**Resources Committee**
**5 June 2019**
**Agenda item: 16**
**Report no: 20/2019**
**Appendix 1**

# SCOTTISH SOCIAL SERVICES COUNCIL

# DRAFT FINANCIAL STRATEGY 2019-20 to 2025-26

**Version 1.1 5 June 2019**

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## 1.0 ABOUT THE SSSC

The Scottish Social Services Council (SSSC) is the regulator for the social service workforce in Scotland. Our work means the people of Scotland can count on social services being provided by a trusted, skilled and confident workforce.

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**.**

## 2.0 BACKGROUND TO THE DEVELOPMENT OF A FINANCIAL STRATEGY

An integrated Financial Strategy will help the SSSC ensure its viability and sustainability, by providing a framework that enables resources to be managed and prioritised effectively within the SSSC's financial constraints to meet its strategic outcomes.

It will also assist in quantifying future resource needs, including the need for investment and will enable the SSSC to develop a fully considered response to opportunities that have associated long term financing implications.

## 3.0 FINANCIAL STRATEGY OBJECTIVES

Four financial strategy objectives have been identified:

### 3.1 Objective 1 To achieve long term corporate sustainability

The SSSC will have a financially viable Strategic Plan. This means that our objectives and planned resources and infrastructure are in an appropriate balance. We have a medium term target of holding reserves at between 2.0% and 2.5% of gross expenditure.

### 3.2 Objective 2 To invest appropriately in our key resources and capabilities over the medium to long term

We will take a medium to long term view about our investment in key resources such as staff development, our digital systems, collective knowledge management and our physical environment.

The Register is anticipated to stop growing in terms of the number of social care workers registered and reach maturity in 2020/21. We have also recently invested significantly in a digital transformation programme. Over the medium term we aim to reduce the proportion of our resources invested in our regulatory processes (Registration, Fitness to Practise and Hearings) and increase the proportion of resources directed towards national workforce development and planning. This is on the basis that we will strive to ensure our processes are as efficient as possible and the savings are re-invested in developing the national workforce capacity and capability which will lead to improved outcomes for people experiencing care.

We also receive grant funding for specific areas of work. These specific grants are agreed annually. We will work with the Scottish Government to promote taking a longer term view of what this funding is trying to achieve with the aim of building this into our core work and our core funding where appropriate.

The focus for objectives 1 and 2 comes from formally planning our finances in the form of short term budgets and longer term financial plans and subsequent management action to ensure delivery of outcomes within the resources available. We are working towards implementing priority based budgeting to assist in meeting this objective.

### 3.3 Objective 3 To plan and control the financing of developments

We operate with a financial planning and risk framework for reviewing strategic opportunities and deciding whether to re-allocate existing resources or bid for or accept externally funding.

A key element of the financial strategy is that the SSSC will plan for headroom for growth and change and will manage its key financial risks. The SSSC will also maximise the potential contribution and impact of strategic alliances and collaboration.

Objective 3 is therefore more concerned with potential developments in the context of the risk and financial regime within which the SSSC operates. A key control element is the financial regulations, which supports the financial governance framework.

When considering proposed developments, we should normally consider the whole-life costs and the value for money this will deliver, the risks / opportunities and be assured the intended outcome will deliver positive change. This could include e.g. the balance between investing to develop a modern, well maintained, efficient infrastructure as compared with lower spending over time which may have detrimental effects on staff and customer experience.

As such, the strategy framework also accommodates scope for ‘spend to save’ investment in areas which can create greater future performance and reduced annual operating costs (asking what happens to the SSSC in the long term if the investment is not made).

Following this approach should lead to a clear statement of investment requirements in terms of recurrent and non recurrent or capital costs for proposed developments, including realistic and sustainable levels of expenditure to support the delivery of the Strategic Plan.

### 3.4 Objective 4 To integrate and harmonise financial and other strategies.

The SSSC ensures that the financial strategy is closely aligned to the Strategic Plan and is properly integrated with the delivery strategies (e.g. registration, learning & development and fitness to practise) and resource strategies (e.g. people, digital etc.) of the SSSC.

We will work to ensure that all SSSC managers understand and accept the benefits and consequences of the Financial Strategy. We will also implement and review the financial strategy and identify variations at an early stage.

The link between the financial strategy and other key strategies is crucial in terms of the financial strategy being concerned with financing the Strategic Plan. These medium to long term strategies are inter-dependent e.g. the people strategies will fail if they are not properly resourced and it is unlikely that a successful Financial Strategy can be delivered without effective people strategies. The key to delivering these links lies in the planning process.

## 4.0 THE ENVIRONMENT WE WORK IN

There are significant changes happening both across the social service landscape and for Scotland.

We are continually looking at the implications that major policy and legislative developments may bring so we can plan for and support the workforce for the future, making sure that public protection is at the heart of our work.

Over the medium term, we will see many changes with significant policy developments starting to take shape - public service reform, integration of health and social care, integration of children's services, self-directed support and community empowerment. These developments will affect the social service workforce, their roles and the skills they require.

A key resource planning challenge is the continued planned growth of the SSSC Register. At the start of 2019/20, we have approximately 122,000 social service workers registered with the SSSC. These registered workers are either qualified or are working towards their qualification. We believe this will support us in achieving our vision that our work means the people of Scotland can count on social services being provided by a trusted, skilled and confident workforce.

Over the period to 2020/21, we are anticipating a further 37,000 new registrations from the Housing Support and Care at Home sector and as a result of the expansion of early years learning and childcare a further 4,000 new registrations. Once all the new workers are registered we expect the Register will have reached maturity in terms of numbers registered (assuming the Register is not opened up to any new groups).

