

Date Issued: 18 September 2019

Members of the Resources Committee are advised that a meeting of the Committee is to take place on 25 September 2019 at 10.30 am in Room 5, Compass House, Dundee.

A light lunch will be available from 12.30 pm.

**Theresa Allison
Chair**

AGENDA

- 1.** Welcome
- 2.** Apologies for absence
- 3.** Declarations of interest
- 4.** Minutes of the previous meeting – 5 June 2019 paper attached
- 5.** Matters arising
- 6.** Resources Committee Action Record paper attached
- Items for Decision**
- 7.** Budget Monitoring report as at 31 July 2019 **Report 23/2019**
- 8.** Procurement update and performance report 2018/19 **Report 24/2019**
- 9.** Procurement of external legal services **Report 25/2019**
- 10.** Section 22 Action Plan update **Report 26/2019**
- 11.** Schedule of Committee business paper attached
- 12.** Risk identification verbal
- AOCB**
- 13.** Date of next meeting – 4 December 2019

SCOTTISH SOCIAL SERVICES COUNCIL

**Unconfirmed minutes of the Resources Committee
held on 5 June 2019 at 10.30 am
room 5, Compass House, Dundee**

Present: Theresa Allison, Council Member (Chair)
Alan Baird, Council Member
Paul Dumbleton, Council Member
Linda Lennie, Council Member
Forbes Mitchell, Council Member
Keith Redpath, Council Member

In Attendance: Lorraine Gray, Chief Executive
Maree Allison, Director of Regulation
Phillip Gillespie, Director of Development and Innovation
Kenny Dick, Head of Shared Services
Liz MacKinnon, Head of Performance and Improvement
Chris Weir, Head of Legal and Corporate Governance
Christine Czyba, Acting Senior HR Adviser
Audrey Wallace (minute taker)

Observers: None

1 Welcome

- 1.1 Theresa Allison welcomed everyone to the meeting, her first as Chair of the Resources Committee. Theresa Allison thanked Audrey Cowie, in her absence, for her term as Chair of the Committee.

2 Apologies for absence

- 2.1 Apologies for absence were received from Audrey Cowie and Paul Dumbleton, Council Members.

3 Declaration of interest

- 3.1 There were no declarations of interest.

4 Minutes of previous meeting – 20 February 2019

- 4.1 The minutes of the meeting held on 20 February 2019 were approved as a correct record.

5 Matters arising

5.1 Emerging Fitness to Practise risk – staffing savings required for budget setting

5.1.1 Lorraine Gray advised that the Executive Management Team (EMT) had discussed the budget savings and the required 4% vacancy management across the organisation. The EMT had agreed, in the current staffing circumstances, that the Fitness to Practise team would not be required to make the savings at this time however this decision may be revisited at a later date.

5.1.2 The Committee
1. noted the update.

6 Action Record Resources Committee

6.1 The action record was submitted and the following updates were given:

September 2018 – People Management Policy development

- Lorraine Gray confirmed that this matter had slipped due to absence of staff and it would now be progressed.

September 2018 - AOCB

- Chris Weir confirmed that the GDPR training for Members would take place once the new Council Members were in post.

7 HR Policies

7.1 Annual Leave Policy

7.1.1 Christine Czyba presented report 11/2019 along with a revised Annual Leave Policy. The revised policy incorporated the changes suggested at the last meeting, except for the matter of carrying forward unused annual leave. Members were requested to reconsider allowing staff to carry forward in excess of five days and up to ten days annual leave into the following year, in exceptional circumstances.

7.1.2 Members discussed whether carrying forward annual leave entitlement was a result of mismanagement of annual leave and whether this could be addressed by more robust management of annual leave to ensure it is taken throughout the year.

7.1.3 Chris Weir gave advice on circumstances where it was within workers rights to carry forward annual leave allowances and it was noted that there remained conditions in a number of other policies which covered the circumstances in which an unused annual leave would be carried forward, including following a period of long term sickness and maternity leave.

- 7.1.4 The Committee
1. approved the policy
 2. agreed that, in exceptional circumstances, where there is a clear business need, EMT can offer employees up to a maximum of ten days carry forward of annual leave into the following leave year
 3. agreed that cases where over five days leave are carried forward are reported to the Committee in the annual HR report.

Linda Lennie arrived

7.2 Dignity at Work Policy

- 7.2.1 Christine Czyba presented report 12/2019 which provided a revised Dignity at Work Policy for consideration and approval. Members noted the changes that had been made to the previous version of the policy in order to ensure it was up to date and written in line with current good practices and ACAS guidance.
- 7.2.2 The Committee
1. approved the revised Dignity at Work Policy.

7.3 Alcohol and Drugs Policy/Smoking Policy

- 7.3.1 Christie Czyba presented report 13/2019 with two revised policies – Alcohol and Drugs Misuse Policy and Smoking Policy. She advised that the Smoking Policy had been reviewed and commented that there was some staff management required to be adhered to regarding the use of flexi time for smoke breaks and also the number of smoke breaks taken during the working day.
- 7.3.2 Members then turned to discussion on the Alcohol and Drugs Misuse Policy and discussed a number of concerns
- keep the restricted list of drugs out of the policy but add as an appendix, which can be more easily updated. State on the appendix that the list is not exhaustive
 - question whether a referral for specialist help is the correct action in every case
 - may still be a cases where alcohol is a factor, but an act of gross misconduct has been committed
 - Healthy Working Lives group links to the policy through lifestyle events
 - support also available through Employee Assistance Programme
 - there is a duty of care to all staff
 - delete section 8 as its not necessarily helpful to include information about the drink and drug driving limit.
- 7.3.3 The Committee
1. approved the smoking policy
 2. approved the Alcohol and Drugs Misuse Policy subject to the

changes above being made.

7.4 Special Leave Policy

- 7.4.1 Christine Czyba presented report 14/2019 along with the revised Special Leave Policy. Various changes have been made since the current policy was issued in 2015 including the addition of Safe Leave, Parental Bereavement Leave and Fostering Leave.
- 7.4.2 Members discussed a number of matters included in the policy including
- the inclusion of Fostering Leave which demonstrates the culture of the organisation in assisting employees to enjoy a work-life balance
 - whether there needs to be mention of a procedure, such as the grievance procedure, should an employee not be content with a decision
 - make sure its clear that any request for Safe Leave will be treated in strictest confidence.
- 7.4.3 The Committee
1. noted that consultation had taken place with the Partnership Forum, Organisation Management Team and Executive Management Team (OMT and EMT)
 2. approved the Special Leave Policy subject to amendments suggested above.

8 Sustainability Guidance for Reporting

- 8.1 Kenny Dick presented report 15/2019 which provided guidance to officers in identifying sustainability elements they may wish to include in their corporate reports, such as environmental and social considerations, employment opportunities, equality and human rights, health and safety and fair work practices.
- 8.2 The Committee
1. agreed the content of the sustainability guidance note
 2. noted the sustainability section will be added to the corporate reporting template.

9 Best Value Report 2018-19

- 9.1 Kenny Dick presented report 16/2019 which set out the SSSC's Best Value themes and the Executive Management Team's assessment of how the best value expectations are met. Some of the evidence of meeting expectations is contained in the Strategic Plan and strategic outcomes, the new leadership and management framework, engagement with partners, review of its corporate governance arrangements and achievement of the Investors in People award.

- 9.2 The Committee
1. considered and noted the 2018-19 Best Value Report.

10 Human Resources (HR) – Annual Report

- 10.1 Christine Czyba introduced report 16/2019 which provided information and analysis on Human Resources (HR) activities from 1 April 2018 to 31 March 2019. She highlighted that the team structure was still very new, having become a shared service and a much larger team, however it appeared to be working well.
- 10.2 Kenny Dick updated Members on the issues with the payroll system and although payroll was being processed, the system still did not produce reports or manage staff annual leave. There was some discussion on the staff turnover level, noting that in the main this was in the Fitness to Practise (FtP) team and thought to be largely due to career moves in the predominant age group within the team.
- 10.3 Chris Weir gave some advice to the Committee on its role and remit with regard to assurances on payroll matters and staff turnover. Lorraine Gray advised that the Investors in People item later in the meeting referred to proposed action to help understand the staff turnover rate in FtP.
- 10.4 The Committee
1. discussed and noted the contents of the report.

11 Annual Accounts update

- 11.1 Kenny Dick advised the Committee that work on the Annual Accounts was in progress and that the auditors would carry out their audit in Compass House during the week commencing 24 June, which is earlier than in previous years.
- 11.2 Kenny Dick confirmed that the draft accounts would be prepared in time for a development session on 28 August 2019, for all Members to attend and provide comment. Thereafter amended accounts would be presented to the Audit Committee when it meets in September and to the Council in October for approval.
- 11.3 The Committee
1. noted the update.

12 Committee Effectiveness Review Outcomes

- 12.1 The Chair presented a paper on the self assessment outcomes following the annual Committee Effectiveness Review which took place via email correspondence, due to the volume of business at the meeting of the Committee in February.

- 12.2 The Committee
1. noted the comments and actions which arose during the review.

13 Draft Annual Resources Committee Report to Council

- 13.1 Theresa Allison presented report 18/2019, which summarised the main actions of the Resources Committee over the year to 31 March 2019.

- 13.2 The Committee
1. approved the report for submission to Council in October.

14 Investors in People (IiP) Report and Investors in Young People (IiYP) Report

- 14.1 Lorraine Gray presented report 19/2019 which delivered the findings of Investors in People (IiP) report and the Investors in Young People (IiYP) report. It was noted that the SSSC had retained its IiP Silver status however had scored below the UK-wide IiP and the industry sectors and that it had not met the IiYP standard.

- 14.2 A number of recommendations were made and an action plan to address these will be presented to the next meeting of the Committee in September. An independent HR consultant will be carrying out a review in the Fitness to Practise team in order to address particular issues brought out in the surveys.

- 14.3 Members discussed some of the issues raised and while noting that there were many positive answers, a number of issues were discussed such as
- staff development, including development for first line managers
 - talent management
 - addressing the issues flagged up by young people, including the application process.

- 14.4 The Committee:
1. noted the contents of the feedback reports and that an action plan would be developed and submitted to the next meeting of the Committee.

15 Update on Budget

- 15.1 Kenny Dick verbally advised that the letter from Scottish Government confirming the level of Grant in Aid funding had been received. He confirmed that a budget of £14.2 million had been agreed and that there was an additional £680 thousand available subject to receipt of business cases in respect of the ICT transformation work. He clarified that this funding was for development work and not day-to-day running of the organisation.

15.2 It was agreed that in future the SSSC should try, where possible, to have business cases presented earlier in the process in order to have budget confirmation of the full funding available.

15.3 The Committee
1. noted the update.

16 Draft Revised Financial Strategy

16.1 Kenny Dick presented report 20/2019 and the draft Financial Strategy for Committee's consideration. He advised that following the presentation to Council in March, he had prepared this draft for Resources Committee to consider and if minded, recommend approval to Council when it meets later in the month.

16.2 The Committee particularly discussed the scenario planning and projections up to 2025/26, noting the effects of possible future levels of Grant in Aid funding. There was also discussion on the review of registration fees, which was planned to be carried out every three years and also in ensuring that the SSSC benefits from its future investments, including ICT investments.

16.3 The Committee:
1. considered and commented on the draft Financial Strategy
2. agreed that the draft Financial Strategy appended to the report will be submitted to the Council meeting of 18 June 2019 for consideration and approval.

17 Calendar of Committee Business

17.1 The Committee noted the calendar of business for 2019.

18 Updates from Audit Committee

18.1 Alan Baird advised that he had held open discussions with the internal auditors regarding the recent service received. He confirmed that the correspondence between himself and the auditors had been circulated to all Council Members for information.

19 Corporate Health and Safety update

19.1 Kenny Dick advised that the Health and Safety Committee would meet the following month and he would provide an update to the next meeting of this Committee.

20 Risk Identification

20.1 The risks identified at this meeting were

- staff turnover
- Service Level Agreements
- is the payroll software fit for purpose.

21 AOCB

21.1 There were no items of additional business.

22 Dates of next meeting


22.1 The next meeting is scheduled to be held on 25 September 2019. A meeting can take place on 28 August of required for a budget update.

Items 23, 24.1, 2.2, 25, 26 and 27 are confidential and minuted separately.

