)	-	-	-	(67)
At 31 March 2024	-	-	-	245	873	1,118
Net book value:						
At 31 March 2024	2,476	2,924	-	13	158	5,571
At 31 March 2023	2,726	3,174	-	49	251	6,200

1. Net revaluation loss for 2023–24 amounted to £249k (2022–23: £234k). Land and buildings impairments for 2023–24 were £184k (2022–23: nil). The HCPC offices in London are: Park House, comprising the land and buildings of 184 and 186 Kennington Park Road and the adjoining land and buildings of 20–26 Stannary Street. Park House is freehold, and is included in note 8 at valuation, as described below.

Freehold properties

The valuations of the freehold land and buildings were made on 31 March 2024 by Stiles Harold Williams, Chartered Surveyors, on an open market basis, in accordance with RICS Valuation Global Standards - effective from 31 January 2022. In accordance with the FreM, these land and buildings' current value in existing use is interpreted as the market value for existing use of the land and buildings. For accounting purposes, the HCPC is of the view that it is reasonable to split the valuation equally between land and buildings.

Park House including 20–26 Stannary Street and 184-186 Kennington Park Road

Park House was valued at £5.40m (2022–23: £5.90m). The combined historic cost of the Park House property was £6.27m (2022–23: £6.27m).

Historic documents and papers

The HCPC has a collection of historic copies of the paper registers, photographs, some artworks from the art courses we regulate and physical copies of our legislation documents. The HCPC does not put a value on this collection due to the lack of a market for them.

Property, plant and equipment 2022–23	Freehold land	Freehold properties	Leasehold improvement	Office furniture and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation:						
At 1 April 2022	2,876	3,324	1,029	253	856	8,338
Additions	-	-	-	5	100	105
Disposals	-	-	(88)	-	-	(88)
Revaluation	(150)	(150)	-	-	-	(300)
At 31 March 2023	2,726	3,174	941	258	956	8,055
Depreciation:						
At 1 April 2022	-	-	1,029	170	523	1,722
Charge for the year	-	66	-	39	182	287
Disposals	-	-	(88)	-	-	(88)
Reversal on revaluation	-	(66)	-	-	-	(66)
At 31 March 2023	-	-	941	209	705	1,855
Net book value:						
At 31 March 2023	2,726	3,174	-	49	251	6,200
At 31 March 2022	2,876	3,324	-	83	333	6,616

9. Intangible assets 2023–24

	Other systems	HR and partner build	Education system	Fitness to practise case management system	Registration system	Total
2023–24	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation:						
At 1 April 2023	942	419	1,101	1,119	4,723	8,304
Additions	649	22	-	32	22	725
Disposals	(66)	-	(887)	-	(851)	(1,804)
At 31 March 2024	1,525	441	214	1,151	3,894	7,225
Amortisation:						
At 1 April 2023	713	396	1,050	150	2,597	4,906
Charge for the year	25	11	8	160	595	799
Disposals	(66)	-	(887)	-	(851)	(1,804)
At 31 March 2024	672	407	171	310	2,341	3,901
Net book value:						
At 31 March 2024	853	34	43	841	1,553	3,324
At 31 March 2023	229	23	51	969	2,126	3,398

Intangible assets at 31 March 2024 include assets under construction of £1.256m (2022–23: £630k).

Intangible assets 2022–23	Software licences	*Other systems	HR and partner build	Education system	Fitness to practise case management system	Registration system	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation:							
At 1 April 2022	77	730	419	1,100	906	4,794	8,026
Additions	-	212	-	1	213	177	603
Disposals	(77)	-	-	-	-	(248)	(325)
At 31 March 2023	-	942	419	1,101	1,119	4,723	8,304
Amortisation:							
At 1 April 2022	77	630	380	1,003	-	2,287	4,377
Charge for the year	-	83	16	47	150	558	854
Disposals	(77)	-	-	-	-	(248)	(325)
At 31 March 2023	-	713	396	1,050	150	2,597	4,906
Net book value:							
At 31 March 2023	-	229	23	51	969	2,126	3,398
At 31 March 2022	-	100	39	97	906	2,507	3,649

10. Right of use assets

There were no right of use assets as at 31 March 2024. The HCPC surrendered the lease of a building on 31 March 2023.

11. Trade and other receivables

	2023–24	2022–23
	£'000	£'000
Prepayments	1,945	1,690
Other receivables	1,037	599
Total	2,982	2,289

Within the other receivables balance, there is an expected credit loss provision of £43k (2022–23: £57k).

12. Cash and cash equivalents

	2023–24	2022–23
	£'000	£'000
Balance at 1 April	10,794	8,240
Net change in cash	7,599	2,554
Balance at 31 March	18,393	10,794

All cash is held in commercial bank accounts only.

13. Short-term deposits

	2023–24	2022–23
	£'000	£'000
Balance at 1 April	3,666	3,605
Net change in cash	3,990	61
Balance at 31 March	7,656	3,666

At 31 March 2024, nil (31 March 2023: nil) of the total short-term deposits are maturing after more than one year.

