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To:

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Cc

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9 April 2024

Dear Ms Haughey,

Health and Care Professions Council fee consultation

As Convenor of the Health, Social Care and Sport Committee, we are writing to give you advance notice that the HCPC will be launching a consultation on proposals to increase the annual registration fee for the 15 health and care professions that we regulate. At its March meeting, the HCPC Council considered and agreed to consult on an increase of £6.98 with equivalent rises in our other fees.

The fee rise will ensure we have sufficient funding to meet our statutory obligation to protect the public, maintain the HCPC's financial sustainability and enable us to make improvements to service user and registrant experience.

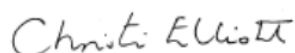
The consultation will formally launch tomorrow on Wednesday 10 April and last until 14 June 2024. We have attached a copy of the consultation document, which sets out further details on the proposals. Following the consultation, we will be carefully considering the feedback we receive and appreciate that the committee will also consider the issue in due course. As with our previous fee reviews, we would be happy to discuss this with you in more detail.

The new fee is set at the minimum amount necessary to meet our statutory responsibilities and performance standards set by the PSA. We are very aware of the financial pressure registrants are under. That is why in our previous consultation in 2022 we set out our objective of moving towards smaller, regular fee increases to allow registrants to budget effectively.

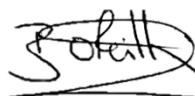
We need to maintain our financial sustainability and ensure we have the funding required to effectively discharge our statutory duties to protect the public. We have also invested to improve our performance. This increase is required to ensure that those initiatives are maintained and extended. This includes an enhanced user experience for our registrants and all those who interact with the HCPC.

We are engaging closely with registrants, stakeholders and members of the public to understand their views and are continuing to work closely with your officials. We would of course be very happy to arrange a meeting if you have any further questions at this stage of the process.

Kind regards,



Christine Elliott
Chair
HCPC



Bernie O'Reilly
Chief Executive and Registrar
HCPC

Consultation document

Consultation on HCPC fees

April – June 2024

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About the Health and Care Professions Council (HCPC)

The HCPC's statutory role is to protect the public by regulating healthcare professionals in the UK. We promote high quality professional practice, regulating 350,000 registrants across fifteen professions by:

- Setting standards for education and training and practice.
- Approving education programmes which professionals must complete to register with us.
- Maintaining a register of professionals who meet our standards.
- Acting if professionals on our Register do not meet our standards.
- Acting to stop unregistered practitioners from using protected professional titles.

Summary

This consultation document seeks views on a proposal to increase the registration fees charged by the HCPC.

Parliament has given us a responsibility to ensure we have the finances to meet our statutory duties. This means that we need to set fees that cover our costs and enable us to remain financially sustainable.

In our previous fees consultation and engagement in 2022 we said that smaller, incremental fee increases in subsequent years would be necessary. 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.

We understand the continuing financial pressures that registrants face, which is why we are making efficiencies and have restricted the proposed increase to the minimum necessary.

As the outcome of this review we propose to increase the annual renewal fee our registrants pay by £6.98 per year, to be phased in over two years from 2025. The increase is equivalent to just over 13p per week and the new registration fee would be £123.34 a year. There would be equivalent increases in our other fees. We would maintain the 50% discount that graduate applicants receive for the first two professional years of registration.

Most registrants would not pay the new fees until 2026 or 2027.

Background

We are an independent regulator whose role is to protect the public. To do this, we maintain a register of professionals who meet our standards for their professional skills and behaviour. We regulate 350,000¹ registrants across fifteen professions. In accordance with our founding legislation, our costs are funded entirely by the fees that registrants pay. We do not receive any regular funding from the government.

We know that the public values our regulatory role and recognises that our finances must be in good order. Participants in a recent survey² were supportive of fee increases, recognising the cost pressures we face, provided that the reasons behind an increase are explained clearly and compassionately to registrants.

We last increased our fees on 9 November 2023. This increased the annual renewal fee to £116.36 per year with equivalent increases in the other fees we charge³. Those revised fees are being phased in by profession over a two-year period.

The HCPC has been investing to improve performance and efficiency (see 'Financial background' below). These improvements have been recognised by the Professional Standards Authority (PSA). The HCPC has now met sixteen of the PSA's eighteen Standards of Good Regulation, regaining two fitness to practise (FTP) standards and one standard linked to registration. 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.