Going hand in hand with this growth is an increase in the number of fitness to practise cases we deal with (noting that the vast majority of social service workers carry out their role with skill, a great deal of knowledge and compassion). We take action against the small minority who don't meet the standards that are needed to carry out these demanding and complex roles. We carry out workforce modelling which is directly driven by the number of registrants. The models calculate the number and type of SSSC staff required to carry out the expected levels of work.

As part of managing this increase and then stabilisation, we will continually review all our processes and timescales to make sure they are robust and protect the public.

We operate in a challenging national financial context where the Scottish public services continue to face significant financial and demographic challenges.

## 5.0 EXPENDITURE AND INCOME PROFILE

The Council approved the detailed 2019/20 budget at its meeting of 26 March 2019. It also noted the indicative 2020/21 and 2021/22 budgets. The Sponsor Department has advised that digital development funding should be applied for during the financial year through a detailed business case process. The 2019/20 budget and indicative budgets have been adjusted to reflect this. 2019/20 is the last year of the current Strategic Plan. The indicative budgets have been prepared ahead of the development of the new Strategic Plan for the period 2020/23. The Financial Strategy is reviewed annually and will be adjusted for the financial implications of the new Strategic Plan as it is developed and implemented.

These budgets are attached at Appendix A.

The SSSC is funded from two main sources; this comprises grant in aid received from Scottish Government (2019/20: 73% of total income) and fees charged to registrants (2019/20: 26% of total income). The remaining 1% of 2019/20 income is made up of "other" income, mainly modern apprenticeship funding and recharges for seconded staff. Of the grant in aid funding for 2019/20, this is split between grant income for operating costs (66%), post graduate bursaries (18%) and practice learning fees (16%).

The expenditure and income profile has been split into three sections.

**Section A** focuses on the first year of the strategy and reviews the detailed budget prepared for 2019/20

**Section B** extends the analysis to include indicative budgets for years 2 and 3 (2020/21 and 2021/22)

**Section C** covers outline budgets for years four to seven (2022/23 to 2025/26)

## 5.1 SECTION A: DETAILED BUDGET 2019/20

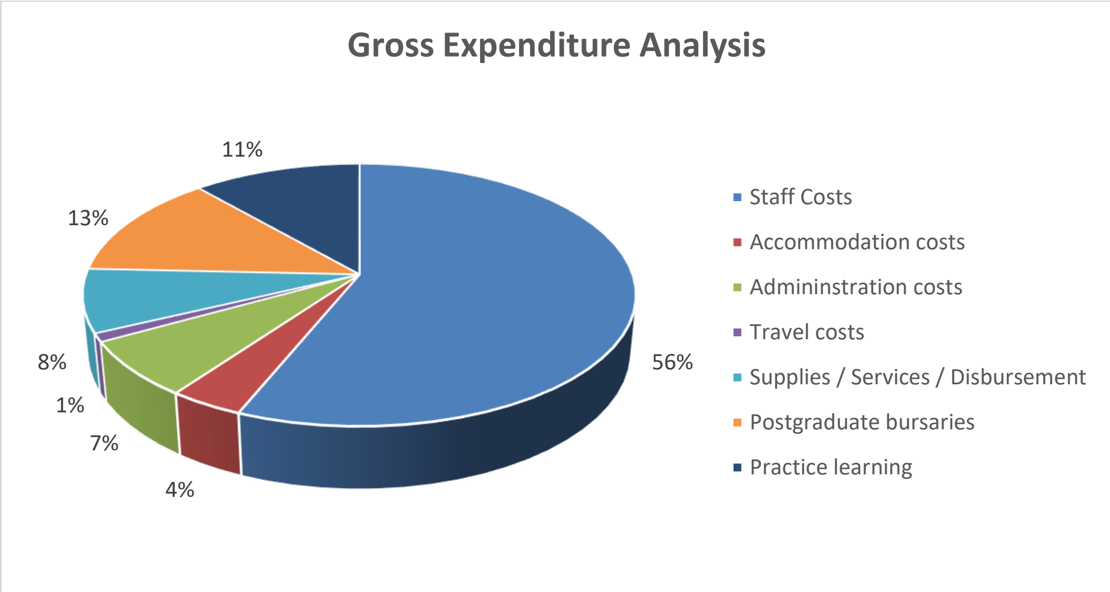
The 2019/20 budget has an increased level of gross expenditure compared to 2018/19 expenditure levels. There were/are significant non-recurring digital transformation costs in 2018/19 and 2019/20.

We expect to receive £0.478m of specific grant funding in 2019/20. The short term nature of this funding presents issues. We intend to work with the Scottish Government to take a longer term view of objectives and where possible transfer funding from short term specific grants to core grant in aid where appropriate.

