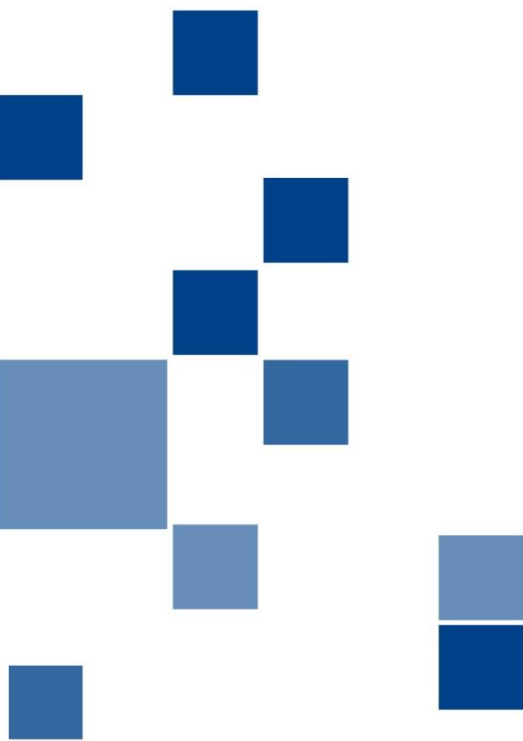


| | |
|----------------------------------|--|
| Title of report | Assurance Report as of 31 March 2020 |
| Public/confidential | Public |
| Action | For decision |
| Date of Publication | After signature of minutes |
| Summary/purpose of report | This report presents the Assurance Monthly Report for March 2020. This report is to briefly assess the previous month's performance, identify causes of any variance to expected performance and any impact or risk this may have on the strategic objective to which the KPI relates. Actuals will be measured against an initial forecast with the owner of the KPI providing an explanation for any variance. If there are negative variances the owner of the KPI will detail any corrective actions which could include any management actions or recovery plans. |
| Recommendations | Committee is asked to: 1. agree the direction of travel and risk management actions undertaken by EMT. |
| Author | Laura Shepherd Director of Strategy and Performance |
| Responsible Officer | Lorraine Gray Chief Executive Tel: 01382 207250 |
| Links to Strategic Plan | This report presents work related to delivery of our Strategic Outcome 4: Our stakeholders value our work |

| | |
|--|--|
| Link to the Strategic Risk Register | Strategic risk 2: The SSSC is not able to demonstrate to our stakeholders (including SG) that its operational activity is fulfilling its strategic outcomes. |
| Documents attached | Appendix 1: New 2020/21 Strategic Risk Register for information |