Our 2022 consultation identified specific further improvements we would be able to make following the proposed increase to help mitigate the impacts of the fee rise on registrants in the following areas.

Work with employers to secure better protected continuing professional development (CPD): since the previous increase was implemented, we have created new content on CPD for registrants and employers. When completed this will be launched through a communication and engagement campaign for registrants, employers and other stakeholders in spring 2024.

Promoting availability of tax relief: we have more actively promoted the availability of tax relief on HCPC fees, through renewal communications, within the online

¹ Projected figure for 2024-25.

² See page 53 of [HCPC consultation on changes to fees – consultation analysis and decisions, April 2023: Appendix 3, The value of regulation focus groups](#)

³ [Changes to our registration fees](#)

account and through website and social media signposting. We have included additional content in all our registration renewal communications about claiming tax relief, with signposting throughout our website and in social media posts. For those registrants not claiming tax relief who are eligible to do so, the value of the tax relief available would be considerably greater than the fee increase proposed in this document.

Increase the spread of direct debit payments: we will increase the number of direct debit payment points available to registrants, from the current four per cycle to eight per cycle. As a result of the 2023 fee increase coming into effect five months later than proposed in our 2022 consultation document, those changes are now expected to come into effect later than originally planned. We now plan to make the increased spread of direct debit payments available from April 2025.

Rationale: why this proposed fee rise is necessary

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. 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, fitness to practise, education and other regulatory responsibilities within existing performance standards, taking account of unavoidable cost pressures, including a 114% increase in FTP volumes⁴, in line with the experience of most other healthcare regulators.
- 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, including 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.

The rationale for the proposed increase includes the assumption noted above that the HCPC will review its fees regularly in future, with incremental increases expected to be needed to maintain our financial sustainability, so that we can continue to deliver improvements and plan for the future.

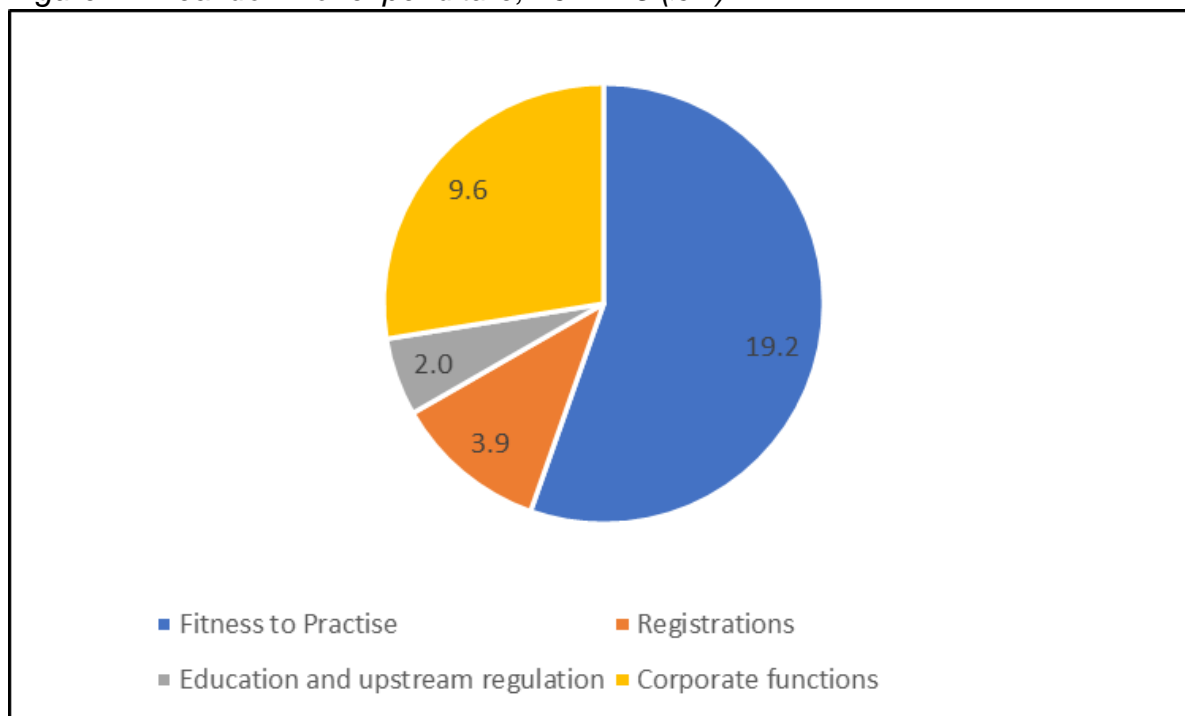
⁴ Based on 504 new FTP cases received by the HCPC in 2023-24 compared to the original budget assumption of 236.