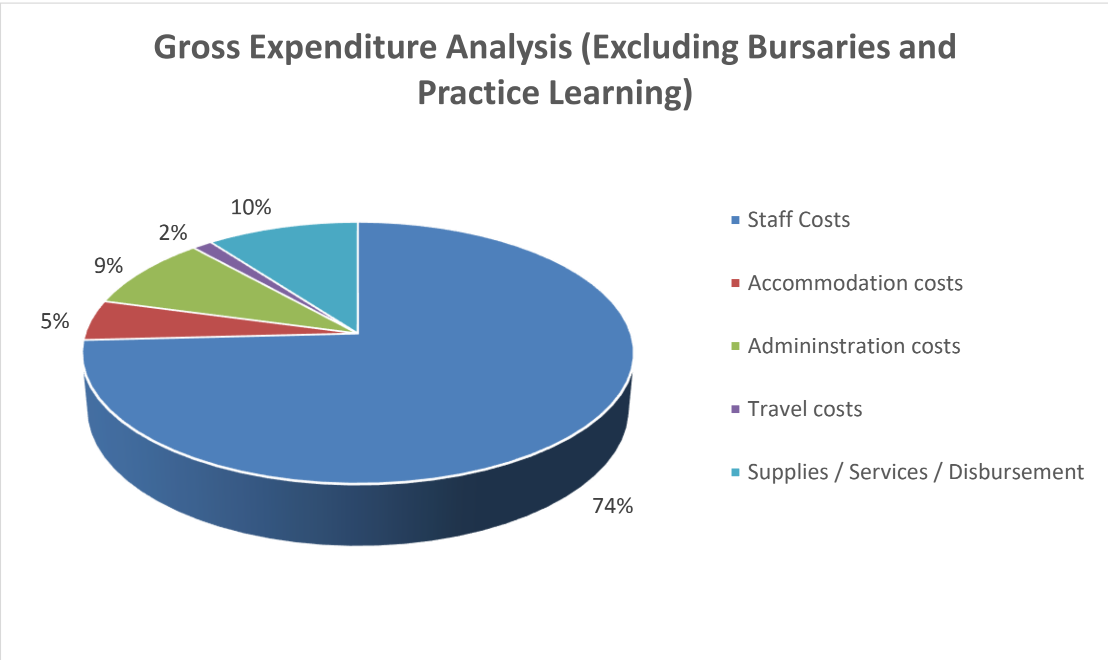
The operating cost profile of the SSSC is heavily weighted towards staff costs. Bursary and practice learning payments amount to £5.007m. The funding for these payments is supplied by the Scottish Government. We perform administrative tasks and then these payments flow out of the SSSC to third parties (social work students and universities). Excluding these "flow through" payments, staff costs represent 74% of gross operational expenditure. A breakdown of the 2019/20 cost profile over the main expenditure heads is shown in the pie chart below:

**EXPENDITURE PROFILE 2019/20**

The pie chart below shows the percentage of gross expenditure allocated across our subjective spend headings.




The pie chart below shows the percentage of gross expenditure excluding post graduate bursaries and practice learning expenditure allocated across our subjective spend headings. This is effectively our gross operating costs.




**2019/20 Staff Costs**

Pay award assumptions are in line with the 2019/20 Scottish Government pay policy i.e. a 3% award to staff earning less that £36.5k and a 2% pay uplift for other staff (capped at £1,600 for staff earning £80k or more). In addition, incremental progression has been assumed for all eligible staff.

The 2019/20 budget assumes a staffing establishment of 270.4 FTE. This is an increase of 16.8 FTE compared to the 2018/19 agreed budget. This increase includes the new SSSC Digital Team (6.0 FTE), a new two year temporary Head of Workforce Planning post and an increase in Fitness to Practise of 10.3 FTE to reflect the increase in the Register. The budget preparation work includes the use of workforce modelling to identify the impact of new and existing registrant numbers on the organisation. The modelling underpins several elements of the SSSC's work including registration, fitness to practise, hearings and income collection.

A staff slippage assumption of 4% has been included in the budgets for 2019/20 onwards.

The budget for allowances for legally qualified chairs, lay and social service members has increased by £0.248m compared to 2018/19. This increase is in line with the number of hearings expected in 2019/20.

**2019/20 Running Costs**

Running costs include costs associated with:

- our accommodation
- administration
- travel
- ICT

In 2019/20 a non recurring budget of £0.100m is included for a national social service workforce marketing and recruitment campaign. The Sponsor has provided a further £0.231m funding in 2018/19 that is to be carried forward in our general reserve balance to fund this work. This means it is anticipated to spend a total of £0.331m on a national social service workforce marketing and recruitment campaign in 2019/20 and also means the 2019/20 budget has been agreed with a £0.231m deficit which will be funded from the general reserve.

Running costs also include non recurring budgetary provision of £0.044m for a review of Post Registration Training and Learning.

The 2019/20 ICT maintenance and running costs budget has increased by an estimated £0.575m due to the new separate and enhanced SSSC Digital arrangements.

**2019/20 Digital Development**

The main work associate with digital transformation was delivered in financial years 2017/18 and 2018/19. The Sponsor Department has confirmed that up to £0.680m is available in 2019/20 for further digital development work to build on what has already been delivered. This funding will be made available upon production of detailed business cases and does not form part of our core grant in aid.

**2019/20 Income**

Budgeted registration fee income is £5.314m representing 26% of total income / funding (2018/19: 23%).