Committee started: 10.30 am
Committee finished: 12.45 pm

Signed
Theresa Allison
Chair of the Resources Committee

Date

					
Resources Committee Action Record					
Item no	Item Title/Report No	Action	Responsibility	Timescale	Status/ Comments
26 September 2018					
5.6	AOCB	General Data Protection Regulation - training for Council Members to be arranged	H of L&CG	March 2019	Date to be fixed when new members appointed
10.3.4	People Management Policy development	Submit a revised Policy review plan to Resources Cttee in December 2018	IH of HR	Deferred until Feb 2019. Revised version to be submitted to June 2019 committee	Complete
17.2.1	Confidential item	<i>FTP Panel Disciplinary Process - new procedure to be submitted to Cttee in due course</i>	D of Reg		Ongoing
05 December 2018					
8.3.1	Procurement of legal presenter services	Commence procurement of legal presenter services and submit a report to Cttee for decision in due course	D of Reg	Sept 2019	On Agenda Sept 2019
21.9	Confidential item	<i>Shared Services - Strategy and risk</i> a. Develop an updated Shared Service Strategy b. Update the Shared Service Risk Strategy		a. Sept 2019 b. Sept 2019	On Agenda - verbal update

21.9	Confidential item	<i>Shared Services - Strategy and risk</i> c. Submit a report on SLAs and all other documents to Cttee in Feb 2019 d. Submit a report on lessons learned, actions from Grant Thornton external Audit and recommendations from Audit Scotland to Cttee in Feb 2019	CEO	c. Feb 2019 d. Feb 2019	c. History d. History
20 February 2019					
7.2.6.5	Draft budget 2019/20 and indicative budgets 2020/21 and 21/22	Submit the draft budget to Council in March 2019 for discussion and approval	H of SS	June 2019	Complete
8.3	Financial Strategy	Present to Council in March 2019	H of SS	March 2019	History
10.1.3.4	People management policy development and review programme	Make requested amendments and present to Committee June 2019	H of HR	June 2019	Complete - operational information, removed from Agenda
10.3.4.2	Disciplinary Policy	Make requested amendments	H of HR	Sept 2019	On Agenda
20.3.3	Confidential item	<i>Annual Leave Guidance</i> 1. redesignate Guidance as a policy 3. advise staff re status of 'buy-back' option 5. provide Committee with options for addressing the specific overtime situation in Fitness to Practise 7. the revised policy be resubmitted to Committee for approval	1. H of HR 3. CEO 5. CEO 7. H of HR	June 2019	Complete
05 June 2019					
8.2.2	Sustainability Guidance for reporting	Add a section for this to the corporate reporting template	H of LCG	Sept 2019	Complete
14.2	Investors in People/Young People Report	Compile an Action Plan	EMT	Sept 2019	On Agenda
16.3.2	Draft revised Financial Strategy	Submit to Council in June 2019	H of SS	June 2019	Complete

Title of report	Budget Monitoring Report as at 31 August 2019
Public/confidential	Public
Action	For consideration and approval
Date of publication	After meeting
Summary/purpose of report	To provide Resources Committee with the budget monitoring position on the core operating budget and specific grant funding for the year to 31 March 2020
Recommendations	<p>That the Committee:</p> <ol style="list-style-type: none"> 1. considers the core operating budget monitoring statement for the year to 31 March 2020 (Appendix A) 2. considers the specific grant funding budget monitoring statement for the year to 31 March 2020 (Appendix B) 3. note the areas of specific attention in section 7 of this report which require the close attention of the Executive Management Team.
Link to Strategic Plan	The information in this report links to: Strategic Outcome 4: Our stakeholders value our work and Strategic Priority 6: High Standards of Governance.
Link to the Risk Register	<p>Regular monitoring of performance against the budget supports mitigation of the following risks:</p> <p>Strategic Risk 2: The SSSC's credibility as a well-run effective organisation is damaged if it cannot meet its strategic objectives in light of the funding allocated to it by Government.</p> <p>Strategic Risk 6: The public or employers do not have or lose confidence in the SSSC.</p>
Author	Nicky Anderson Head of Finance 01382 207206
Documents attached	<p>Appendix A: Core operating budget monitoring statement</p> <p>Appendix B: Specific grant funding monitoring statement</p> <p>Appendix C: Summary of budget movements</p>

EXECUTIVE SUMMARY:

The projected year-end financial position is shown in the table below:

	Planned Position £000	Actual Position £000	Variance £000
Gross Expenditure	20,735	21,095	360
Income	(5,619)	(5,619)	0
Grant Funding	(14,791)	(14,791)	0
Net Expenditure (Core)	325	685	360
Net Expenditure (Grant Funded)	41	41	0
Opening General Reserve	922	922	
Movement on General Reserve	(366)	(726)	360
Closing General Reserve	556	196	
%age of Core Gross Expenditure	2.69%	0.95%	

The projected outturn position on the core operating budget is an overspend of £685k as at 31 August 2019. This is made up of a planned budget deficit of £325k and an unplanned projected overspend of £360k.

The planned budget deficit is made up of £231k to fund a campaign to promote the social care sector as a positive career destination and £94k practice learning fee underspend to be recovered in 2019/20. In addition, specific grant funding carried forward in the general reserve of £41k is to be used to fund specific grant related expenditure in 2019/20.

Therefore, there is a total planned draw on the general reserve of £366k and a projected overspend of £360k also to be funded by drawing on the general reserve. The use of funding brought forward in the general reserve balance for the planned overspend has been agreed with the Sponsor Department.

Projected net expenditure needs to reduce by £217k to ensure the general reserve balance is maintained at the minimum of the target range (2% £413k) as set out in the financial strategy. Discussion has taken place with the Sponsor Department who are willing to consider business cases to fund the cost of the Digital Transformation Lead (£130k) and the Interim Corporate Governance Manager (£68k). This would leave a minimum required saving of £19k which is expected will be delivered through additional staff cost slippage savings arising during the remainder of the financial year. Should the business cases be unsuccessful a targeted savings exercise will be implemented.

1. INTRODUCTION

- 1.1 This is first budget monitoring report of the 2019/20 financial year. The SSSC has in place formal processes for the accurate recording, reporting and effective managerial control of its funds. Monthly budget monitoring reports are presented to EMT from July each financial year. Resources Committee and Council receive budget monitoring reports at each meeting between July and March each financial year.
- 1.2 This budget monitoring report provides separate analysis of the core operating budget position and specific grant funded expenditure.
- 1.3 The Scottish Social Services Council (SSSC) agreed a total core operating budget of £21.3m on 26 March 2019 and specific grant funding totalling £0.8m has been awarded to the SSSC to date. However, following budget revisions as per **Appendix C** the SSSC have a total core operating budget of £21.6k. This provides a total budget of £22.4m for 2019/20. There is a planned budgeted deficit of £325k. The Sponsor has agreed that this deficit is to be funded by drawing on the general reserve balance.

2.0 2019/20 – SUMMARY OF FINANCIAL POSITION

Core operating budget projected outturn

- 2.1 There is a planned budget deficit of £325k on core operating expenditure. It is intended to fund this by drawing on carried forward funding held in the general reserve. The projected outturn position on the core operating budget is an overspend of £685k as at 31 August 2019. After the planned budget deficit of £325k is applied, there is a projected net overspend of £360k on core operating expenditure as at 31 August 2019. Additional funding or further in-year savings of at least £217k need to be identified to ensure the general reserve balance is within its target range. The budget monitoring statement for the core operating budget is attached at **Appendix A**.

Specific grants projected outturn

- 2.2 There is a planned overspend of £41k on specific grants as a corresponding amount was carried forward in the general reserve from 2018/19 for use during 2019/20. All specific grants expenditure is projected to be spent as at 31 August 2019. The budget monitoring statement for specific grant funding is attached at **Appendix B**.

3. OPERATING BUDGET VARIANCES - EXPENDITURE

- 3.1 The reasons for variances on the core operating expenditure budget are explained below.

Staff costs

£188k

- 3.2 There is a total projected overspend of £188k on staff costs.
- 3.3 There is a projected overspend of £249k for the employment of agency staff. The Sponsor Department has agreed to consider business cases to fund the first two agency employed staff listed below.

	£000	
Digital Transformation Lead	130	Business Case
Interim Corporate Governance Manager	68	Business Case
HR Advisers	35	
Support for Performance & Improvement	10	
Business Support Assistant for Hearings	6	
	249	

- 3.4 A compensatory payment of £6k has been made to an ex-employee.

A new member of staff was eligible for relocation costs of £6k. There is no specific budget for relocation costs.

- 3.5 Training requirements for Performance and Improvement are expected to be £6k overspent.

The above overspends are partially offset by underspends detailed in section 3.7 to 3.9 below.

- 3.6 There is a reduction of £50k to the projection for hearing panel member allowances. This projection is based on the maximum number of hearings expected for the remainder of this financial year.
- 3.7 There is a projected underspend of £19k on staff salaries.
- 3.8 An underspend of £10k is projected on allowances for external assessors for non-UK qualification work.

Administration costs

£96k

- 3.9 Legal presenter fees are projected to be £70k overspent due to court action.
- 3.10 Postage costs are expected to be overspent by £18k as the move to paperless hearings will not happen in this financial year (£14k) and response service charges for Fitness to Practise are greater than expected (£7k). Postage costs for Communications will be £3k underspent.
- 3.11 Professional fees are expected to be overspent by £34k due to:
- professional services employed to undertake a review of Fitness to Practise (£15k);
 - professional services employed to review the governance arrangements of shared services and the policy forum (£14k) and

- an assurance review of the digital transformation programme (£5k).
- 3.12 Print costs for codes of practice are expected to be underspend by £25k as the aim is the majority of these will be sent out digitally. This is partially offset by an overspend of £9k due to changes required for the personalisation of registration cards.
- 3.13 Training costs for hearings panel members are expected to be £10k underspent as this budget is no longer required.

Travel costs (£5k)

- 3.14 An underspend of £5k is expected on travel costs which are not expected to be required by Fitness to Practise.

Supplies and services expenditure £81k

- 3.15 An overspend of £63k is projected for furniture requirements for:
- replacement of under-desk and additional on-desk power (£34k);
 - additional workspaces in Fitness to Practise (£24k) and
 - additional workspaces for Communications (£5k).
- 3.16 An overspend of £19k is expected from the use of a records management service. Work is underway for the destruction of paper files that no longer need to be retained. It is anticipated that these charges will reduce in future years.
- 3.17 The digital services budget will be overspent by £9k due to additional equipment and licence costs.
- 3.18 Pick and pack costs for the distribution of personalised registration cards are expected to be £5k more than budget.

The above overspends are partially offset by projected underspends totalling £15k for:

- Pick and pack costs for the distribution of printed communication materials £10k and
- Venue hire and hospitality for Development & Innovation engagement events which will no longer go ahead £5k.

4.0 OPERATING BUDGET VARIANCES - INCOME

Income is projected to be as budgeted at this stage in the financial year.

Grant in aid and disbursements

- 4.1 The projections within this report assume grant in aid and practice learning fee income will be fully drawn down for the year.

Registration fees

- 4.2 Projections at 31 August 2019 suggest that registration income may be less than budget due to new information received regarding the size of the workforce. An update from Scottish Government regarding the workforce is expected at the end of September. Registration fees are projected at budget in the meantime.

5.0 SPECIFIC GRANTS AWARDED TO THE SSSC

- 5.1 Four specific grants totalling £768k have been agreed for 2019/20. The Scottish Government approved carry forward of £41k from 2018/19, however only £24k of this is required and a revised grant offer letter for Workforce Development is expected from Scottish Government reducing this year's grant offer by £17k. This provides total specific grant funding of £792k to date for 2019/20. As at 31 August 2019, 68% of the projected grant expenditure was spent or committed. Plans are in place for the remaining available grant funding.

Workforce Development Grant

- 5.2 Workforce Development Grant (WDG) totalling £356k has been agreed with the Scottish Government for the 2019/19 financial year. In addition, the Scottish Government agreed that £41k of funding from 2018/19 could be held in the general reserve to be used in 2019/20. However only £24k of this funding carried forward is required therefore we are awaiting a revised grant offer of £339k from Scottish Government for this year. This gives total available WDG funding of £380k. Current projections suggest this funding will be used in full.

Workforce development: CCPS and Scottish Care

- 5.3 Workforce development grant in partnership with the Coalition of Care Providers Scotland (CCPS) and Scottish Care totalling £267k has been awarded to date this year. These funds will be disbursed in the form of third-party grants as detailed in paragraph 6.1. Current projections indicate this will be fully disbursed.

Neighbourhood Care

- 5.4 A grant of £63k has been agreed with Scottish Government to carry out work on the Neighbourhood Care Programme. Current projections indicate this will be fully utilised.

Workforce requirements: Carers Act

- 5.5 Workforce requirements Carers Act grant of £60k has been agreed with Scottish Government. Current projections indicate this will be fully utilised.

Social Services Cyber Resilience Digital Learning Resources

- 5.6 A grant of £22k for social services cyber resilience digital learning resources has been agreed with Scottish Government. Current projections indicated this will be fully utilised.