Financial background to our proposals

How registrants' fees are spent

Parliament has given us a responsibility to make sure we have the finances to fulfil our statutory duties. All of our expenditure relates to these duties, directly funding our regulatory and essential corporate functions (see Figure 1).

Figure 1: Breakdown of expenditure, 2024-25 (£m)



Note: 'Corporate functions' include Finance, HR and IT, Governance, Communications and other functions which provide essential support for our regulatory and improvement activity. Figures exclude non-cash depreciation.

Further information about our regulatory functions is available on our website: [What we do](#)

Efficiency

The HCPC is committed to remaining an efficient regulator, with tight cost control and lean budgets. HCPC's expenditure per registrant is significantly lower than that of other healthcare regulators (see Figure 2). We are keeping the costs of our corporate functions as a proportion of total expenditure as low as possible, in line with the benchmark for the sector.

Figure 2: Expenditure per registrant by healthcare regulators

	HCPC	GMC	NMC	GDC	GPhC
Number of registrants at time of data collection	320,438	357,198	788,638	115,451	99,773
Total expenditure per registrant	£114	£374	£124	£308	£231
Total support costs per registrant	£35	£136	£41	£87	£65

Note: Expenditure figures are based on data in most recent published annual reports and comprise the following equivalent functions: CEO and Chair, IT, HR, Finance, Procurement, Facilities and Governance.

We have been investing to improve efficiency, which has contributed to improved regulatory performance and service. Examples of efficiencies delivered during the period of our current corporate strategy include:

- Reduction in our projected overall average cost to serve per registrant in 2024-25 by 3% in real terms; this progress is despite our non-discretionary costs increasing as a result of inflationary and FTP demand pressures.
- Total average costs per FTP case are projected to reduce by 11% in real terms between 2023-24 and 2024-25, as a result of improved efficiency from contractual arrangements with external legal suppliers and tight cost control in other areas.
- 50% reduction in the size of our estate since 2022, delivering over £1m annual savings.
- We have substantially reduced annual overtime costs and introduced tightened controls on the use of agency staff.

Further planned efficiencies that will be enabled by the proposed fee increase include to the resourcing of our registrations operating model, a move to automated processing of invoices and changing how we manage FTP caseloads, to reduce external legal costs.

After taking account of the proposed 2025 increase the HCPC's cost per registrant would remain the lowest of the healthcare regulators.

Further information about our financial performance can be found in our [Annual Report and Accounts](#).