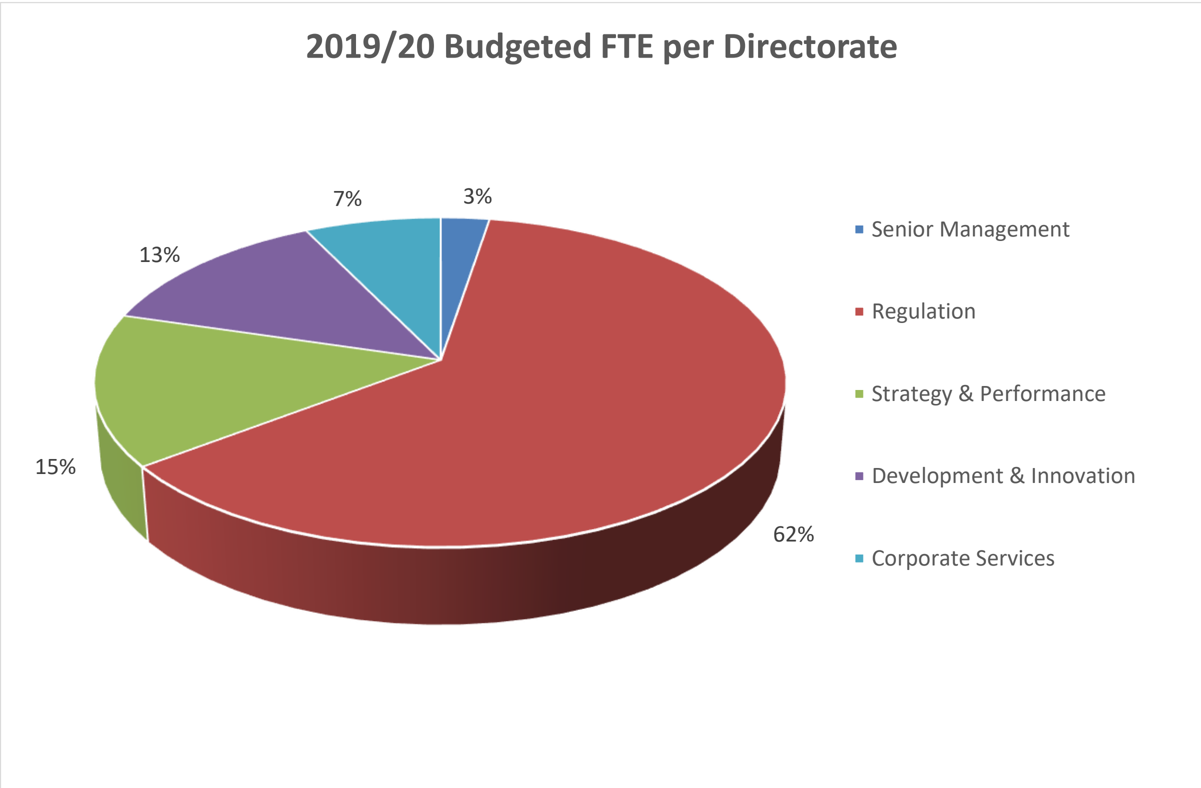
The grant in aid funding agreed with the Sponsor has been included in the 2019/20 budget. The Sponsor has indicated that sustaining grant in aid funding at the 2019/20 level for future years will be difficult.

**Further 2019/20 Budget Analysis**

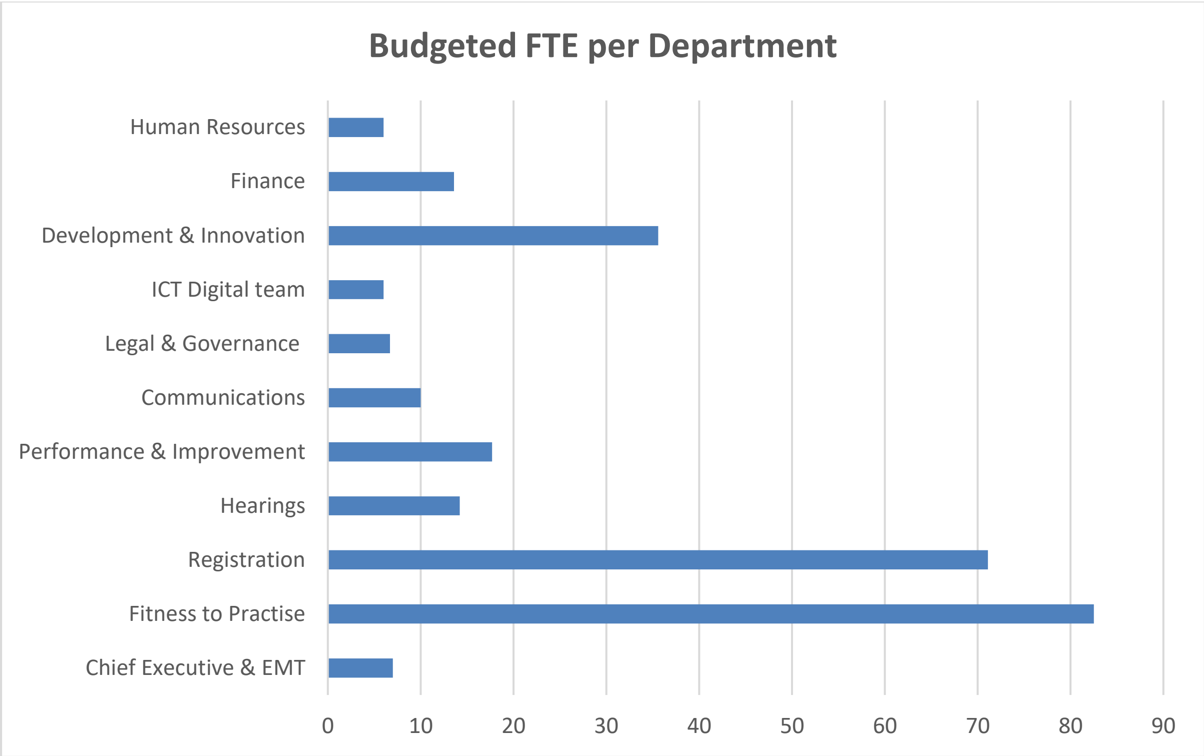
Over the medium term we aim to reduce the proportion of our resources deployed to our process based activities and support functions and increase the proportion of our available resources deployed towards national workforce development and planning. However, this is within the context that it is likely there will budget funding reductions in future years. This will mean that savings / efficiencies from process and support functions must first be directed towards dealing with budget deficits before they can be re-invested in national workforce development and planning.

The analysis below (based on the 2019/20 budget) will be used to monitor progress towards the above aim.