6.0 GRANTS PAID TO OTHER BODIES

- 6.1 The following grants have been awarded to other bodies during 2019/20 from the Workforce Development Grant (section 5.3).

2019/20 Third Party Grants	£000
Scottish Care	143
Coalition of Care Providers Scotland (CCPS)	124
Total grants awarded to other bodies at 31 Aug 2019	267

- 6.2 One additional grant of £8k is expected to be awarded to Skills for Care. This will be funded from grant in aid. The grant terms and agreement are currently being developed.
- 6.3 Total grants awarded to other bodies are therefore expected to be £275k in total for 2019/20.

7.0 PROJECTIONS AT SIGNIFICANT RISK TO CHANGE

- 7.1 There are areas of the budget noted below where there are financial uncertainties. The table below details the budget areas identified and the EMT member who is taking an active role in monitoring these budget headings as the year progresses.

Budget area	Budget issue	Potential over/ (under) spend £000	Responsible EMT Member
Staff costs	Projected staff costs are based on staff in post as at 31 August 2019 and known future changes at this date. EMT will monitor changes in staffing closely throughout the year. There is a risk that the negotiated pay award may be more than currently projected.	+/-	Director of Corporate Services
Offsite data storage	The contract for offsite data storage services is due for renewal. If the contract is awarded to a new supplier there may be a substantial charge for the offloading of records to the new site. Procurement for this is underway.	+ £20k to 30k	Director of Strategy & Performance

Registration income	Projections at 31 August 2019 suggest that registration income may be less than budget due to new information received regarding the size of the workforce. An update regarding this is expected from Scottish Government at the end of September. Registration income will be closely monitored throughout the year.	+	Director of Regulation
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8. FINANCIAL IMPLICATIONS – GENERAL RESERVE

- 8.1 The 2018/19 outturn position is a general reserve balance of £922k (subject to audit).
- 8.2 As at 31 August 2019 the projected outturn position on the core operating budget is a planned budget deficit of £325k and an unplanned overspend of £360k. Specific grant funding is projected to be fully spent (including £41k to be funded by drawing on the general reserve). Therefore, a total of £726k is projected to be funded by drawing on the general reserve.

Projected General Reserve movement:	£000
General reserve opening balance at 1 April 2019	(922)
Utilisation of WDG funding brought forward	41
Planned use of general reserve (Marketing Campaign)	231
Planned use of general reserve (Practice Learning)	94
Unplanned use of general reserve	360
Projected general reserve at 31 March 2020	(196)

- 8.3 Should the final outturn be as currently projected and no savings or additional funding identified, there would be a general reserve balance of £196k as at 31 March 2020. £196k is 0.95% of gross expenditure. This is significantly less than the target general reserve balance range which is 2% (£413k) to 2.5% (£517k) of gross expenditure. In order to bring the general reserve back into our planned range the projected overspend must be reduced by at least £217k. Business cases for additional funding totalling £198k are to be submitted to the Sponsor Department and the remaining £19k is expected to be realised through further in-year savings.

9. FUNDING HELD BY SCOTTISH GOVERNMENT

- 9.1 The Sponsor department initially held back funding of £680k for digital development projects. It has subsequently been agreed the implementation of a new telephone system at the estimated cost of £65k can proceed. Of the £615k funding remaining this will be released as and

when business cases for projects are approved by the Sponsor Department.

9.2 Bids totalling £393k were submitted to the Sponsor department on 9th September 2019. Once they are approved by Scottish Government the budget will be revised accordingly.

9.3 Business case totalling £198k are to be submitted to the Sponsor Department in order to agree funding for the Digital Transformation Lead (£130k) and the Interim Corporate Governance Manager (£68k).

10. HUMAN RESOURCE IMPLICATIONS

10.1 There are no human resource implications arising from this report.

11. EQUAL OPPORTUNITIES

11.1 Budget monitoring helps to support the SSSC's commitment to equal opportunities and working towards equality and diversity.

12. LEGAL IMPLICATIONS

12.1 Budget monitoring reports are compiled in accordance with guidance issued by the Scottish Government and in line with requirements of the Scottish Government Executive Framework Agreement and the Council's Standing Orders and Financial Regulations.

13. STAKEHOLDER ENGAGEMENT

13.1 There are no immediate implications for stakeholder engagement, but continued budget monitoring is part of a robust financial management framework which is required to ensure that the service we provide to our stakeholders is as good as it can be.

14. IMPACT ON USERS AND CARERS

14.1 The budget is developed in line with corporate planning priorities and monitored regularly to assist the Council in meeting its objectives of improving services and raising standards. This will support improved services to users and carers in the longer term.

15. CONCLUSION

15.1 The EMT is requested to consider and approve the attached Budget Monitoring Statement for the year to 31 March 2020 in accordance with corporate governance requirements.

- 15.2 The projected overspend needs to reduce by at least £217k. Business cases to agree additional funding of £198k are to be submitted to the Sponsor Department. It is anticipated that further staff cost slippage savings throughout the remainder of the financial year will deliver savings of at least the minimum required of £19k. Should the business cases be unsuccessful or not secure the full funding requested, targeted savings will be agreed by EMT.

SSSC Budget Monitoring 2019/20 as at 31 August 2019

APPENDIX A

Summary: Core Operating Budget	Approved Budget 2019/20 £000	Revised budget for mon purposes 2019/20 £000	Actual Expenditure/Income as at 31 Aug 2019 £000	Commitments as at 31 Aug 2019 £000	Projected year end Expenditure/Income as at 31 Aug 2019 £000	Projected Annual Variance £000
Staff costs	11,609	11,628	4,519	160	11,816	188
Accommodation costs	783	783	702	78	783	0
Administration costs	1,432	1,432	312	207	1,528	96
Travel costs	213	213	68	1	208	(5)
Supplies & services	2,244	1,664	1,080	409	1,745	81
Third party payments	8	8	0	0	8	0
Postgraduate bursaries	2,655	2,655	894	65	2,655	0
Practice learning costs	2,352	2,352	1,031	0	2,352	0
Voluntary Sector Development Fund (VSDF)	0	900	0	0	900	0
Gross expenditure - core operating budget	21,296	21,635	8,606	920	21,995	360
Government grants	(13,148)	(12,533)	(1,260)	0	(12,533)	0
Practice learning fee income	(2,352)	(2,258)	(1,031)	0	(2,258)	0
Voluntary Sector Development Fund (VSDF)	0	(900)	0	0	(900)	0
Registration fees	(5,314)	(5,314)	(5,112)	0	(5,314)	0
Other income	(251)	(305)	(63)	0	(305)	0
Total income	(21,065)	(21,310)	(7,466)	0	(21,310)	0
Net expenditure - core operating budget	231	325	1,140	920	685	360

General reserve funding brought forward (Marketing Campaign) (231)

General reserve funding brought forward (Practice Learning) (94)

Projected 2019/20 movement on General Reserve 360**Note:**

The projected year end expenditure column represents the anticipated expenditure or income position at the end of the financial year (31 March 2020)

The projected annual variance column represents the variance between projected annual expenditure or income and the revised budget for monitoring purposes

SSSC Budget Monitoring 2019/20 as at 31 August 2019

APPENDIX B

Summary: Specific Grant Funding	Budget 2019/20 £'000	Approved Grant offer 2019/20 £'000	Actual to 31-Aug-19 £'000	Commitments as at 31-Aug-19 £'000	Projected outturn as at 31-Aug-19 £'000	Projected Annual Variance £'000
Expenditure						
Workforce Development	356	356	16	130	380	24
Workforce Development: CCPS & Scottish Care	153	267	76	191	267	0
Total: Workforce Development	509	623	92	321	647	24
Neighbourhood Care	53	63	24	34	63	0
Workforce requirements: Carers Act	60	60	22	30	60	0
Learning resources for Cyber Resilience	22	22	5	11	22	0
Total: Other specific grants	135	145	50	76	145	0
Total Expenditure	644	768	143	397	792	24
Income						
Workforce Development	(356)	(356)	0		(339)	17
Workforce Development: CCPS & Scottish Care	(153)	(267)	(76)	0	(267)	0
Total: Workforce Development	(509)	(623)	(76)	0	(606)	17
Workforce requirements: Carers Act	(60)	(60)	0	0	(60)	0
Neighbourhood Care	(53)	(63)	0	0	(63)	0
Learning resources for Cyber Resilience	(22)	(22)	0	0	(22)	0
Total: Other specific grants	(135)	(145)	0	0	(145)	0
Total Income	(644)	(768)	(76)	0	(751)	17
Net Expenditure	0	0	66	397	41	41

General Reserve funding available: Workforce Development

(41)

Total General Reserve funding available for specific grants
(41)
Projected 2019/20 over/(under) spend
0

SUMMARY OF BUDGET MOVEMENTS

APPENDIX C

	2019/20 Approved Budget £'000	2019/20 Reallocated / Additional Budget £'000	2019/20 Revised Budget £'000
Expenditure			
Staff costs	11,609	19	11,628
Accommodation costs	783		783
Administration costs	1,432		1,432
Transport costs	213		213
Supplies & services	2,244	(580)	1,664
Third party payments	8		8
Postgraduate bursaries	2,655		2,655
Practice learning fees	2,352		2,352
Voluntary Sector Development Fund (VSDF)		900	900
	21,296	339	21,635
Income			
Registration income	(5,314)		(5,314)
Other Income	(251)	(54)	(305)
Voluntary Sector Development Fund (VSDF)	0	(900)	(900)
	(5,565)	(954)	(6,519)
Net Expenditure funded by:			
Grant in aid	(13,148)	615	(12,533)
Practice Learning fee income	(2,352)	94	(2,258)
	(15,500)	709	(14,791)
Net Expenditure	231	94	325

Note:

- We administer the Voluntary Sector Development fund (VSDF) on behalf of Scottish Government. The VSDF budget is agreed in-year. Ministers have agreed a budget of circa £900k for 2019/20.
- The Sponsor are retaining funding (currently £615k) for digital development work in 2019/20. This funding will be released as and when business cases for digital development projects are approved by Scottish Government during the year.

In addition to this, it was agreed by EMT to use £35k of the digital development budget to fund temporary posts in Human Resources. This means that £35k of staff costs is not currently funded.

- Practice Learning fee funding is reduced by £94k for 2019/20 as the Sponsor agreed that the underspend from 2018/19 could be utilised in 2019/20.
- A budget of £54k is added to both staff costs and other income to account for a secondment outward to Scottish Government.

Title of report	Procurement Update and Performance Report 2018/19
Public/confidential	Public
Action	For decision
Date of Publication	After meeting
Summary/purpose of report	To advise members of procurement developments and performance for SSSC in 2018/19.
Recommendations	The Resources Committee is asked to: 1. note and comment on the Annual Procurement Report 2018/19 2. agree the annual report is published on external website (section 4.0).
Author	Gillian Berry Senior Accountant (Care Inspectorate) Tel: 01382 207140
Responsible Officer	Gordon Weir Corporate Services Director Tel: 01382 207104
Link to Strategic Plan	The information in this report links to: Outcome 4 - Our stakeholders value our work.
Link to the Risk Register	Risk 5: The SSSC does not have sustainable resources to support the delivery of Strategic Plan outcomes (i.e. the strategic planning growth assumptions are not financially sustainable).
Equality Impact Assessment (EIA)	1. An EIA was not developed This report provides an update on procurement performance and how that reflects our achievement of our agreed procurement strategic priorities. The procurement strategy itself is subject to an EIA.
Documents attached	Appendix 1: SSSC Annual Procurement Report 2018/19
Background papers	None

1. INTRODUCTION/BACKGROUND

Procurement Responsibilities

- 1.1 The SSSC has a duty to ensure compliance with the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations. The Accountable Officer also has a specific responsibility to ensure compliance with the procurement section of the Scottish Public Finance Manual. This report provides an overview of procurement developments and reports on procurement performance for 2018/19.
- 1.2 The SSSC and Care Inspectorate operate a shared procurement services which includes a shared:
 - procurement strategy
 - action plan
 - guidance
 - procedures
 - administrative and professional support.

2. PROCUREMENT SHARED SERVICE FROM SCOTTISH GOVERNMENT

- 2.1 The Care Inspectorate partners with the Central Government Procurement Shared Service (CGPSS) to benefit from both operational and strategic support in all aspects of procurement to ensure the SSSC and Care Inspectorate maximises value and performance from its third party expenditure, manages risk and remains compliant with changing legislation and policy. This partnership provides benefits to both SSSC and the Care Inspectorate both corporate and cash benefits in further improving our procurement capability. Our CGPSS partner provided support in the following areas in 2018/19:
 - supporting the procurement of storage and archiving services
 - procurement advice on the digital services dynamic purchasing system
 - delivery of training
 - provision of specialist advice
 - supported risk assessment analysis using Brexit Tool for SSSC Contracts to determine level of risk.
- 2.2 The shared service is provided on the basis of a Memorandum of Understanding which was developed by the Central Government Procurement Shared Service Steering Board. The SSSC Director of Corporate Services is the Chair of this Steering Board.