14. Trade payables and other current liabilities

	2023–24	2022–23
	£'000	£'000
Corporation tax payable	186	107
Other taxation and social security	336	295
Trade payables	1,068	965
Accruals	2,732	3,007
Balance at 31 March	4,322	4,374

15. Deferred income

	2023–24	2022–23
	£'000	£'000
Fees received in advance		
Balance at 1 April	20,117	19,409
Fees received/invoiced in the year	30,674	26,988
Released to the statement of comprehensive net income	(21,163)	(26,280)
Renewal fees in advance	29,628	20,117

Registrants are invoiced in full and are required to pay the renewal fee in advance and, as described in note 1 above, have the choice of whether to pay two years up front or on a six-monthly basis by direct debit. When registrants have paid two years up front, some of the deferred income balance may relate to periods more than 12 months from the reporting date, however as described in note 1, the HCPC does not split its deferred income balance between current and non-current liabilities.

The increase in deferred income is mainly due the majority of the professions two year membership fees coming to an end during the year 2023–24 and renewing for a further two years. Most healthcare professionals have therefore renewed their membership in the year 2023–24 by paying two years in advance or six months in advance via direct debit.

16. Provisions

	Dilapidations £'000	Legal £'000	Total £'000
Balance at 1 April 2022	142	-	142
Net change in provision	(142)	35	(107)
Balance at 31 March 2023	-	35	35
Balance at 1 April 2023	-	35	35
Net change in provision	-	47	47
Balance at 31 March 2024	-	82	82

The increase in provisions relates to legal claims received principally from registrants.

17. Capital commitments

Capital commitments authorised by the Council but not contracted as at the year end were as follows.

	2023–24 £'000	2022–23 £'000
Replacement of the FTP case system	113	50
Online portal development of the registration system for applications	70	150
Finance system replacement	12	230
Laptops and PCs replacement	-	75
HR recruitment model	-	25
Welsh language standards	20	20
Other commitments	-	65
	215	615

18. Contingent liabilities

The HCPC has a contingent liability in accordance with IAS 37 as at 31 March 2024 of £1.87m (2022–23: £1.3m) relating to potential partner costs arising from the Nursing and Midwifery Council (NMC) and Somerville case. The main reason for the increase is the inclusion of payment information for 2023–24.

19. Related party transactions

The HCPC's sponsor is the Privy Council Office, with which no financial transactions took place.

During the year, an advance payment of £870,936 was made to the PSA relating to the PSA levy for 2024–25. As at the reporting date, this is held within prepayments. In 2022–23, an advance payment of £813,313 was made towards the 2023–24 PSA levy.

For accounting purposes, the Department of Health and Social Care treats the HCPC as part of its group, although the HCPC is an independent body controlled by the Department of Health and Social Care. The HCPC was reimbursed £191,025 for the cost of the temporary Register created during the pandemic in 2023–24 (2022–23: £986,022). The HCPC invoiced the Department of Health and Social Care a total of £229,224 in the 2023–24 financial year (2022–23: £537,484).

Council members are being remunerated on an annual basis and non-Council Committee members receive fees at a daily rate for attendance at Council or Committee meetings. Fees totalling £212,686 (2022–23: £219,368) were accrued and paid to 19 members, which is made up of independent members and Council apprentices (who are not members of the Council) (2022–23: 23 members).

No related party transactions were noted with key management personnel other than the compensation paid to them which can be found in the remuneration report on pages 77–79 of the annual report.

20. Post statement of financial position events

The judgment in the Employment Tribunal remedy hearing in NMC and Somerville was handed down on 9 April 2024. We do not anticipate that it will change our accounting treatment in relation to the contingent liability arising from this case. The financial statements were authorised for issue by the Accounting Officer on the date they were certified by the Comptroller and Auditor General.

21. Financial instruments

The details of the various categories of financial assets are outlined in note 11 (Trade and other receivables). The details of the various categories of financial liability are outlined in note 14 (Trade payables and other current liabilities).

The HCPC does not use financial instruments that increase its own credit risk profile and has no external debt exposure. It uses a variety of risk mitigations including credit rating assessments to assess credit risk of counterparties including suppliers and financial institutions.

Currency and liquidity risk

The HCPC currently has no borrowings and relies primarily on fees for its cash requirements.

Due to registration renewal cycles and the payment methods for registrant fees, the HCPC holds a significant amount of cash and short-term deposits. Based on these balances and its reserves policy, the HCPC considers there is no significant exposure to liquidity risk. All material assets and liabilities are denominated in sterling, accordingly the HCPC is not exposed to currency risk.

Our reserves policy is based on the objective of having positive net assets less intangibles balancing the need to invest to ensure sustainability, while maintaining working capital through pre-paid registrant fees. As a result of the pre-paid registrants' fees, the HCPC operates with a

significant cash balance which ensures that we have sufficient working capital. If the net assets less intangible assets (the realisable net assets) are positive, then if the HCPC was to encounter a situation where it would need to cease operating, it would be able to do so in an orderly fashion. The HCPC's reserves policy is predicated on this basis.

At 31 March 2024, the HCPC had positive realisable net assets.

The ambition is to continue to have positive realisable net assets as part of our medium-term financial sustainability planning, including through an increase in fees.

Interest rate risk

The HCPC currently has no borrowings. Registrants pay fees in advance for up to two years. Surplus funds are held in accordance with the investment policy in order to obtain interest income, but the HCPC does not rely on interest income to fund its operations, so interest rate risk is not significant.