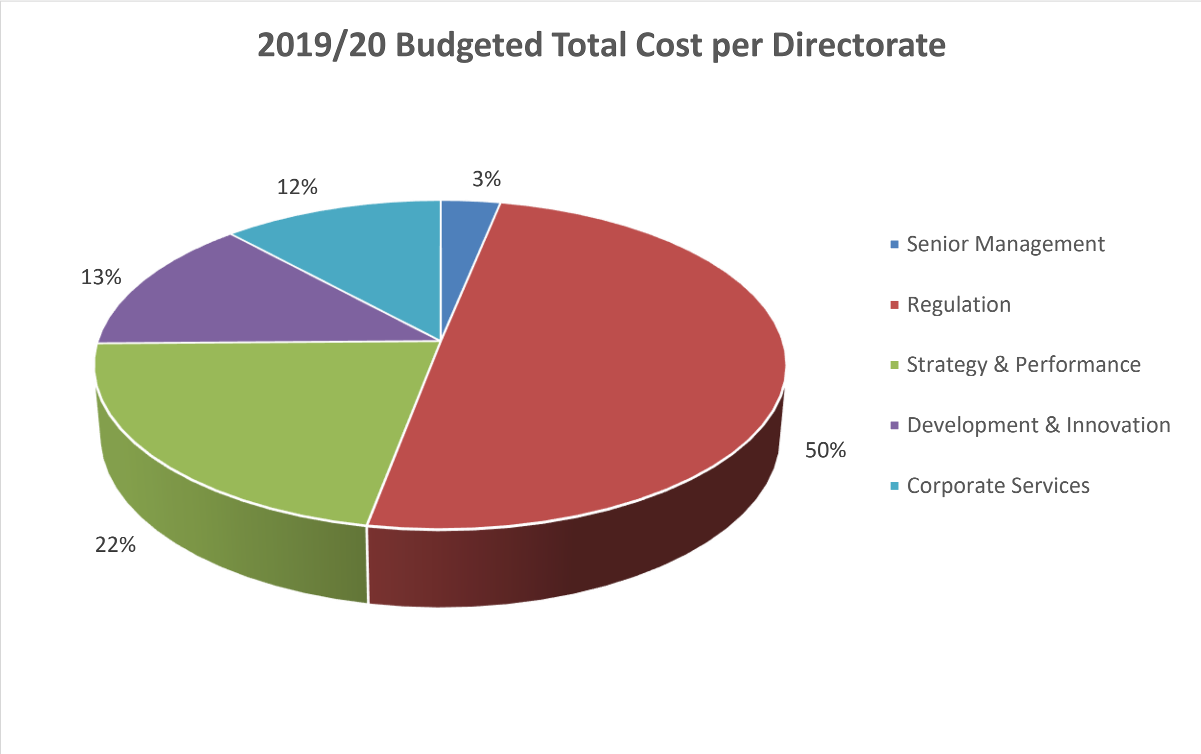
The pie chart below shows the proportion of budgeted full time equivalent staff (FTE) allocated across our directorates:



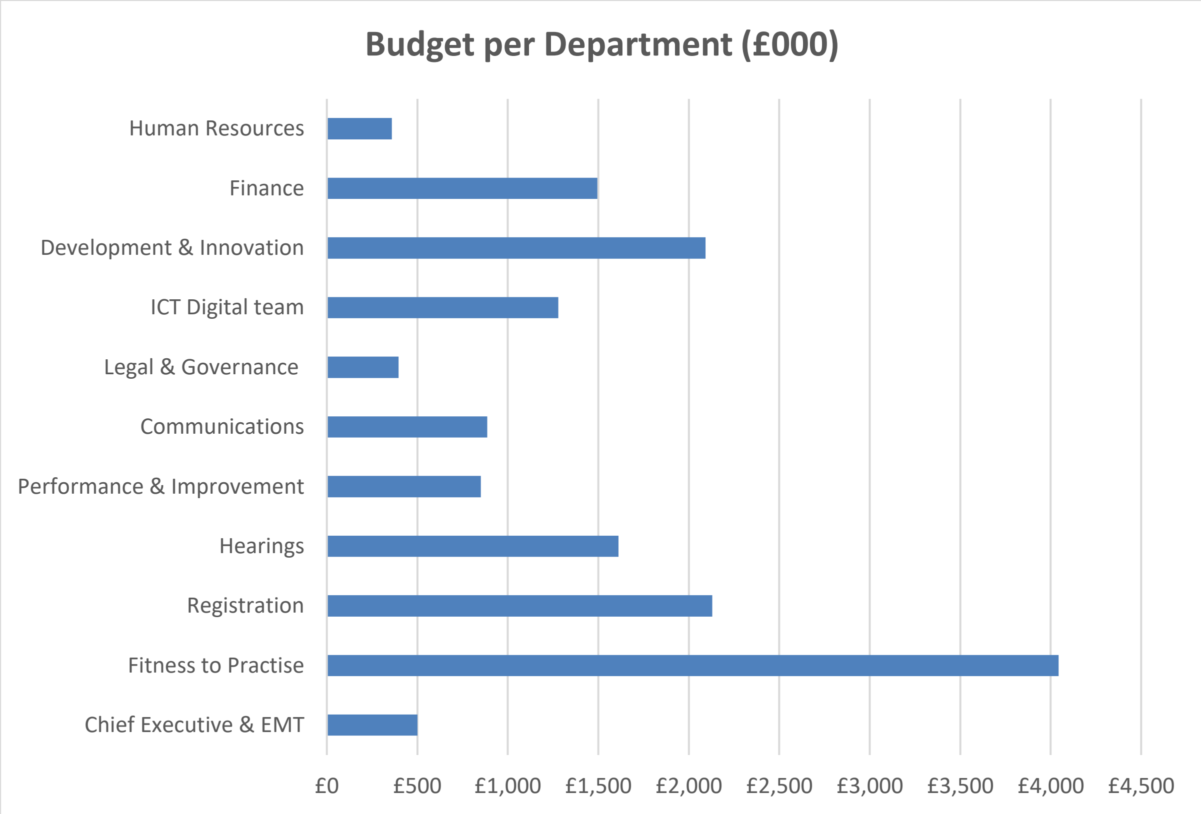
The bar chart below shows FTE allocated across our departments:



The pie chart below shows the proportion of gross budgeted operating expenditure allocated across our directorates.  Successful delivery of objective 2 “To invest appropriately in our key resources and capabilities over the medium to long term” will mean an increase in the proportion of budget invested in Development & Innovation (currently 13%).



The bar chart below shows gross budgeted expenditure allocated across our departments:




The table below shows anticipated unit costs based on 2019/20 budgeted costs and activity levels:

| **Summary of Unit Costs:** | |
|---|---|
| **Cost per:** | **£** |
| New application to register | 16.34 |
| Continuing registration | 9.08 |
| Renewal of registration | 7.26 |
| Removal from the register | 6.66 |
| Fitness to Practise case | 1,409.23 |
| Hearing | 2,769.07 |

As we introduce process efficiencies these unit costs should reduce.

## 5.2 SECTION B: INDICATIVE BUDGETS 2020/21 and 2021/22

Indicative budgets for 2020/21 and 2021/22, based on the draft 2019/20 budget, have been prepared. These budgets include provision for continued digital development.

The summary gross expenditure budgets are as follows:

| | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 £m |
|---|---|---|---|---|
| Gross expenditure | 20.267 | 20.616 | 21.086 | 21.497 |
| Annual increase/(decrease) | | 0.349 | 0.470 | 0.411 |
| Annual increase/(decrease) % | | 1.72% | 2.31% | 1.95% |
| Cumulative increase/(decrease) | | 0.349 | 0.819 | 1.230 |
| Cumulative increase/(decrease) % | | 1.72% | 4.04% | 6.07% |

There are five key factors that shape the budget profile over the 3 year period.

- the impact of 41,000 further new registrations expected from the Housing Support and Care at Home sector and early years learning and childcare expansion is included in the projections.
- the Register is anticipated to reach maturity in terms of numbers registered in 2020/21
- investment in digital development.
- An assumption that available grant in aid funding will be held at the 2019/20 level of £15.500m for the three year period.
- Assumptions on deliverable efficiencies from the digital transformation programme

The main assumptions used in the preparation of the indicative budgets are detailed below.

**Pay Award and Incremental progression**

The indicative 2020/21 and 2021/22 budgets assume a pay award of 3% for staff earning up to £36.5k and 2% for staff earning above this amount. The indicative budgets also assume that all staff not currently at the top of their salary scale will perform satisfactorily and will receive incremental progression.

**Employers' Charges**

Employer pension contribution rates are assumed to remain at the current rate of 17% throughout the three year period.

No significant change in employer national insurance rates is assumed for 2020/21 or 2021/22.

**Staff Costs Adjustments**

In line with previous years' budgets there is a staff slippage assumption of 4%.

Our workforce modelling indicates an increase of 5.4 FTE is required for 2020/21. There is no increase indicated as being required for 2021/22.

The 2020/21 budgeted allowance for legally qualified chairs, lay and social service members has increased by £0.210m compared to 2019/20. The increase for 2021/22 compared to 2020/21 is £0.013m. These increases are in line with the number of hearings expected each year.

**Running Costs**

Budget adjustments have been made to reflect estimated cost changes. There is no allowance for general inflation.

**Digital Development**

The indicative budget recognises there is a continuing but diminishing need for investment in digital developments. Achieving optimal efficiencies and customer service enhancements is dependent on further investment in digital development. As described previously, digital development funding will not form part of our core grant in aid and will be released based on the submission of detailed business cases. The 2020/21 and 2021/22 indicative budgets assume total grant in aid funding will be maintained at the 2019/20 £15.500m level. This includes £0.680m for digital development.

The grant in aid for operating costs in the 2020/21 and 2021/22 indicative budgets has been adjusted in line with the changes to the indicative digital development budgets to maintain total grant in aid funding at the 2019/20 level of £15.500m.

| | **Budget 2019/20 £m** | **Indicative Budget 2020/21 £m** | **Indicative Budget 2021/22 £m** |
|---|---|---|---|
| ICT Development | 0.645 | 0.664 | 0.275 |

**All Other Expenditure, Income and Funding**

All other expenditure has been maintained broadly at the 2019/20 budget level and no general inflationary uplift has been applied.

It has been assumed that registration fee rates will be maintained at the 2019/20 levels for 2020/21 and 2021/22.