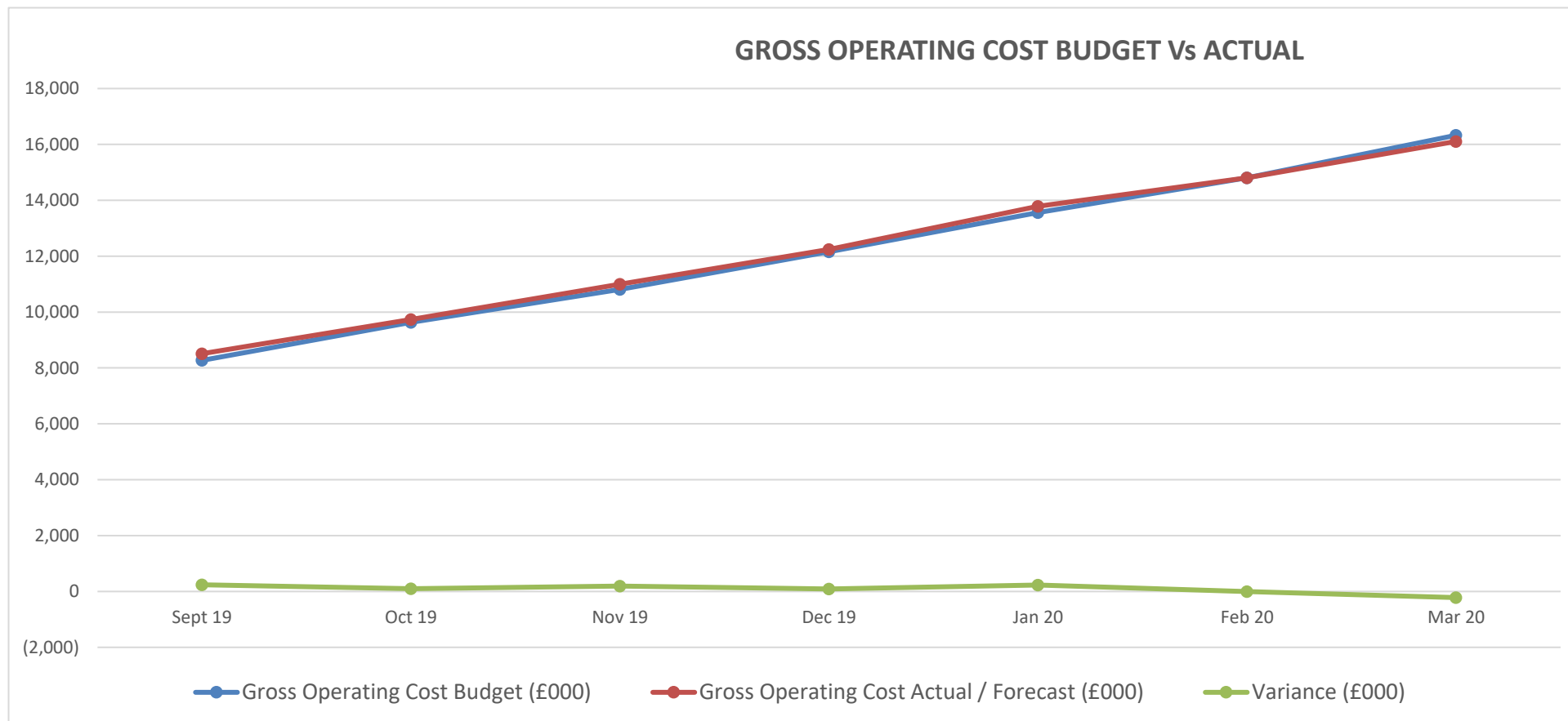
Assurance Report

As of 31 March 2020



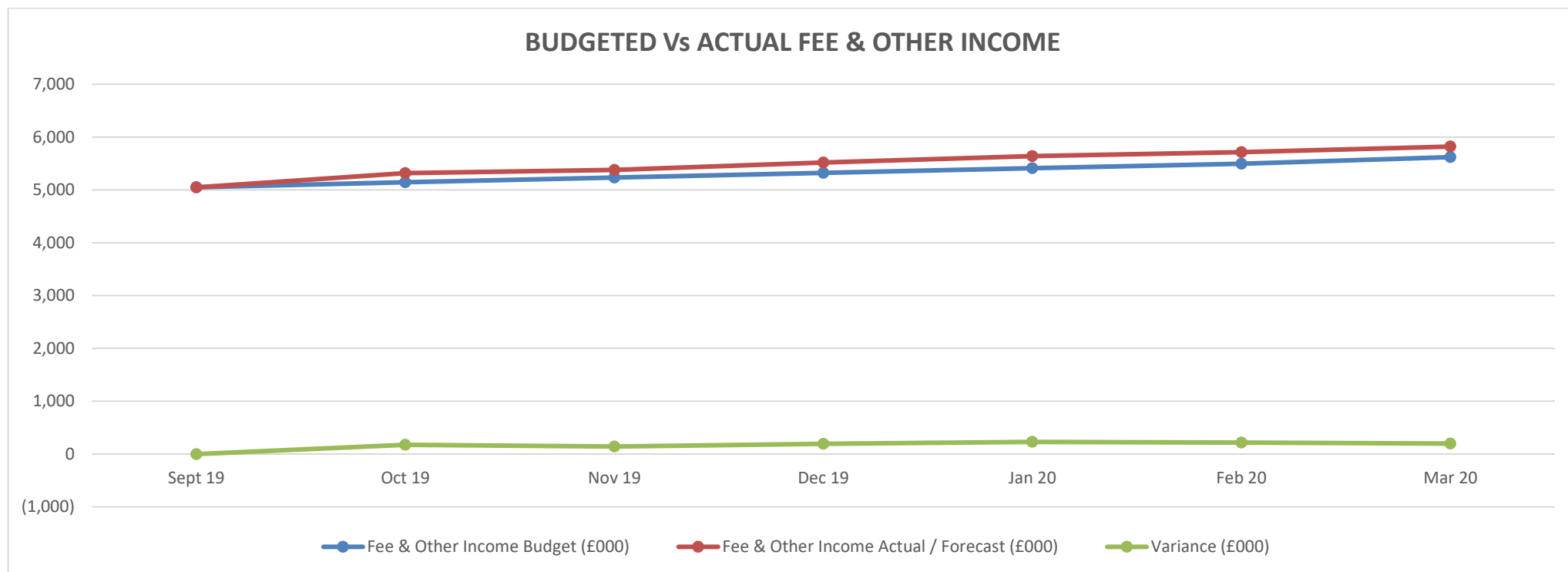
1. Financial Position

1.1 Gross Operating Cost



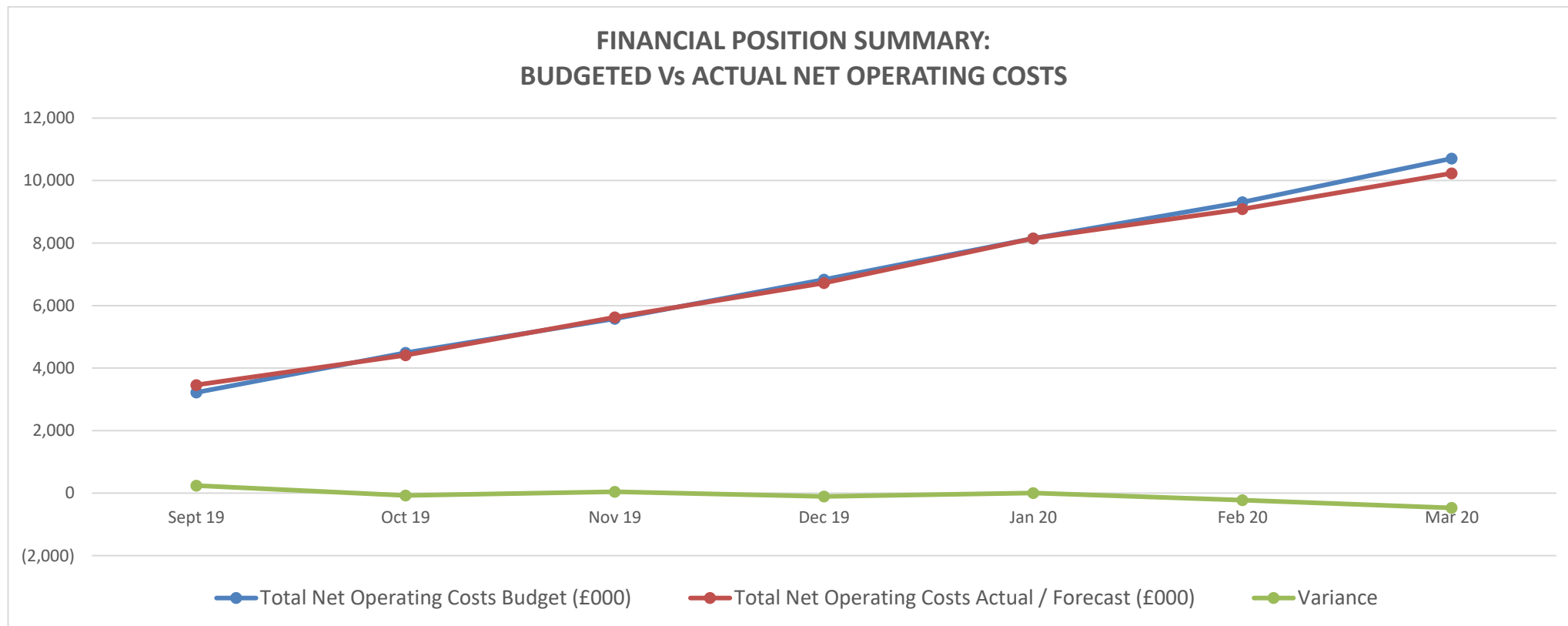
| | Sept 19 | Oct 19 | Nov 19 | Dec 19 | Jan 20 | Feb 20 | Mar 20 |
|---|---------|--------|--------|--------|--------|--------|--------|
| Total Gross Operating Costs Budget (£000) | 8,271 | 9,633 | 10,808 | 12,153 | 13,559 | 14,807 | 16,328 |
| Total Gross Operating Costs Actual / <i>Forecast</i> (£000) | 8,510 | 9,730 | 10,999 | 12,239 | 13,789 | 14,803 | 16,055 |
| Variance | 239 | 98 | 191 | 86 | 230 | (4) | (273) |