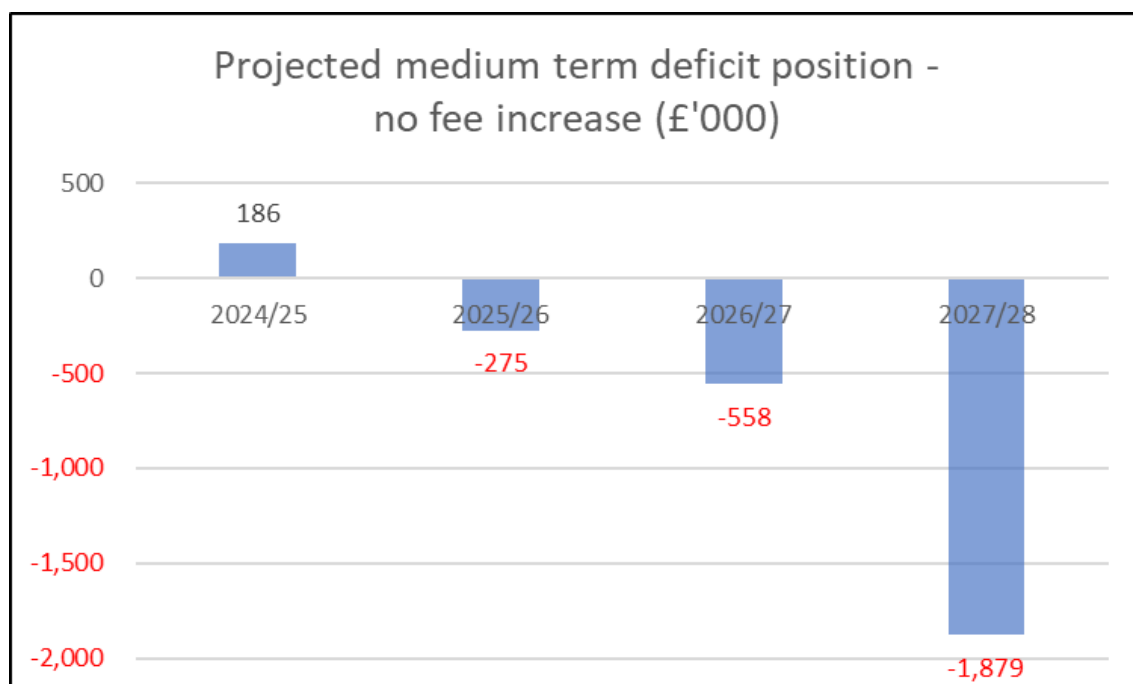
Framework for fees reviews

We set our fees on the principle of cost recovery, allocated fairly across registrants and applicants. We aim to review our fees at least every two years. Following these reviews, we expect to require regular incremental increases in our fees to take account of unavoidable cost pressures, plus what is required for essential further improvements and to meet unavoidable financial liabilities. We are committed to making efficiencies to help fund improvements. We will publish transparently projections of our medium-term future funding requirements. All changes to our fees are subject to public consultation and an assessment by HCPC of consultees' responses and equality impacts and parliamentary approval.

Within this framework we manage our finances carefully to ensure that our expenditure matches our income. We do not budget for large surpluses or hold large financial reserves.

Without the proposed fee increase our medium-term financial projections show that we would quickly face moving into deficit budgets, which would put public protection and services to registrants at risk (see Figure 3). These projections are consistent with the analysis underpinning our previous fees consultation in 2022, which assumed that the HCPC would have regular, incremental fee rises in future, to maintain the financial stability achieved by the 2023 increase. The five-month delay from July to November in the implementation of the 2023 increase has also had an impact on our financial projections.

Figure 3: Projected deficits – no fee increase



Proposed revised fees

We have kept the proposed increase to the minimum necessary. The revised fees would enable us to continue meeting our statutory public protection duties and fund the programme of critical investments described in section 4. The HCPC Council considered alternative, higher increases, but decided to propose the minimum necessary amount, taking account of the impact on registrants including in relation to protected characteristics.

After taking account of the proposed fee rise we would achieve balanced annual budgets without large surpluses, in accordance with the framework described above. Our projected reserves⁵ as of April 2024, to cover financial liabilities and ensure the HCPC can continue meeting its day to day running costs if unplanned pressures arise, are equivalent to less than the cost of running the HCPC for two days. That level of reserves is significantly lower than standard benchmarks. Our projected reserves after the fee rise would remain at broadly the same level up to 2027, after taking account of projected expenditure commitments.

The revised fees that we propose are shown in the tables below.

Figure 4: Existing scrutiny fees and proposed revised scrutiny fees (£)

Route to registration	Existing fee	Revised fee
Approved programme	£81.45	£86.34
Readmission	£174.54	£185.01
Restoration	£174.54	£185.01
International	£639.98	£678.38
Grandparenting	£639.98	£678.38

Figure 5: Existing annual registration fees and proposed revised fees (£)

Route to registration	Existing fee	Revised fee
Approved programme (reduced)	£58.18	£61.67
Approved programme (full)	£116.36	£123.34
Renewal	£116.36	£123.34
Readmission	£116.36	£123.34
Restoration	£116.36	£123.34
International	£116.36	£123.34
Grandparenting	£116.36	£123.34

⁵ Defined as total assets less the value of software.