**Summary Budget Position 2019/20 to 2021/22**

| | **Budget 2019/20 £m** | **Indicative Budget 2020/21 £m** | **Indicative Budget 2021/22 £m** |
|---|---|---|---|
| Gross expenditure | 20.616 | 21.086 | 21.497 |
| Income from fees | (5.314) | (6.062) | (6.088) |
| Other income | (0.251) | (0.188) | (0.184) |
| **Core Net expenditure before grant in aid** | **15.051** | **14.836** | **15.225** |
| **Core Grant in aid** | **(14.820)** | **(14.836)** | **(15.225)** |
| | | | |
| Digital development expenditure | 0.680 | 0.664 | 0.275 |
| Grant in aid for digital development | (0.680) | (0.664) | (0.275) |
| | | | |
| **Net expenditure (funded from general reserve)** | **0.231** | **0.000** | **0.000** |

### 5.3 SECTION C: OUTLINE BUDGETS 2022/23 to 2025/26

Appendix C shows outline budgets to 2025/26. These have been based on the 2021/22 budget adjusted as follows:

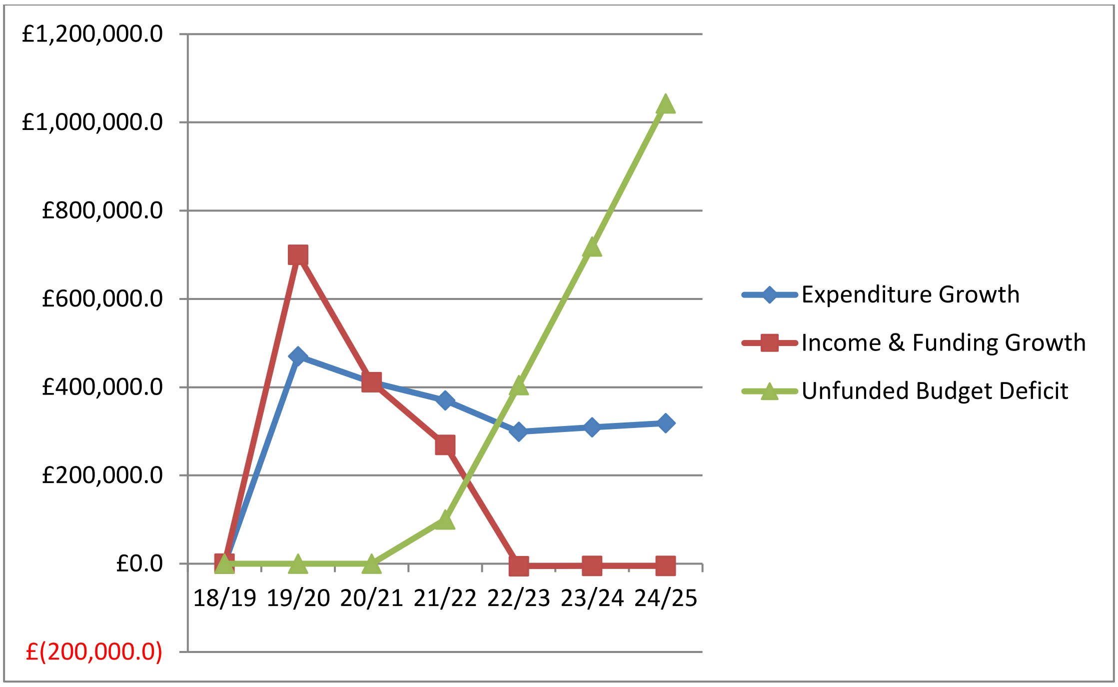
| | |
|---|---|
| Staff costs | annual increase of 2.5% |
| Accommodation costs | annual increase of 2.0% |
| Administration costs | annual reduction of 3.0% |
| Transport costs | cash standstill |
| Supplies & services | annual reduction of 3.0%; except ICT / digital costs where an annual amount of £0.080m is assumed. Shared Service charges - annual increase of 2.5% (linked to pay award) |
| Postgraduate bursaries | cash standstill |
| Practice learning fees | cash standstill |
| Registration income | cash standstill |
| All other income | cash standstill |
| Grant in aid | cash standstill |

**Summary Financial Forecasts to 2026**

| | **2019/20 £m** | **2020/21 £m** | **2021/22 £m** | **2022/23 £m** | **2023/24 £m** | **2024/25 £m** | **2025/26 £m** |
|---|---|---|---|---|---|---|---|
| **Budget (Surplus) or Deficit** | 0.231 | 0.0 | 0.0 | 0.100 | 0.405 | 0.719 | 1.043 |

The 2019/20 budget deficit is due to a specific request from the Sponsor Department to deliver a national social service workforce marketing and recruitment campaign using funding supplied in 2018/19 and contained in the general reserve.

The annual expenditure, income and budget deficit growth is shown in the following graph:


£1,200,000.0
£1,000,000.0
£800,000.0
£600,000.0
£400,000.0
£200,000.0
£0.0
£(200,000.0)
18/19
19/20
20/21
21/22
22/23
23/24
24/25
Expenditure Growth
Income & Funding Growth
Unfunded Budget Deficit

## 6.0 SCENARIO PLANNING AND SENSITIVITY ANALYSIS

This section considers financial sustainability based on scenario planning. On the income side, this involves a range of levels of growth/reduction in assumed levels of grant in aid and on the expenditure side, a range of levels of growth/reduction in assumed levels of annual pay award and pension contributions.

Changing some of the key assumptions has a significant impact on the future budget deficits.

### Grant in aid

Changing the grant in aid assumptions by + or – 1% or + or - 3% per annum from 2020/21 onwards has the following impact on the forecast deficits:

| Budget (Surplus) or Deficit | 2019/20 £m | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m | 2025/26 £m |
|---|---|---|---|---|---|---|---|
| **Cash Standstill** | 0.000 | 0.000 | 0.000 | 0.100 | 0.405 | 0.719 | 1.043 |
| **-1%** | 0.000 | 0.148 | 0.299 | 0.552 | 1.007 | 1.470 | 1.941 |
| **-3%** | 0.000 | 0.445 | 0.889 | 1.427 | 2.157 | 2.884 | 3.607 |
| **+1%** | 0.000 | (0.148) | (0.302) | (0.360) | (0.215) | (0.062) | 0.099 |
| **+3%** | 0.000 | (0.445) | (0.915) | (1.307) | (1.510) | (1.718) | (1.933) |

Future levels of grant in aid have a significant impact on the funding scenarios with a 1% annual decrease in grant in aid changing the forecast 2025/26 deficit from £1.043m to £1.933m i.e. an increase in deficit of £0.890m.