1.2 Fee & Other Income



| | Sept 19 | Oct 19 | Nov 19 | Dec 19 | Jan 20 | Feb 20 | Mar 20 |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Fee & Other Income Budget (£000) | 5,049 | 5,143 | 5,232 | 5,321 | 5,411 | 5,496 | 5,620 |
| Total Fee & Other Income Actual / <i>Forecast</i> (£000) | 5,048 | 5,319 | 5,376 | 5,517 | 5,641 | 5,715 | <i>5,820</i> |
| Variance | (1) | 176 | 144 | 196 | 230 | 219 | <i>200</i> |

1.3 Total Net Operating Costs



| | Sept 19 | Oct 19 | Nov 19 | Dec 19 | Jan 20 | Feb 20 | Mar 20 |
|---|---------|--------|--------|--------|--------|--------|--------|
| Total Net Operating Costs Budget (€000) | 3,222 | 4,490 | 5,576 | 6,832 | 8,147 | 9,311 | 10,708 |
| Total Net Operating Costs Actual / <i>Forecast</i> (€000) | 3,462 | 4,412 | 5,623 | 6,722 | 8,147 | 9,088 | 10,235 |
| Variance | 240 | (78) | 47 | (110) | 0 | (223) | (473) |

1.4 Other Non-Operational Costs

| | Bursaries | Practice Learning | Voluntary Sector Development Fund (VSDF) | Specific Grant Funded Projects | Total Non-Operating Expenditure |
|--|-----------|-------------------|--|--------------------------------|---------------------------------|
| Budget (£000) | 2,655 | 2,258 | 1,000 | 768 | 6,681 |
| Specific grant funding not required (£000) | | | | (6) | (6) |
| Grant funding not received until 2020/21 | | | | (33) | (33) |
| Grant funding for EXPO 2020/21 (£000) | | | | 30 | 30 |
| Actual / <i>Forecast</i> (£000) | 2,515 | 2,352 | 1,000 | 587 | 6,454 |
| Variance | (140) | 94 | 0 | (172) | (218) |

| Core Budget Summary (excludes VSDF & Specific Grants) | |
|--|--------------|
| | £000 |
| Budgeted deficits: | |
| Marketing campaign | 231 |
| Practice learning | 94 |
| Budget Deficit | 325 |
| In year operational underspend | (473) |
| In year bursaries underspend | (140) |
| Funding drawn down to support PGB | (129) |
| Total in year variance | (742) |
| Transfer to General Reserve | (417) |
| Grant in aid drawdown summary | |
| Grant in aid available | 15,519 |
| Grant in aid drawn down | 15,519 |

1.5 Projected General Reserve Position

| | General use £000 | Marketing Campaign £000 | Practice Learning £000 | Voluntary Sector Development Fund (VSDF) £000 | Specific Grant Funded Projects £000 | Total £000 |
|---------------------------------|------------------------|-------------------------------|------------------------------|---|---|---------------|
| Opening General Reserve Balance | (556) | (248) | (94) | 0 | (24) | (922) |
| Net Operating Expenditure | 9,742 | 493 | | | | 10,235 |
| Other Net Expenditure | 2,515 | | 2,352 | 1,000 | 587 | 6,454 |
| Total Expenditure | 12,257 | 493 | 2,352 | 1,000 | 587 | 16,689 |
| Grant Funding | (13,016) | (245) | (2,258) | (1,000) | (759) | (17,278) |
| Closing General Reserve Balance | (1,315) | 0 | 0 | 0 | (196) | (1,511) |

| | |
|--|-------------|
| %age of Gross Expenditure (target 2.44% to 2.93%) | 6.3% |
|--|-------------|

| | £000 |
|-------------------------------------|--------|
| Gross expenditure | 20,892 |
| Minimum target 2.44% (2% + £100k) | 509 |
| Maximum target 2.93% (2.5% + £100k) | 611 |