3. PROCUREMENT CAPABILITY

- 3.1 Scottish Government introduced a new assessment regime, the Procurement and Commercial Improvement Programme (PCIP), which replaced what was previously the Procurement Capability Assessment (PCA). The PCIP focuses on the policies and procedures driving procurement performance, and the results they deliver.
- 3.2 The PCIP includes Full, Medium, Lite Assessments and for those bodies with an annual procurement spend of less than £7m, a Healthcheck

- 3.3 The SSSC's first assessment was completed in November 2016 and was a joint assessment with the Care Inspectorate. As our annual procurement spend is below £7m, a Healthcheck was completed. This assessed nine key areas, using a red, amber and green scoring system. The process also focused on areas where further improvement could be made. The SSSC scored green in all nine areas assessed.
- 3.4 The PCIP assessment is scheduled to be completed every two to three years, with the next assessment due to be completed in November 2019.

4. PROCUREMENT PERFORMANCE

- 4.1 The procurement strategy and annual procurement report are now part of the reporting landscape for organisations that have an estimated regulated procurement spend of £5m or more. Whilst the SSSC does not meet this criterion an annual procurement report will continue to be developed with plans to publish on the SSSC and Care Inspectorate websites as good practice.
- 4.2 The annual report is attached as Appendix 1.

5. RESOURCE IMPLICATIONS

- 5.1 There are no direct resource implications associated with this procurement update report. This section provides details of the SSSC's procurement performance for the year, and any benefits realised from procurement are incorporated into the 2019/20 budget.

6. LEGAL IMPLICATIONS

- 6.1 The procurement processes in place are compliant with legal requirements.

7. STAKEHOLDER ENGAGEMENT

- 7.1 There are no immediate implications arising from this report for stakeholder engagement.

8. IMPACT ON PEOPLE USING SOCIAL SERVICES AND CARERS

- 8.1 Efficient procurement will help secure Best Value from contracts awarded. This in turn means that the SSSC optimises the use of its resources to maximise the benefits of the SSSC's work to people who experience car

9. CONCLUSION

- 9.1 This report summarises the developments in procurement over the last financial year. The Annual Procurement Report, appendix 1, highlights that our procurement capability has improved, and that the SSSC has plans in place to support further improvement.

Title of report	Procurement of external legal services
Public/confidential	Public
Action	For decision
Date of publication	After meeting
Summary/purpose of report	This report seeks authority to proceed with the procurement of external legal services.
Recommendations	The Committee is asked to grant authority to commence procurement of external legal services for the period from November 2019 to November 2022.
Link to Strategic Plan	The information in this report links to: Outcome 4 priority 6: High standards of governance
Link to the Risk Register	The information in this report links to Risk 1 Failure in our registration or fitness to practise processes lead to public protection failure. Risk 6 The SSSC experiences disruption or loss or reputation damage from a failure in its ICT systems, physical security or information governance arrangements.
Author	Chris Weir Head of Legal and Corporate Governance Tel: 01382 346456
Responsible Officer	Laura Shepherd Director of Strategy and Performance Tel: 01382 317842
Documents attached	None

1. BACKGROUND

- 1.1 Anderson Strathern (AS) has been providing legal services to the SSSC since 2003, following open selection. AS's most recent appointment was in December 2016. The work was advertised on the Public Contracts Scotland advertising portal in accordance with Procurement Policy. The period of service provision is 1 December 2016 until 30 November 2019.
- 1.2 We have used AS for advice on complex points of law, conducting appeals and Administration of Justice Act proceedings at the Sheriff Court and conducting Fitness to Practise Panel Hearings of a particularly complex or challenging nature. They have also provided advice to HR on complex employment matters.
- 1.3 Resources Committee gave authority to procure external presenter services in November 2018. Since that date, the Scottish Government have introduced a new legal services framework which means that we have to procure general legal services separate to those required to meet our regulatory functions.

2. PROCUREMENT OF LEGAL SERVICES 2019 – 2022

- 2.1 The need for these services has not changed. We are seeking authority to commence a procurement exercise in order that a contract with a supplier is in place by the time the contract with the current supplier expires in November 2019.
- 2.2 The September meeting of the Resources Committee is the last meeting before the expiry of our previous contract with the supplier. Waiting until the next meeting of the Resources Committee leaves the organisation with a gap in legal services. We will therefore bring a report to Council in October 2019 with the responses to the invitation to tender and a recommendation on the appointment of the successful bidder. We will not enter any commitment before Council's decision on the tender responses.

3. RESOURCE IMPLICATIONS

- 3.1 The costs of legal services are provided for within the SSSC's grant in aid for the period to 31 March 2019. Thereafter the costs of the proposed contract for presenter services for the periods 2019 – 2022 will be funded from future grant in aid. No commitments will be made till the funding is available.

4. EQUALITY IMPACT ASSESSMENT

- 4.1 An Equality Impact Assessment has not been carried out.
- 4.2 I confirm that this policy will have no negative impact on people with one or more protected characteristics and a full Equality Impact Assessment is not required.

5. LEGAL IMPLICATIONS

- 5.1 We will follow advice from the Procurement Team to ensure the tender process is compliant with procurement legislation.

6. STAKEHOLDER ENGAGEMENT

- 6.1 None

7. IMPACT ON USERS AND CARERS

- 7.1 The absence of specialist advice may compromise our ability to take appropriate action, or defend action we have taken, relating to workers who pose a risk to people who use services.

8. CONCLUSION

- 8.1 The Committee is asked to agree to the proposals for the provision of external presenter services.

9. BACKGROUND PAPERS

- 9.1 None.



Annual Procurement Report 2018/19

Date (Month – Year)

A decorative graphic on the left side of the page consisting of several blue squares of various sizes arranged in a staggered, descending pattern from the middle left towards the bottom left.

Our values

- Integrity
- Commitment
- Accountability
- Pride in what we do
- Listening and engaging
- Creativity and learning

Annual Procurement Report 2018/19

Prepared by: Gillian Berry, Senior Accountant (Care Inspectorate)
Contact: 01382 207140

Approved by:
Resources Committee:

Contents

1.0	Introduction
1.1	About the SSSC
2.0	Key priorities
2.1	Achieve value for money
2.1.1	Collaborative procurement
2.1.2	Non contracted spend
2.1.3	Contract benefits realised
2.1.4	Summary of procurement activity
2.1.5	Forward procurement plan
2.1.6	Electronic purchasing card
2.1.7	Invoice analysis
2.2	Deliver sustainable procurement
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2.2.2	Paying the living wage through regulated procurement
2.2.3	Community benefits
2.2.4	SME's local businesses, supported businesses and the third sector
2.2.5	Fair and ethical trading
2.2.6	Other sustainability benefits
2.3	Raise the level of procurement knowledge, skills and expertise
2.4	Provide timely performance information
2.5	Achieve the benefits derived from collaborative working
2.6	Strengthen contract and supplier management processes
2.7	Provide a procurement service which supports effective procurement which delivers best value
3.0	Top 10 contracted suppliers
4.0	Supplier activity
5.0	Conclusion

Glossary

1.0 INTRODUCTION

1.1 About the SSSC

The Scottish Social Services Council (SSSC) was established in October 2001 by the Regulation of Care (Scotland) Act 2001. We are the regulator for the Social Service workforce in Scotland.

Our vision:

Our work means the people of Scotland can count on social services being provided by a trusted, skilled and confident workforce.

What we do

We protect the public by registering social service workers, setting standards for their practice, conduct, training and education and by supporting their professional development. Where people fall below the standards of practice and conduct, we can investigate and take action.

We:

- publish the national codes of practice for people working in social services and their employers
- register people working in social services and make sure they adhere to our codes of practice
- promote and regulate the learning and development of the social service workforce
- are the national lead for workforce development and planning for social services in Scotland.

Strategic outcomes

1. The right people are on the Register
2. Our standards lead to a safe and skilled social service workforce
3. Our resources support the professional development of the social service workforce
4. Our stakeholders value our work

Values

- Integrity
- Commitment
- Accountability
- Pride in what we do
- Listening and engaging
- Creativity and learning

The SSSC and Care Inspectorate published a joint Procurement Strategy in 2016. This strategy covers the period 2016 to April 2020 and is designed to take a responsible and sustainable approach to procurement. The strategy has the following key priorities:

1. Achieve value for money
2. Deliver sustainable procurement
3. Raise the level of procurement knowledge, skills and expertise
4. Provide timely performance information

5. Achieve the benefits derived from collaborative working
6. Strengthen contract and supplier management processes
7. Provide an excellent procurement service appropriate and suitable for the size of our organisation.

The purpose of this report is to record and publish SSSC's procurement performance and achievements in delivering its procurement strategy.

2.0 KEY PRIORITIES

2.1 Achieve Value for Money

Procurement spend subject to procurement legislation and procedures excludes the following:

- Payroll expenditure
- Internal spend - i.e. 'spend' or cross charging between departments
- All direct payments to Her Majesty's Revenue and Customs (HMRC)
- Rent
- Shared services
- Student Disbursements
- Practice learning fees

To ensure value for money is achieved in our procurement activity, we have introduced a process where sourcing strategies are prepared for all standard tenders.

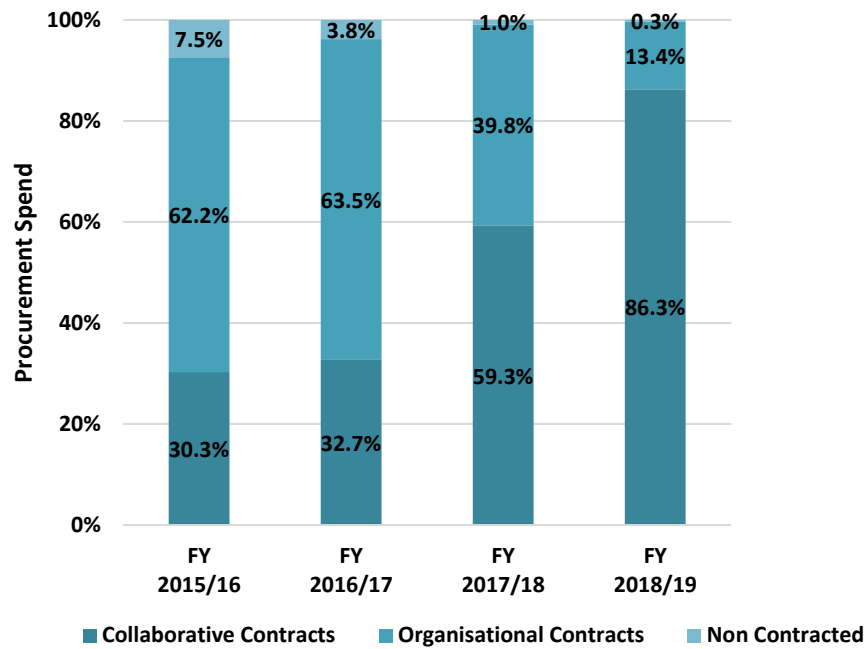
The table below shows the value and volume of procurement activity for the year to 31 March 2019 (figures for the year to 31 March 2018 are shown for comparison):

Table 1: Value and Volume Summary	2017/18	2018/19
Total Spend	£5,301,077	£8,365,800
Total Procurement Spend	£2,973,355	£4,014,342
Total Invoice Value	£5,247,089	£8,411,141
Number of Invoices	2,564	3,297
Number of Suppliers Paid*	626	636
Average Invoice Value	£2,046	£2,551