Note:

- ‘Approved programme’ means a UK programme of education and training that the HCPC approves so that someone successfully completing that programme is eligible to apply to us for registration.
- Graduate applicants receive a 50% discount on their registration fees for the first two professional years of registration, as long as they apply within two years of completing their approved programme.
- ‘Grandparenting’ is a route of entry to our Register. If the HCPC undertakes the regulation of a new profession, we open a time-limited grandparenting period during which individuals who do not hold an approved qualification, but who can demonstrate through their training and experience that they meet certain criteria, can be registered.

If the recommended fee increase was implemented later than the assumed date of 1 April 2025, the proposed increases shown in Figures 4 and 5 would be adjusted to take account of most recent costs and the impact of delay on the timing of the HCPC securing additional income, at the time of the necessary legislative order being finalised.

The two-year renewal cycle means that there is a time lag between a new fee being implemented and us securing its full financial value, which reinforces the need for the HCPC to consult now on this increase, as part of our commitment to regular, incremental fee reviews. The proposed increase will not be introduced until April 2025, subject to parliamentary approvals. 60% of HCPC registrants will not pay the new fee until 2026 or 2027.

Figure 6 below shows when individual professions would pay the new renewal fee, on the assumption that it comes into effect from April 2025.

Figure 6: Renewal windows by profession

Profession	Existing fee: opening of renewal window	Proposed new fee from April 2025: opening of renewal window
Orthoptists		1 June 2025
Paramedics		1 June 2025
Clinical scientists		1 July 2025
Prosthetists/Orthotists		1 July 2025
Speech and Language Therapists		1 July 2025
Occupational Therapists		1 August 2025
Biomedical scientists		1 September 2025

Radiographers	1 December 2023	1 December 2025
Physiotherapists	1 February 2024	1 February 2026
Arts therapists	1 March 2024	1 March 2026
Dietitians	1 April 2024	1 April 2026
Chiropodists	1 May 2024	1 May 2026
Hearing aid dispensers	1 May 2024	1 May 2026
Operating department practitioners	1 September 2024	1 September 2026
Practitioner psychologists	1 March 2025	1 March 2027

Legislative process

Our proposals require an amendment to the Health and Care Professions Council (Registration and Fees) Rules 2003⁶. Under the Health Professions Order 2001, any amendment to the Rules must be made by the HCPC's Council and then approved by an order of the Privy Council.

Equality Impact Assessment

The Equality Impact Assessment (EQIA) being published alongside this consultation document assesses the potential positive and negative equality impacts of our proposals. The EQIA also sets out mitigations, including progress in implementing mitigations measures that were announced as part of the previous consultation on the November 2023 fee increase. As part of this consultation exercise, we welcome respondents' views on the equality impacts of our proposals.

⁶ [Health and Care Professions Council \(Registration and Fees\) Rules 2003](#)

Consultation questions

- 1) To what extent do you agree or disagree with the rationale we have set out for increasing our fees by the minimum necessary amount?**

Strongly agree/ Agree/ Neither agree nor disagree/ Disagree/ Strongly disagree/ Don't know

If you would like to give reasons for your answer, or suggest alternative options or mitigations, you may do so here.

- 2) Given the rationale, to what extent do you support the fee increase proposal?**

Strongly agree/ Agree/ Neither agree nor disagree/ Disagree/ Strongly disagree/ Don't know

If you would like to give reasons for your answer, or suggest alternative options or mitigations, you may do so here.

- 3) In addition to the equality impacts set out in the Equality Impact Assessment, can you identify any further impacts relating to protected characteristics that we should consider?**

Protected characteristics consist of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, ethnicity, religion or belief, sex, sexual orientation.

If you would like to make any suggestions about how any negative equality impacts you have identified could be mitigated, you may do so here.

How to respond to the consultation

To respond to this consultation, complete our [online survey](#).

If you would like a paper version of this document, a version in Welsh or in an alternative format, or would like to respond in an alternative way, please email consultation@hcpc-uk.org or write to:

Consultation on fees
Health and Care Professions Council
Park House
184-186 Kennington Park Road
London
SE11 4BU

This consultation is open from 10 April to 23:59 on 14 June 2024.

Once the consultation period is complete we will analyse the responses we receive. We will then publish a document on our website summarising the comments we received and explaining the decisions we have taken as a result.