1.6 Finance Key Points:

| Issue | Extent of Issue Being Within Our Control | Likelihood of Issue Occurring | Impact of Issue Occurring |
|--|--|-------------------------------|---|
| 1 - Pay award | Approval received from trade unions | Certain | The costs of the pay award offer are included in the staff projection. |
| 2 - Staff Numbers – FTP staff not subject to vacancy management target of 4% due to higher number of FTP cases | Yes | Probable | An overspend of £196k is projected. This is unlikely to change significantly at this stage in the financial year. |
| 3 - Legal Consultancy overspend due to higher number of FTP cases | Yes | Certain | Currently £169k over budget. This is unlikely to change significantly at this stage in the financial year. |
| 4 – Panel Members for Hearings | Partial | Certain | An underspend of £227k is projected for panel member costs for: allowances £182k, training £31k and travel £14k. These are unlikely to change significantly at this stage in the financial year. |
| 5 - Registration Income | Partial | Probable | Due to greater than anticipated new registrations in the final quarter of 2018/19 fee income is projected to exceed budget by £152k. |
| 6 – Additional Grant in Aid | Yes | Certain | Business cases have been approved by the Sponsor Department to fund the temporary Infrastructure Delivery Lead, Interim Corporate Governance Manager and two pieces of consultancy work 1. to develop OD capability and 2. To establish a Programme Management Office (PMO)). The total additional grant in aid agreed for the aforementioned is £274k. |

| | | | |
|-------------------------------|-----|----------|---|
| | | | The Sponsor has also approved additional grant relating to business cases for digital development work of £390k. |
| 7 - Overall Budget Underspend | Yes | Probable | Projected overall underspend of £417k (£325k planned overspend offset by a £742k in-year saving). This in-year saving includes £350k funding to be carried forward for use in 2020/21 for: digital development projects £167k, Postgraduate Bursary hardship fund £129k and Post registration training and learning (PRTL) development work £54k. |
| 8 – Meeting General Reserve | Yes | Probable | Final outturn is projected to be a balance of £1,315k. This is 6.3% of gross budget and exceeds the target range of £509k (2.0% + £100k) to £611k (2.5% + £100k). |
| | | | |

Main reasons for projected in year savings of £742k

| | £000 | £000 |
|--|-------------|--------------|
| In year projected overspends | | |
| Fitness to Practise staff | 196 | |
| Legal Consultancy | <u>169</u> | 365 |
| In year projected underspends: | | |
| Hearings panel members | (227) | |
| Postgraduate bursaries | (140) | |
| Pay and grading contingency | (110) | |
| Registration restructure | <u>(82)</u> | (559) |
| In year projected underspends to be c/f to 2020/21: | | |
| Digital development projects | (167) | |
| Postgraduate bursary hardship fund | (129) | |
| PRTL development | <u>(54)</u> | (350) |
| Income in excess of budget: | | |
| Registration fees | (152) | |
| Modern Apprentice fees | (46) | (198) |
| Total projected in year saving | | (742) |