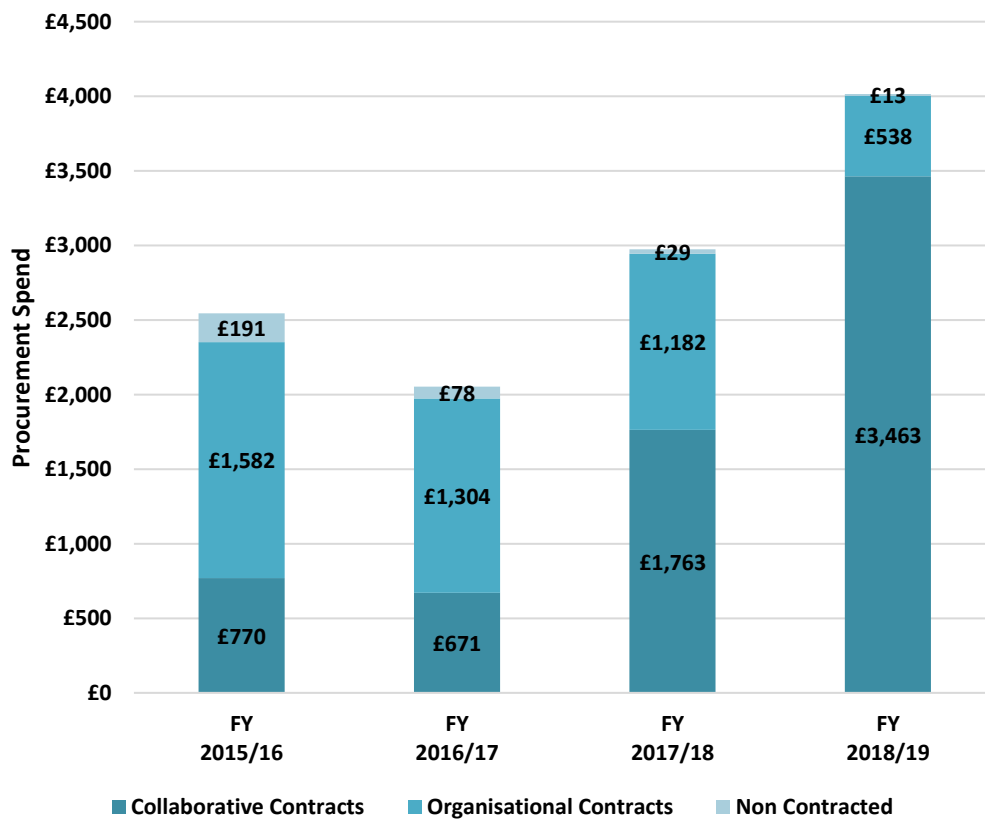
* No of suppliers includes 123 paid by electronic purchasing card (217/18; 121)

The analysis of procurement spend between spend on collaborative frameworks and spend on organisation owned contracts and frameworks is as follows:

SSSC Annual Contracted Procurement Spend %



SSSC Annual Contracted Procurement Spend £000



As can be seen from the analysis above, contracted spend continues to improve with 99.7% of procurement spend from contracts. A very small proportion of spend is classified as non contracted. This represents spend with suppliers who are not on our published contracts register. An analysis of this is provided in 2.1.2.

2.1.1 Collaborative Procurement

We use collaborative frameworks wherever possible and only tender for our own procurement where there is not a suitable framework in place. Spend on collaborative procurement continues to represent the highest value of procurement spend. During the year we have undertaken mini-competitions and continued to call off of frameworks with the following contract or framework owners:

- Scottish Procurement
- Crown Commercial Services
- Advanced Procurement for Universities & Colleges (APUC)
- Care Inspectorate
- Scottish Prison Service
- HMRC
- Eastern Shires Purchasing Organisation (ESPO)
- Yorkshire Purchasing Organisation (YPO)

Where possible, we collaborate with the Care Inspectorate in the award of contracts.

2.1.2 Non Contracted Spend

Non contracted procurement spend comprises expenditure with suppliers who are not on our contracts register. Non contracted spend for 2018/19 is £13.4k, representing 0.3% of total procurement spend. Of this, £3.2k has since been regularised and £10.2k comprises low value spend with four suppliers which should have followed a procurement process.

This is a continued improvement from earlier years, and the above analysis shows there are plans in place to ensure continued improvement in procurement compliance in 2019/20.

2.1.3 Contract Benefits Realised.

Reported procurement savings have been calculated following the 'Procurement Benefits Reporting Guidance' which was developed for the Scottish Public Sector.

Savings totalling £548k have been realised from procurement during the year. This comprises £460k cash savings and £88k non cash savings. This is an increase of £330k (251%) from savings realised in 2017/18. The increase is mainly due to purchasing ICT hardware using the Scottish Government's frameworks.

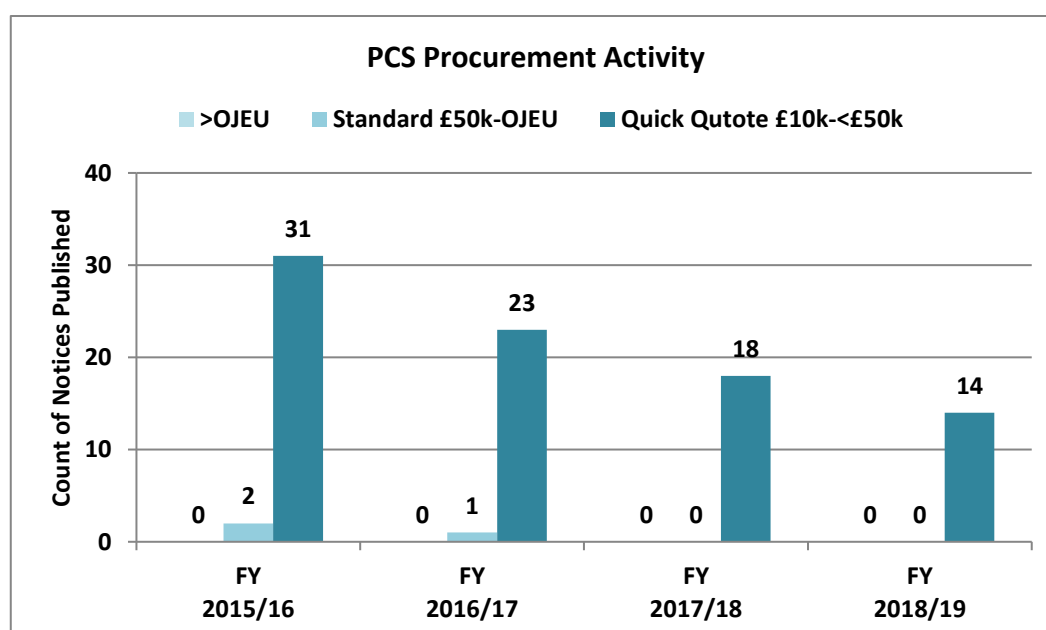
Sustainability benefits realised during the year are detailed in 2.2.

2.1.4 Summary of Procurement Activity 2018/19

We are committed to making public procurement open and accessible to businesses and especially small and medium sized enterprises (SMEs), the third sector and supported businesses. Most of our tender opportunities greater than £10,000 are advertised on the Public Contracts Scotland (PCS) advertising portal. Where procurement spend is estimated to be at or above the European Commission procurement thresholds, this is also published in the Official Journal of the European Union. We also publish our contract register on PCS.

The PCS portal has a 'Quick Quote' facility which is a proportionate process to request and receive quotes for lower value goods and services and for goods and services which are competitively advertised using collaborative framework suppliers.

The following summarises the tenders which were advertised on PCS and shows that all of the SSSC's procurements are below the OJEU threshold and for 2018/19, all are below the regulated procurement threshold.



All regulated procurement followed a compliant procurement route.

2.1.5 Forward procurement plan

In order to promote wider participation in the SSSC's procurement process, a two year plan of our procurement activity will be published. This plan gives notice to suppliers of future opportunities and provides the following information:

- the subject matter
- whether it is a new, extended or re-let procurement
- the expected contract notice publication date
- expected award date
- expected start date
- the estimated value of the contract

2.1.6 Electronic Purchasing Card

Purchasing and payment by electronic purchasing card (ePC) is encouraged when paying for low value, high volume goods and services. There were 522 transactions totalling £66,029 using this purchasing method in 2018/19 with an average transaction value of £126.49.

This is broadly similar to the position reported in 2017/18.

2.1.7 Invoice Analysis

A total of 3,297 invoices, totalling £8.4m in value were processed during the year.

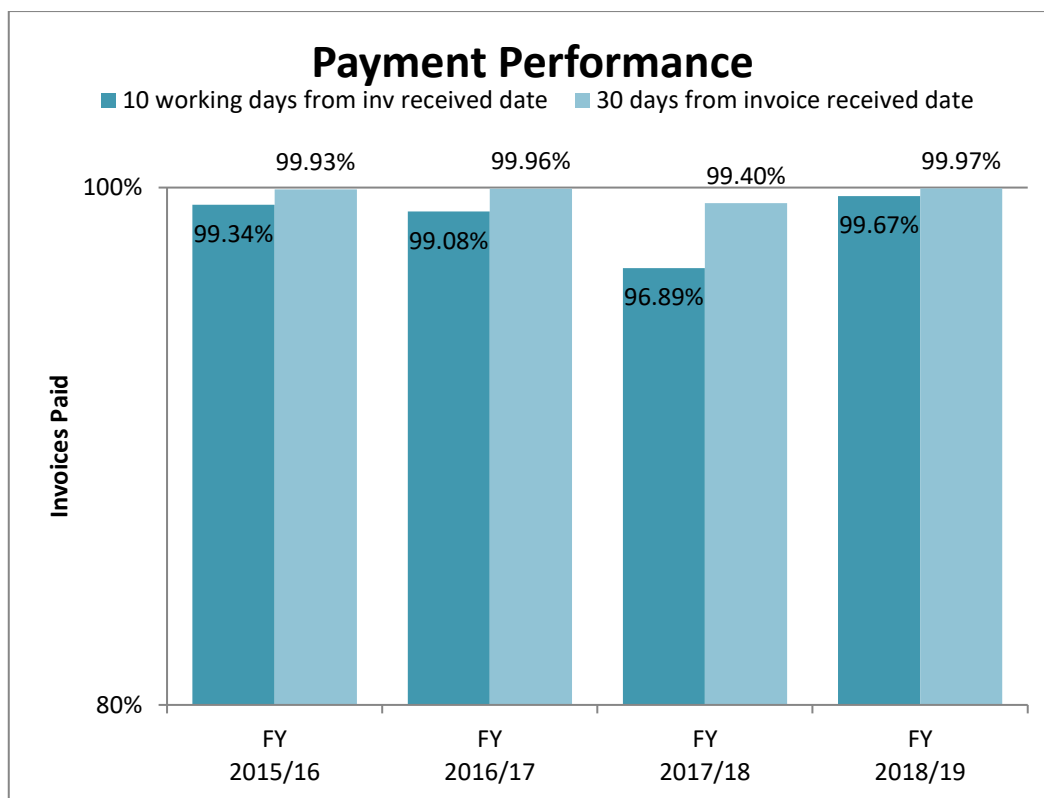
We continue to explore opportunities for consolidating invoicing and purchasing low value goods and services using ePCs, where savings are realised from the reduction in volume of invoices processed. The cumulative saving from this is £22k and is reported in the non cash savings in 2.1.3.

2.2 DELIVER SUSTAINABLE PROCUREMENT

The SSSC has a duty to comply with the sustainable procurement duty as detailed in the Procurement Reform (Scotland) Act 2014. The procurement strategy details our sustainability priorities and our progress towards achieving those are outlined in 2.2.1 to 2.2.6.

2.2.1 Prompt payment to suppliers

We are committed to paying our suppliers promptly and payment performance continues to be maintained at a high level. 99.97% of suppliers were paid within 30 days of the invoice received date, and 99.67% paid within the Scottish Government's target of 10 working days. The following shows payment performance for the financial years 2015/16 to 2018/19.



2.2.2 Paying the living wage through regulated procurement

We promote fair work practices in all of our tender documentation and are committed to promoting the use of the Real Living Wage. We are accredited as a Real Living Wage employer.

During the year we have awarded the following contracts where the suppliers have agreed to pay either the Real Living Wage or the Living Wage:

- Career pathway microsite for social services (contract award value £19k)
- Provision of the SSSC workforce data website (contract award value £61k)
- ICT consultancy (contract award value £36k)
- Banking services (estimated contract value £4k)
- Post registration training and learning pilot sites (contract award value £17k)
- Publishing, print and associated design services (estimated award value over life of contract £930k).

We also benefit through a service level agreement with the Care Inspectorate from the award of the following contract where the supplier have agreed to pay either the Real Living Wage or the Living Wage:

- Security alarm, CCTV and access control provision, maintenance and monitoring (awarded contract value £34k).