The grant in aid figures are currently announced on a one-year basis only but the Sponsor Department has indicated that maintaining future grant in aid settlements at the current (£15.500m) level may not be possible.

### Pay award

Each 1% increase in the pay award to staff costs an additional £0.106m (2019/20 prices and establishment).

There is increasing pressure on public sector pay settlements and agreeing pay awards within the current budget assumptions is expected to be difficult.

### Employer Pension

An actuarial valuation of the Tayside Pension Fund has set the employers' pension contribution rates at 17% for 2018/19, 2019/20 and 2020/21. A 1% increase or decrease in the employer pension contribution rate from 2021/22 onwards will mean a change in employer pension costs of circa £0.084m (2019/20 prices).

## 7.0 EFFICIENCIES AND SAVINGS OPTIONS

The outline models that combine the current 3 year budget with the extended forecasts to 2025/26 show a funding deficit of £1.043m in 2025/26. There are many variables that could affect this figure and addressing the smaller projected budget deficits in earlier years will also reduce this projected 2025/26 deficit. The projected 2025/26 highlights the cumulative savings that will be required over the seven year period should funding levels be fixed at current 2019/20 levels.

The impact of forecast levels of grant in aid and assumed fee levels are critical to the development of a balanced budget, as are pay award assumptions, pension costs assumptions and any future fee rate rises.

In order to plan and prepare for adverse financial scenarios, it is important to review the areas with potential to deliver efficiencies and / or cost reductions.

Workforce Planning

Workforce planning is an ongoing process that an organisation carries out to match its workforce to its desired organisational objectives and outcomes. The SSSC needs to understand its current staff profile and how it is currently deployed, identify the mix and numbers and types/skills of staff needed in the future and develop plans to move towards the desired workforce shape and size. An update of the current workforce plans will be carried out in 2019/20. This will include an assessment of the impact of digital transformation and process review work on the number and grades of staff that are needed.

Staff Turnover

The current staff turnover rates range from 8% to 15% for the main staff groups. In an environment of no compulsory redundancies, utilising staff turnover can be a valuable tool to reshape an organisation and potentially drive savings at the same time.

Simplifying the Register

Currently there are 23 parts to the Register and social care workers may be registered on more than one part. Work is underway to establish if this position could be simplified which would lead to efficiencies and savings.

Efficiencies Targets

Efficiencies targets still have a place in the form of being an element of Best Value reviews, EFQM assessments, Lean Business Process reviews, efficiencies plans, procurement savings, etc.

Fee Increases

Registration fees were most recently increased with effect from 1 September 2017. We intend to review fee levels every three years. If possible we would wish to avoid introducing a fee increase during a financial year and therefore we would anticipate any increase in fees to be applied from 1 April 2020 or 1 April 2021.

A straight forward 1% increase in fees would generate additional income of £0.053m per annum (based on the 2019/20 anticipated Register) but we are likely to wish to take a more nuanced approach to fee increases rather than simply applying a percentage rise.

The relationship between fee and grant in aid funding needs also to be considered. For example, the Sponsor Department may wish a fee increase to be introduced in order to reduce the amount of grant in aid we receive.

Discussion will be needed with both the Council and Scottish Government to determine how this should be taken forward.

Business and Digital Transformation

We will continually review all our processes and timescales to make sure they are robust and protect the public. Innovation at the SSSC is crucial. To meet the demands on the organisation we must test new ways of doing our work.

We have implemented a revised Sequence and a new case management system. It is anticipated that our new digital systems and modernised infrastructure will facilitate the streamlining of our work. We will continue to test out new thinking and develop more creative solutions to the challenges facing us. SEQUENCE has been an important contributor to the efficiencies regime so far and the addition of case management functionality and Office 365 means we can anticipate further efficiencies and business improvements.

It is important to note that the assumptions on ICT expenditure retains significant development budget throughout the seven years covered by the strategy. It is expected that in the latter years the level of development spend may reduce and therefore be a contributor to controlling the budget deficit.

Stakeholder Engagement and Focus on Customer Service

These are cross-cutting themes that impact on process improvements, best value, efficiencies and digital transformation and will therefore contribute to many of the initiatives outlined above.

**Conclusion – efficiencies and savings options**

**There are a number of efficiencies and savings options with the potential to contribute towards delivering the financial strategy objectives. Implementing the strategy will require periodic updating of the financial forecasts and an ongoing focus on developing the savings options.**

## 8.0 LINKS TO OTHER STRATEGIES

The financial strategy needs to be integrated with other key resource strategies of the SSSC

These include:

- people strategy, including employee reward and our workforce plan
- accommodation
- digital / ICT
- Learning & development
- communication
- sustainability

**9.0 RISKS**

The key strategic risks to delivery of the Financial Strategy are as follows:

- Future available resources less than assumed
- Volatility of registrant numbers and impact on fee income and workload
- Pay awards, and price inflation higher than assumed
- Future spending plans underestimated
- Inability to align financial and other resource strategies
- Anticipated savings / efficiencies not achieved
- Projects costs / income underestimated
- Income targets not achieved
- Budget monitoring not effective
- Exit strategies for external funding not met
- Impact of changes to government policy

The above financial risks will be included in strategic, directorate, department, team and project risk registers as appropriate and monitored through our existing risk management processes.