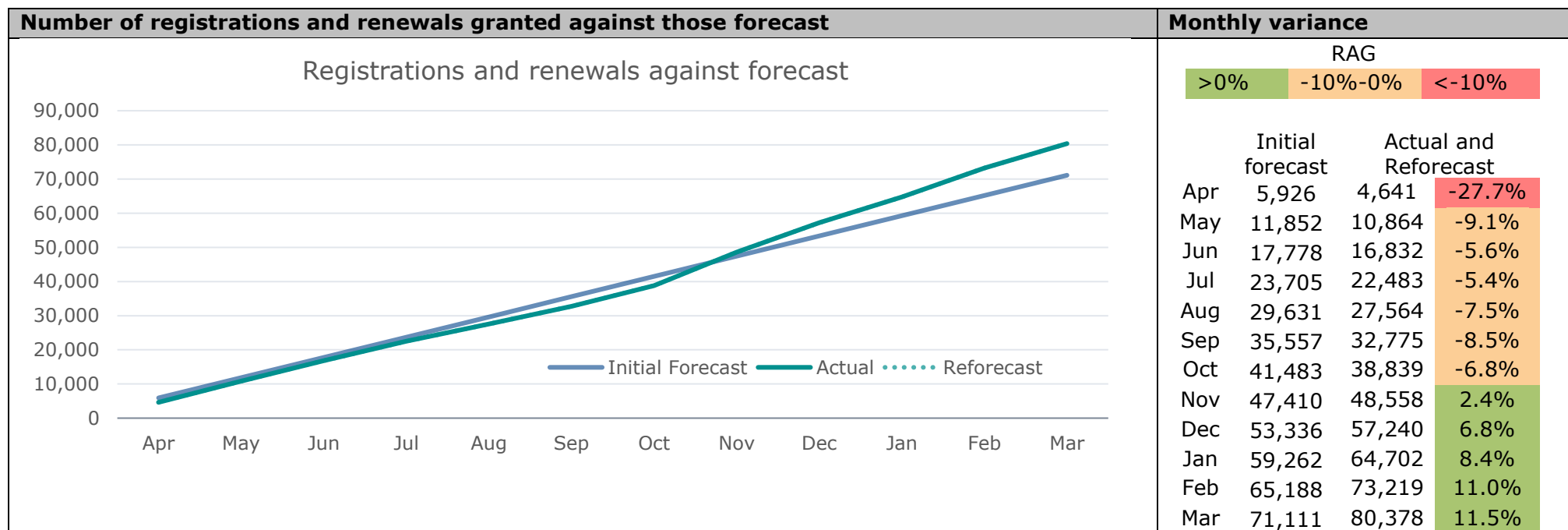
We have invested in additional resources of £365k to support fitness to practise in order to address workload concerns. We have received additional grant in aid from Scottish Government to address issues arising from last year's external audit. We are anticipating that total income will exceed budget by £200k which includes registration fee income £152k and modern apprenticeship income of £46k. We anticipate we will exceed our general reserve target and have reserve funding to support the digital development, bursaries hardship fund and PRTL development work in 2020/21. We have approval from the Sponsor Department to carry forward of underspends for use during 2020/21.

Projects Funded by Specific Grant:

Due to a delay in the confirmation of funding, an underspend is projected on specific grant funded work. The position has been discussed with the Sponsor Department and we have permission to carry unused funding forward to 2020/21 to ensure projects can be completed. Of the £172k projected carry forward from 2019/20 on specific grants, £175k relates to Workforce Development Grant work to be completed in 2020/21, £30k is for preparatory and other relevant activities towards the delivery of a social services EXPO in 2020/21 and these are offset by £33k for work completed on the Neighbourhood Care project in 2019/20 but funding will not be received until 2020/21.

2. Strategic Performance Indicators

2.1 Regulation: increase the amount of registrations and renewals granted



Assessment

This work reflects delivery of strategic outcome 1: the right people are on the register. The indicator measures our ability to process the amount of applications we are predicting to receive ensuring that the correct people are registered onto the register.

The reduction in demand but maintaining of output has meant that the Registration department now has capacity to support other pieces of work both internal to the SSSC and external such as our work on the recruitment portal.

The Registration department processed 7,159 applications in March. This is impressive considering the impact of COVID-19 on the SSSC. Despite having to change to a fully working from home model from the 17th March capacity was only down 10% compared to the last full week in the office. This is the equivalent of 162 applications a week.

Applications received dropped noticeably, in February we were receiving on average 271 applications in a typical weekday, for the first week in March this was 278 however as March progresses this slowly drops week commencing (wc) 9th March this drops to 217, WC 16th March, 118 and WC 23rd March 116. This represents a 57% reduction in applications received from the first week in the month to the last full week in the month. The reduction in applications is a result of COVID-19.

The numbers of unassigned applications and renewals in February was 2,432 and applications were just over two weeks old, our current position is that there are less than 284 unassigned applications and renewals to be processed and the oldest of these are 3 working days old. From next month we will also include our response to the COVID-19 pandemic including the impact of legislative actions.