2.2.3 Community benefits

We promote the use of community benefits within procurement exercises where they are relevant and proportionate to the contract. The following community benefits were delivered during the year:

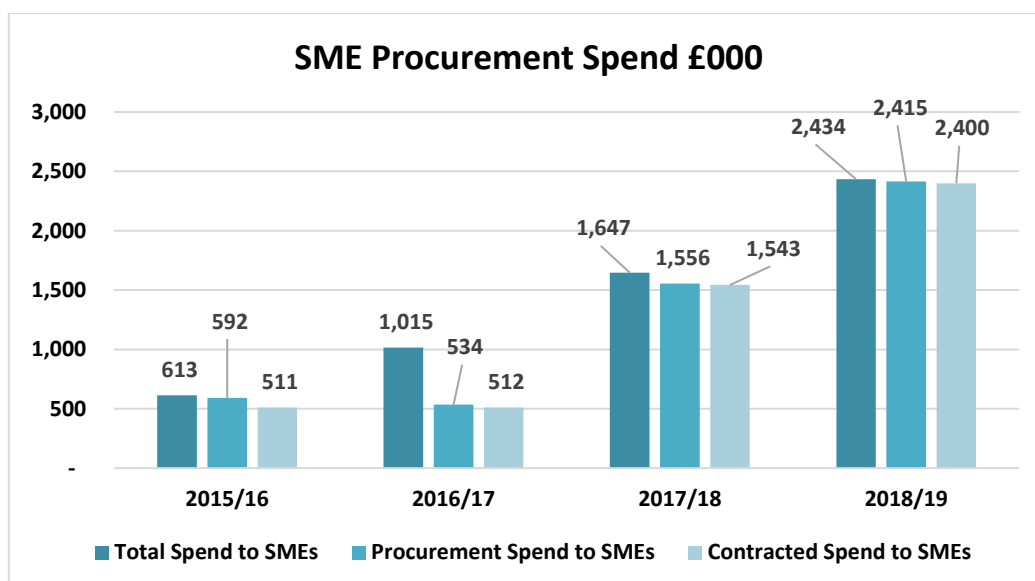
- Suppliers on the framework awarded for the provision of catering at have provided the following:
 - 1) Investment in youth sports in the Dundee area through being a major contributor of the Dundee Sportsmans Dinner.
 - 2) Sponsorship of SKE Karate in Dundee.
 - 3) Fundraising for Roxburgh House which is an NHS Specialist Palliative Care Unit in Dundee.
 - 4) Fundraising for Children's Hospices Across Scotland (CHAS).
 - 5) Links with local schools, colleges and universities.
 - 6) Food donations to a local homeless charity.
- As part of the overarching framework, the upgrade and maintenance of the SSSC's CRM system provider provided the following:
 - 1) Apprenticeship schemes
 - 2) Sponsorship of various charities
 - 3) Supporting voluntary work
 - 4) Staff training and development
 - 5) Supporting schools through initiatives such as sponsorship, computer clubs and design competitions.

2.2.4 SME's local businesses, supported businesses and the third sector

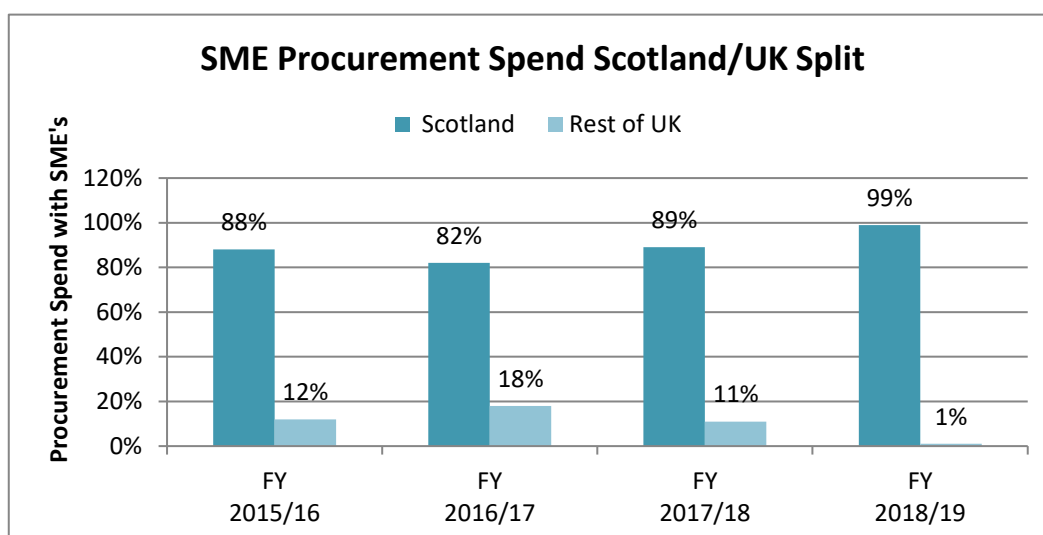
During the year we have continued to address sustainability in procurement. A directory of supported businesses is published on the SSSC intranet. This directory provides supported businesses, contact details including website links and a summary of goods and services provided by each supported business.

We submit quarterly returns to Scottish Government showing SSSC spend with supported businesses.

We continue to capture spend with SME's, social enterprises and third sector suppliers. Our 2018/19 spend with SMEs is £2.4m, representing 29% of our total spend and 60% of our procurement spend. Included in this spend is £24k with social enterprises. An analysis of our annual spend with SMEs is shown below:



A breakdown of SME procurement spend with Scottish SMEs and other UK SMEs is as follows:



2.2.5 Fair and ethical trading

Our standard procurement procedures involve assessing a bidder's suitability to be awarded the contract. This process includes considering whether the bidder has been convicted of certain offences or committed any acts of professional misconduct while running their business. There were no tenders where mandatory or discretionary grounds for exclusion were applied.

Our standard terms and conditions allow us to end a contract if the contractor or subcontractor fails to keep to their legal duties in the areas of environmental, social or employment law when carrying out that contract.

2.2.6 Other sustainability benefits

We continue to maintain a sustainability tracking tool where we capture sustainability benefits in our procurement. For 2018/19 the SSSC awarded 10 contracts and 11 call-off agreements where the following social, environmental and economic benefits were realised:

Social Benefits	<ul style="list-style-type: none">• Supplier diversity• Social Inclusion• Equality & human rights
Environmental Benefits	<ul style="list-style-type: none">• Emissions• Energy use• Raw materials• Habitat• Waste
Economic	<ul style="list-style-type: none">• Competitiveness

These benefits relate to regulated and lower value contracts.

Of all of the paper and stationery purchased during 2018/19, 65% of expenditure related to the purchase of 'green' products. This is an improvement of two percentage points from the position reported in 2017/18.

2.3 RAISE THE LEVEL OF PROCUREMENT KNOWLEDGE, SKILLS AND EXPERTISE

The SSSC continues to invest in ensuring our staff are equipped with the right tools and experience in order to discharge their procurement duties effectively and efficiently. A central procurement training register is maintained by the Procurement Team.

The Central Government Procurement Shared Service (CGPSS) delivered technical evaluation training during the year.

The Procurement Team continued to deliver training at SSSC Team level. This allowed the training to be delivered around individual team requirements, ensuring it was meaningful and relevant. During the year, they delivered five training events.

Informal training is provided on an on-going basis by the Procurement Team and procurement forms part of the induction that new staff undertake when they join the SSSC.

The Procurement Development Group meet at least twice per year.

2.4 PROVIDE TIMELY PERFORMANCE INFORMATION

The Procurement Development Group (PDG) provides an opportunity where key procurers within the SSSC and Care Inspectorate can discuss best practice, new developments and procurement plans with a specific aim of developing and improving the organisations' procurement capability and the effectiveness of our internal processes. The PDG inform the development of our internal procedures and reporting requirements, both internally and to Scottish Government.

A set of agreed performance measures are reported to this group bi-annually where progress against targets is reviewed and solutions are provided for further improvement.

This report on annual performance is also presented to this group, the respective Executive Management Teams of SSSC and the Care Inspectorate and both Resources Committees. Feedback from this report will be incorporated into the 2019/20 procurement action plan where required.

Outwith the above, any areas of concern are reported to the relevant management team as they occur.

2.5 ACHIEVE THE BENEFITS DERIVED FROM COLLABORATIVE WORKING

As can be seen from the information reported in 2.1, we continue to use collaborative frameworks where available and continue to explore opportunities for collaboration through CGPSS and our membership of our Procurement Cluster Group.

Our relationships with CGPSS and the procurement cluster group facilitate the sharing of knowledge and encourage partnership working to ensure we deliver value for money and pool resources and expertise.

Savings of £518k, representing 95% of our total procurement savings, have been realised from the use of collaborative frameworks.

2.6 STRENGTHEN CONTRACT AND SUPPLIER MANAGEMENT PROCESSES

Contract management training has been delivered to all staff with responsibility for managing contracts. This training provides staff with the tools and techniques required to better manage their contracts and suppliers.

Contract managers are appointed for all relevant contracts and contract management meetings are held regularly for all key contracts. Supplier performance on key contracts is managed effectively to deliver value for money. The procurement team collate contract management information bi-annually and maintain a central record of this which is linked to the contract register.

The Procurement Team, in collaboration with Information Governance, developed a plan to consider the requirements that General Data Protection Regulations (GDPR) would have on current and future contracts. A plan to address this was drafted for implementation in 2018/19.

In preparation of the General Data Protection (GDPR) coming into force in May 2018, the procurement team, in collaboration with Information Governance, prepared a plan to address compliance for all contracts. This plan was implemented at the beginning of the year and our procurement procedures have been updated to reflect GDPR requirements.

2.7 PROVIDE A PROCUREMENT SERVICE WHICH SUPPORTS EFFECTIVE PROCUREMENT WHICH DELIVERS BEST VALUE

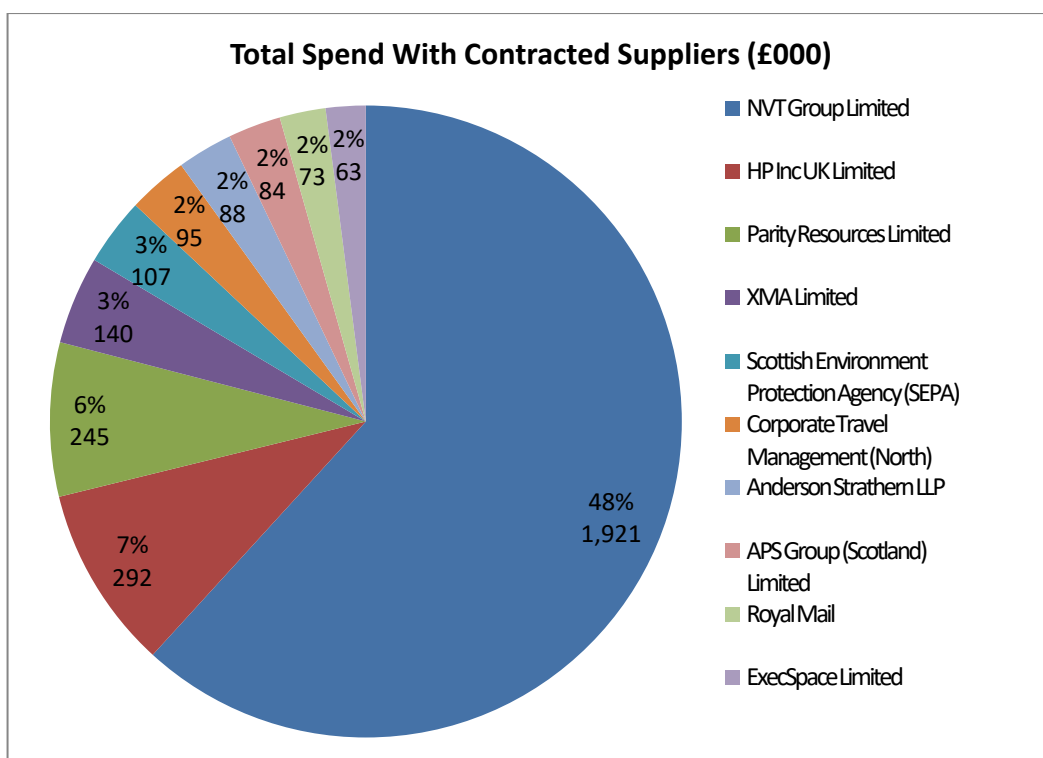
The procurement business processes are reviewed on a cyclical basis to ensure they reflect current legislation and meet the needs of the users. A number of processes have, and continue to be, amended and developed to support the changing procurement landscape.

The Procurement Team have also had an integral role in the creation of lessons learned reviews during the year. These are shared with the wider internal procurement community to ensure these valuable lessons are considered for future procurements.

The success of the service delivery is informed by the independent 'healthcheck', regular feedback from users of the procurement service and a customer survey which is distributed every two years. This feedback and follow-up action contribute to ensuring that the right level and quality of service is being delivered.

3.0 TOP 10 CONTRACTED SUPPLIERS

Together the top 10 suppliers account for 77% (2017/18: 74%) of our total procurement spend, and 78% (2017/18: 77%) of our contracted spend.



The top 10 contracted suppliers provide goods and services across the following categories of expenditure:

Spend Category	Spend Value £000
Information systems	2,460
Agency staff costs	245
Print, stationery and postages	157
Travel & accommodation	95
Professional fees	88
Venue Hire	63
Total	3,108

4.0 SUPPLIER ACTIVITY

The Procurement Team review active suppliers quarterly, with the aim being to ensure only suppliers we do regular business with are set up in the creditors' ledger. Suppliers who have not been used for a period of 13 months are made 'inactive' and any request to use them requires completion of a procurement template to ensure procurement procedures are being complied with. Only when this has been undertaken can new suppliers be created or inactive suppliers updated to 'active' status. This ensures current contract arrangements have been analysed to ensure we are buying from a contract wherever possible. This is also good practice to mitigate the risk of purchasing or supplier fraud.

The number of active suppliers as at 31 March 2019 was 217 (2017/18: 243). Of those there were 126 supplier sites for the supply of goods or services, 72 due & lay regard members and 19 legally qualified chairs. (2017/18: 130 suppliers, 93 due & lay regards members and 20 legally qualified chairs).

5.0 CONCLUSION

The SSSC continues to make good progress towards the achievement of the published procurement priorities and the procurement action plan which supports the procurement strategy has been updated to reflect current priorities. The implementation of this plan will support continued development in procurement.

Glossary

Term	Description
Call-off	Either mini competition or direct call-off from a collaborative framework using framework conditions.
CGPSS	Scottish Government Central Government Procurement Shared Service.
Collaborative Frameworks	A collaborative framework is a framework which has been awarded to meet the needs of a number of public sector organisations.
Community Benefits	Contractual requirements which deliver a wider social benefit in addition to the core purpose of the contract. In particular, requirements in relation to targeted training and employment outcomes.
Contract spend	Spend which is compliant with SSSC procurement governance.
Living Wage	National minimum wage for workers aged over 25.
Non contracted	Spend not linked to a formal contract which is recorded on the contract register.
Own contracts	Contracts advertised and awarded by the SSSC.
Procurement Cluster Group	Group of Scottish Public Sector bodies of differing sizes who meet to discuss best practice, new developments and procurement plans. This facilitates the development of procurement capability within the Scottish Public sector.
Procurement spend	Spend which is influenced by Procurement governance arrangements.
Public Contracts Scotland (PCS)	Public procurement advertising portal where contract notices and awards are published.
Regulated procurement	Procurement seeking offers in relation to a contract with a value of £50,000 or over.
Real Living Wage	Living wage calculated to be sufficient to provide the necessities and comforts essential to an acceptable standard of living. Applies to all workers over the age of 18.
SME	The usual definition of small and medium sized enterprises (SMEs) is any business with fewer than 250 employees.

Term	Description
Supported Business	A supported business' primary aim is the social and professional integration of disabled or disadvantaged persons. At least 30 per cent of the employees of those businesses should be disabled or disadvantaged.
Third Sector	Term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.

Title of report	Section 22 Action Plan Update
Public/confidential	Public
Action	For endorsement
Date of publication	After meeting
Summary/purpose of report	To update Members on the progress of the action plan arising from the Section 22 report and 2017/2018 external audit report.
Recommendations	The Committee is asked to: 1. endorse the approach taken by the Management Team.
Link to Strategic Plan	The information in this report links to: Outcome 4 – Stakeholders Value our work. Priority 6 – High standards of governance
Link to the Risk Register	Risk 6 –The SSSC experiences disruption or loss or reputation damage from a failure in its ICT systems, physical security or information governance arrangements
Author	Chris Weir Head of Legal and Corporate Governance Tel: 01382 346456
Responsible Officer	Lorraine Gray Chief Executive Tel: 01382 207113
Documents attached	Appendix 1: Section 22 Action Plan

1. INTRODUCTION

- 1.1 The 2017/2018 external audit highlighted issues with the governance of the SSSC's digital transformation programme and led to a report by Audit Scotland to the Public Audit and Post Legislative Scrutiny Committee.
- 1.2 Following that process, the Management Team prepared an action plan which pulled together the recommendations in:
 - 1.2.1 Audit Scotland's s22 report
 - 1.2.2 Grant Thornton's external audit
 - 1.2.3 Digital Transformation Healthcheck reportas well as general observations about what we could do to improve our governance arrangements generally.
- 1.3 This report is intended to give an update to the Members of the Audit Committee about the progress made to date against the recommendations and seek endorsement that the Committee is content with the Management Team's approach.

2. OVERALL PROGRESS

- 2.1 The Action Plan is set out at Appendix 1 to the report. Generally, there has been good progress towards the key actions outlined in the plan. The Committee will note that a number of the actions have revised timescales for completion. It has been a challenging year for the organisation, and on reflection, the timescales originally committed to were unrealistic. The revised timescales are therefore a more realistic estimation for completion of the actions outlined in the plan.
- 2.2 The Committee's attention is drawn specifically to a key area of concern set out below.

3. SHARED SERVICES UPDATE

- 3.1 Representatives from the SSSC and Care Inspectorate (CI) met to review and update the service level agreements (SLAs) in November 2018. There was disagreement about the right approach to take and it was decided between the Chief Executives of both organisations that an update of the SLAs alone would not be enough to reach a consensus for the effective delivery of these services to both organisations.
- 3.2 CIPFA was commissioned jointly by both organisations to work with representatives of the SSSC, CI and Shared Services in order to help us to identify and develop:
 - 3.2.1 what the needs are for shared services for both provider and recipient
 - 3.2.2 a shared services strategy that meets those needs

- 3.2.3 what model best suits the provision of those services
 - 3.2.4 the governance arrangements that will best serve the needs of shared services.
- 3.3 After carrying out a desktop review of key documents and interviewing officers from SSSC, CI and Shared Services, the CIPFA representative held a plenary session drawing together areas of agreement and highlighting areas of disagreement between those involved. That session took place on 14 August 2019 and four actions were agreed:
- 3.3.1 all to reflect on what has been presented and said at the plenary session
 - 3.3.2 CIPFA to produce an independent view of the Shared Service using analysis of existing documentation, including performance data, compared and contrasted with CIPFA benchmarking data
 - 3.3.3 CIPFA to include some suggestions for practical alternative ways to tackle the areas of difference
 - 3.3.4 a further plenary session to be reconvened to review the independent view and the alternatives and action plan a way forward.
- 3.4 Logistically, it has been challenging to get a date where the key people are available for the plenary session to take place. Due to a combination of leave and pressures of business, it will not be possible for the plenary session to take place before 4 November 2019. This will, however, give sufficient opportunity for CIPFA to ingather the information they need to produce their report. A proposed timeline is:
- 3.4.1 w/c 14 October 2019 – CIPFA to issue their independent view of the Shared Service
 - 3.4.2 4 November 2019 – plenary session to review the independent view and action plan a way forward.
- 3.5 The proposed timescales will cause understandable concern for the Committee however we wanted to give reassurance that this matter is being treated with the utmost seriousness and given due care and attention. While it might be possible to hold the plenary session earlier, this would be at the expense of key individuals being present and having relevant input. For this piece of work to be most effective, it is important that all the parties involved have sufficient input and therefore rushing to conclude it quicker is likely to be more detrimental in the longer term. Our external auditors are content with this explanation and are satisfied that we are giving the matter relevant due care and attention.
- 3.6 The Committee may be expecting to receive an annual report detailing the performance of shared services. This has not been prepared and much of the same content is likely to be covered by the work currently being done by CIPFA. To avoid potential duplication and to prevent the detraction of resources away from this key piece of work, we have decided not to prepare an annual report in this instance. We will bring proposals regarding the governance arrangements to the Council, which will include

appropriate monitoring and oversight arrangements, once the work being carried out by CIPFA has concluded.

4. RESOURCE IMPLICATIONS

- 4.1 Resources for completion of the action plan are being managed within existing budgets therefore the committee is not being asked to approve any additional expenditure.

5. EQUALITIES IMPLICATIONS

- 5.1 An Equality Impact Assessment has not been carried out. I confirm that this policy will have no negative impact on people with one or more protected characteristics and a full Equality Impact Assessment is not required.

6. SUSTAINABILITY

- 6.1 There are no sustainability issues arising as a result of this report.

7. LEGAL IMPLICATIONS

- 7.1 There are no specific legal implications arising as a result of this report.

8. STAKEHOLDER ENGAGEMENT

- 8.1 No external stakeholder engagement has been carried out.

9. IMPACT ON USERS AND CARERS

- 9.1 There is no negative impact on users and carers arising as a result of this report.

10. CONCLUSION

- 10.1 The steps taken in the action plan are designed to address some of the areas of concern arising as a result of recent external audits. This report is intended to give assurances to the Committee that the Management Team are taking appropriate courses of action to address these concerns.

11. BACKGROUND PAPERS

- 11.1 None.

Actions arising from s22					
Remediation actions we have said we will take					
Key – Actions we need CI input on highlighted in red					
Actions/comments/timescales in the external audit report highlighted in yellow					
Action	Plan	Impact	Action Owner	Due Date	Progress update
1. Appoint Head of Legal and Corporate Governance	Appoint a Head of Legal and Corporate Governance	SSSC will have a dedicated Head of Legal and Corporate Governance to oversee Governance matters	CE	Completed July 2018	Complete
2. Appoint permanent senior role to oversee digital	Appoint a Head of Digital They should also review our IT support to oversee the delivery of the project and ensure there is continuity to oversee and manage the risks as they arise, recognising the reliance on ICT contract staff alongside the cost of using contractors.	SSSC will have a head of Digital who will oversee the IT team	CE	Original timescale: 31 March 2019 Revised timescale: December 2019	Post currently advertised.

3. Make payment to CI as a result of the split from ICT shared services	Sponsor departments are arranging the transfer of budgets between them to manage this cost.	CI will not be left in a financial detriment as a result of the ending of the ICT shared services.	Scottish Government	March 2019	Complete
4. Review of the budget for ongoing ICT project reviewed and reported to Resources and Council on an ongoing basis.	<p>A distinct budget for ongoing ICT projects to be prepared.</p> <p>This should be reported distinctly from the organisational budget.</p> <p>It should detail expenditure across lifespan of project.</p> <p>It should be monitored and scrutinised by Resources and Council separate to the overarching organisational budget.</p> <p>It should reflect all known costs including one off costs.</p> <p>It should be reviewed in respect of changing ICT needs and overall project</p>	<p>It will be clearer what is being spent on business as usual and what is being spent on ICT projects.</p> <p>We can demonstrate that money is being used in the most appropriate way.</p>	Head of SS/Head of Finance	<p>Original timescale: January 2019</p> <p>Revised timescale: March 2020</p>	This will be built into the budget setting process for financial year 2020/2021. The timescale has therefore been amended to take account of this.

	benefits anticipated to ensure decisions continue to represent value for money and are procured in the best manner.				
5. Revise the Service Level Agreements with the CI	<p>Draft them to ensure a strong customer focus is at the heart of delivery of future shared services</p> <p>Establish a clear customer and service provider relationship</p> <p>Review roles and responsibilities of those delivering the shared services</p> <p>Remove requirement for Senior colleagues to report separately to two organisations which risks creating conflicts of interest and confusion over specific roles.</p> <p>Ask CIPFA to look at these as part of their governance of shared services review</p>	<p>Services being provided will be clearer to everyone.</p> <p>The costs of shared services and how it is calculated will be clearer.</p> <p>Clearer escalation procedures. This should result in them being used more effectively, if necessary.</p> <p>Better understanding of performance indicators and how they will be applied.</p>	Head of LCG/Head of SS	<p>Original timescale: February 2019</p> <p>Revised timescale: January 2020</p>	<p>The CE, Head of LCG, CI CE and Director of CS had a plenary session with CIPFA on 14 August. That was a review of ingathered and agreed on next steps forward.</p> <ul style="list-style-type: none"> • w/c 14 October 2019 - CIPFA to produce a benchmark setting out value of the services to both organisations. • 4 November 2019 – follow up plenary session to discuss the

	<p>Drafted by CW and sent to KD in November 2018. With CI for comments.</p> <p>LG and CW meeting with PM, KD and GW.</p>				<p>future strategy and model to deliver shared services</p> <p>Once the future approach has been agreed, CIPFA will work with us to produce relevant SLAs and governance arrangements.</p> <p>The proposed timescales have been amended to take account of this.</p>
6. Carry out a review of Governance arrangements of Shared Services and Policy Forum	<p>Appoint external body to review our Shared Services governance arrangements</p> <p>CIPFA appointed in March 2019</p> <p>Report due in June 2019</p>	Improve our governance arrangements of Shared Services	Head of LCG	<p>Original timescale: 31 March 2019</p> <p>Revised timescale: September 2019</p>	<p>Report completed for Policy forum. EMT considered the report on 12 August 2019.</p> <p>Report to Audit Committee in September 2019.</p>

7. Carry out a Healthcheck Review of the Digital Transformation programme.	Appoint Scottish Government Programme and Project Management Centre of Expertise to carry out a Healthcheck review of the DT programme	<p>Identify lessons learned for future projects.</p> <p>The recommendations will allow us to properly take forward the next stages of the programme.</p>	CE	Completed March 2019	Complete.
8. Explore the post of Programme Manager	Decide whether we should appoint an internal programme manager to make sure the governance of future projects within the organisation is well managed.	<p>We will ensure that we manage projects in the most effective way from the outset in future.</p> <p>They will keep us right on the governance arrangements for that project such as:</p> <ul style="list-style-type: none"> • Right governance arrangements for particular projects • Right people on programme boards • Distinct from senior managers • Allows proper scrutiny to take place • Advise on the proper risk management procedures to put in place relating to projects. 	Director of S&P	<p>Original timescale: August 2019 (subject to funding)</p> <p>Revised timescale: March 2020</p>	Decision taken not to appoint a programme manager at the current time but we are looking at options to develop internal framework for programme management and whether a specific post is required for this.

9. Carry out a best value review of the remaining shared services	Meet with CI CEO, Director of Corporate Services and Head of Shared Services to have an independent review of the best value of the remaining shared services.	This will provide independent advice on whether the remaining shared services continue to provide best value to both organisations.	CE	Original timescale: N/A (a timescale was not provided as it was dependent on the work carried out at action 5) Revised timescale: January 2020	This forms part of the work set out at action 5 above.
10. Review and update the shared services strategy and shared services risk register	Meet with CI to start this review. Review the existing strategy Identify areas for improvement Draft and get agreement from both SSSC and CI. Put to Resources Committee for SSSC and CI Board for approval.	Having a clear shared services strategy will make sure that we have a shared understanding of what both organisations want to achieve from these arrangements. It should inform the governance and monitoring arrangements which will be followed to implement the strategy.	Head of SS	Original timescale: June 2019 Revised timescale: January 2020	This forms part of the work set out at action 5 above.

Recommendations from Healthcheck						
11.Refresh the Digital Strategy (Essential)	Refresh the digital strategy in to include a delivery strategy for further ICT transformation activities and the aspirations for future developments.	We will be clearer about what we need from future ICT and how we will be best placed to deliver this.	Director of S&P	June 2019	Complete	
12.Prepare a Programme Business Case	Pull together a Programme business case for the whole programme of work.	<p>Even though this will be retrospective, it will let us take stock of what we have achieved so far and that this is in line with our digital transformation strategy.</p> <p>It will allow us to see what areas we still need to work on and how we can plan for these improvements in future.</p>	Head of P&I	<p>Original timescale: May 2019</p> <p>Revised timescale: December 2019 for reporting on the retrospective business case.</p> <p>Business cases for the ongoing digital transformation work submitted to Sponsor in August 2019</p>	<p>Business case was reported to Council in March 2019.</p> <p>Retrospective business case being worked on and aiming to report on this by December 2019.</p> <p>Programme Board was reconvened as well as a sponsor group to scrutinise delivery of the business cases.</p>	

					Individual business cases being worked on with view to submitting to sponsor in August 2019.
13. Adopt a more disciplined and structured project/programme management approach for future projects	<p>As noted above we are looking at appointing a dedicated programme manager with relevant experience in this area.</p> <p>Take forward recommendations from this and the s22 report.</p> <p>Make sure that we properly apply and document the project management methodology that we are adopting.</p>	We will make sure that we manage internal projects most effectively and that they are well governed.	Director of S&P	<p>Original timescale: October 2029</p> <p>Revised timescale: January 2020</p>	<p>Governance arrangements put in place to date are:</p> <ul style="list-style-type: none"> • Change Advisory Group • Programme Board • Digital Development Sponsor Group. <p>These were reported to Council in June 2019.</p>
14. Carry out a full and structured benefits realisation and lessons	<p>Prepare a benefits realisation document.</p> <p>The benefits should be compared to the costs of the project, alongside</p>	<p>We can demonstrate what benefits we are getting from this work.</p> <p>We can make sure that any lessons from this programme are</p>	Head of P&I/Head of SS	<p>Original timescale: 31 March 2019</p> <p>Revised timescale:</p>	Draft benefits realisation document reported to Council in January 2019.

<p>learned evaluation for the Digital Transformation Programme (Essential)</p>	<p>costed efficiencies to demonstrate good use of public money/value for money.</p> <p>Prepare a lessons learned evaluation</p>	<p>easily identified if we are carrying out future projects.</p>		<p>October 2019</p>	<p>Digital update in June 2019 to Council confirms that an updated benefits realisation plan will be developed for the development work identified for 2019/20.</p> <p>Director of CS inputting into the financial aspects of this.</p> <p>The plan will be updated annually to ensure that all ongoing work approved by the Programme Board for the financial year has an associated Benefits Realisation plan for the year.</p>
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					<p>Progress against this plan is to be reported to Council in October 2019.</p> <p>The proposed timescale has been amended to reflect this.</p>
15. Deploy a structured BPR process. (Essential)	<p>Not feasible for us to carry out this year. There are other pressing priorities that we need to address.</p> <p>This year is about starting this off and then building the skills that we need going forward.</p> <p>LEAN training would assist with this.</p> <p>Put in place a change management programme.</p>	This will allow us to make sure that the full opportunity of digital transformation is realised.	Director of S&P	In 2020/2021	Carried forward to 2020/2021

16.Look at whether we need a dedicated project/ change management resource in the operational management structure of the SSSC	<p>This is not something that we can accommodate. We would need a separate post for this.</p> <p>This might be something that the experienced programme manager can do.</p>	It will allow us to handle change management in the most appropriate way.	Unable to complete due to funding		N/A
17.					

General Governance

18.Do we have the right mix of skills for effective governance on Council?	<p>Induction of Council members and ongoing development</p> <p>Need to recruit people with significant Audit and Risk experience to Council</p> <p>Need to recruit people with financial background experience on Council</p> <p>Target these through recruitment process</p>	<p>A well governed organisation, as a minimum, needs 3 things:</p> <ul style="list-style-type: none"> • Right people with right skills acting courageously • Right performance indicators being used properly • Right processes and procedures in place. <p>The outcome from the s22 has led to suggestions that there has not been effective scrutiny and proactive actions taken by Council to oversee this project.</p>	Head of LCG	<p>Original timescale: March 2020</p> <p>Revised timescale: October 2019</p>	<p>Council member recruitment taking place in August with members to be appointed in September.</p> <p>We will issue self-assessment questionnaires to new members.</p> <p>If experience in relevant areas are lacking then</p>
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	<p>If unsuccessful, identify relevant people to co-opt – speak to Colin Langford for some input</p> <p>Create Induction plan for existing Council members to improve these skills</p> <p>Create development plan for Council members to make sure they have effective skills for scrutinising papers/information/responses – regular meetings between Head of LCG and Convener should take place for this purpose.</p>	<p>This has led to concerns that we are not being well governed in other areas.</p> <p>Important that we therefore make sure that our governance in other areas cannot be called into question. Poor governance may lead to:</p> <ul style="list-style-type: none"> • Reputational damage • Greater external scrutiny • Lower funding • Redistribution of functions elsewhere • Possible closure (in extreme cases) 			<p>we will propose co-option of members.</p> <p>Induction plan in progress.</p> <p>We will look at development plan once members are in post and areas for development have been identified.</p>
19.Right information to Council – criticism that reports going to Council are too detailed or not properly focussed.	<p>Review papers going to Council/Committees to find out:</p> <ul style="list-style-type: none"> • Are we asking them to make the right decisions? • Are we providing the right information? • Are we presenting papers in the right way? 	<p>Council members need appropriate information before them to make the right decisions. People can only scrutinise and make the right decisions if they are</p>	Head of LCG	<p>Original timescale: March 2020</p> <p>Revised timescale: October 2019</p>	<p>We have recruited a temporary Corporate Governance Project Manager to assist with reviewing and proposing improvements to our governance arrangements.</p>

	<p>Compare with historic sessions and other organisations.</p> <p>Look at the good governance frameworks to see how our papers match up</p> <p>Relevant training for officers on what papers should contain</p> <p>Input from Council members on what information they need to scrutinise effectively and how this should be presented</p> <p>Need to be clear about which input needed within the organisation some observations:</p> <ul style="list-style-type: none"> • Papers go to Council without proper legal input • Papers are often prepared late and do not get reviewed by EMT • Is the approval process clearly 				
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	<p>articulated and understood?</p> <ul style="list-style-type: none"> • Is it too cumbersome? • How do we improve? 				
20. Do we have the right processes in place to govern effectively?	<p>Review and Update Standing Orders to reflect current needs for eg lack of mechanism to deal with urgent business formally for eg HCPC have specific provisions for dealing with urgent matters via email.</p> <p>Review and refresh the Scheme of Delegation – are the terms of reference appropriate for what we need? In particular we need to:</p> <ul style="list-style-type: none"> • Review terms of reference for each committee • Are they necessary (Registration and Conduct Committees need to be abolished) 		Head of LCG	<p>Original timescale: March 2020</p> <p>Revised timescale: October 2019</p>	As noted for action 18. We will put proposals for a new governance framework to Council in October 2019.

	<ul style="list-style-type: none"> • Audit Committee – needs reviewed in line with the Audit and Assurance Handbook 2018 • Letters of appointment should be issued to each member of both committees setting out expectations for each. • Regular meetings arranged between chairs/head of LCG and CE to discuss relevant committee and Council business <p>Are the powers delegated under the scheme of delegation appropriate for the needs of the organisation?</p> <p>Executive Framework document – needs reviewed and updated. It is not clear if this has been agreed with Sponsor.</p>				
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	<p>Financial regulations – review to make sure reflected in scheme of delegation.</p> <p>Internal Audit Plan – review this to make sure it is capturing key risks.</p> <p>Review our risk management processes and procedures. Not embedded within the organisation. No clear indication how operational and strategic risk are managed and recorded. Difficult to see how they interact. Review these procedures to make sure they are effective</p> <p>Develop assurance map for the organisation. This should tie in with the Internal Audit Plan and clearly show how we are being assured that:</p> <ul style="list-style-type: none"> • The organisation is being well governed • That our Internal and External Audits 				
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	<p>are focussing on the right areas</p> <ul style="list-style-type: none"> • That we are managing risk appropriately • That we are monitoring performance in the right way • That we are therefore targeting resources in the right way. 				
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Resources Committee Calendar of Business 2019/20

AGENDA ITEMS						
	June 2019	Aug 2019	Sept 2019	Dec 2019	Feb 2020	June 2020
Decision						
Budget Monitoring Report			✓	✓	✓	
Human Resources Policies - reviews/updates annually:					✓	
Establishment Control Salary Protection Workforce Change	✓					✓
Code of Conduct Learning and Development Recruitment and Selection Retirement Risk Assessment Smoking			✓			
Business Travel and Subsistence Flexible Working Mental Health and Wellbeing Performance at Work Zero Tolerance				✓		
Continuing Education Equality and Diversity Maternity Parental Leave Paternity Leave					✓	

AGENDA ITEMS						
	June 2019	Aug 2019	Sept 2019	Dec 2019	Feb 2020	June 2020
Draft Budget				✓	✓	
Procurement Strategy Review	✓					✓
Procurement Performance (September)			✓			
Partnership working	✓					✓
Requests for Travel Outside UK (as required)						

Discussion

HR Analytics	✓		✓	✓		✓
Best Value Report	✓					✓
Draft Financial Strategy					✓	
Draft Annual Resources Committee Report to Council	✓					✓
Committee Effectiveness Review inc: (after meeting - Members only)					✓	
1. Review of Terms of Reference: Resources Committee					✓	
2. Review of Terms of Reference: Employment Appeals Sub-committee					✓	
Annual Accounts Update	✓					✓
Environmental Impact Report	✓					✓
Annual Shared Services Report			✓			
ICT Annual Report			✓			
First Review of Budget Monitoring (if necessary)		✓				

Information

Schedule of Committee Business	✓		✓	✓	✓	✓
Risk Identification	✓		✓	✓	✓	✓
Updates from Audit Committee	✓		✓	✓	✓	✓
Resource Strategy Development Updates* (as required)						

AGENDA ITEMS						
	June 2019	Aug 2019	Sept 2019	Dec 2019	Feb 2020	June 2020
Corporate Health and Safety Update	✓			✓	✓	✓
Annual Review of Financial Regulations and Debt Management Policies				✓		

*eg Shared Services, Finance, ICT

Other Business

Committee Effectiveness Review Outcomes	✓					✓
Lessons learned from HR prcedures (as required)						