Management Action and Risk

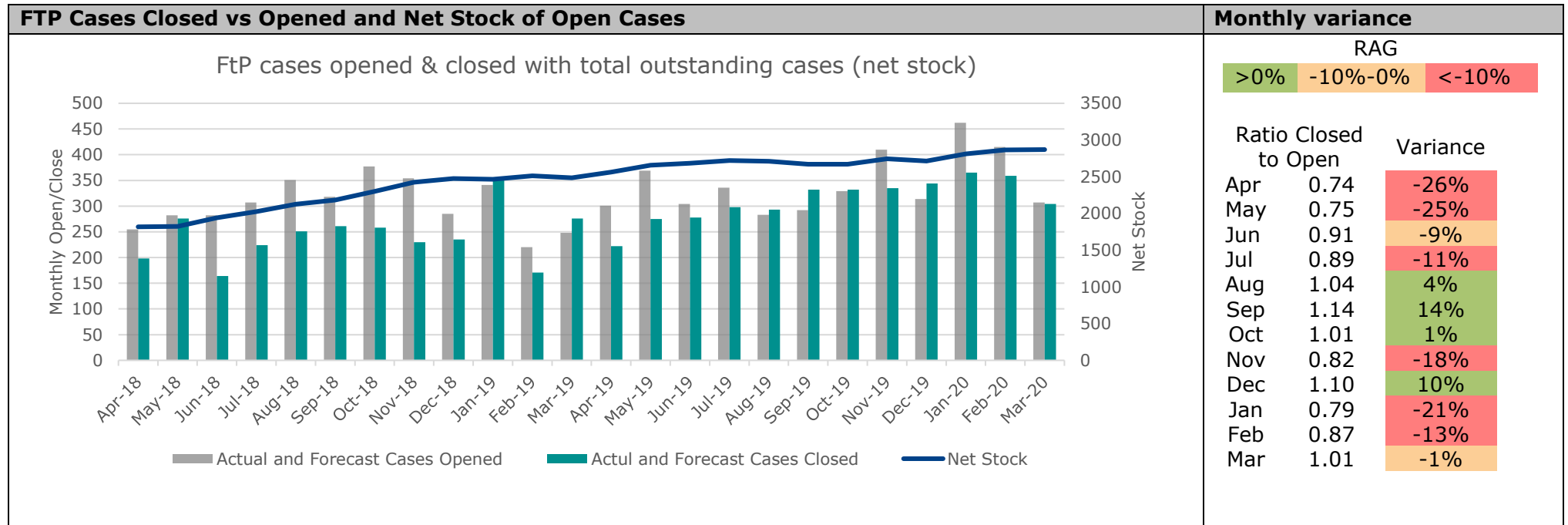
The indicator measures our ability to process the amount of applications we are predicting to receive ensuring that the correct people are registered onto the register. This indicator is linked to strategic risk 1, that failures in our regime of registration or fitness to practise leads to public protection failure, which is currently scored as 16 (red) based on assessment last month. The high score for this risk relates to the risks relating to the next indicator 2.2.

In response to the coronavirus there are a number of factors which will affect our performance:

- A new register part for Temporary Social Workers has been established through legislation. There are approximately 2000 people eligible to manage this register part. These will be new applicants to process.
- Work to encourage non-frontline social workers to be redeployed to the frontline
- Work to establish a portal with people who previously worked in social care and who are willing to be redeployed. There are approximately 50,000 people eligible. These people will not be registered but we will be carrying out pre-employment checks on them.
- A legislative extension to the time period for social care workers to obtain registration, from six months to twelve months. Combined with a message from us that we understand registration is not a priority.
- Some key agencies such as the Care Inspectorate and Disclosure Scotland are not accepting phone calls, so we are continuing to experience high call volumes.

This creates immediate additional work and delays some of our core work. We are starting work on recovery planning to address this.

2.2 Regulation: reduce the number of FTP cases open



Assessment

This indicator reflects our work to deliver to strategic outcome 1: the right people are on the register by measuring our ability to process Fitness to Practice cases, ensuring that any concerns about applicants or registrants are addressed efficiently and effectively.

In March 2020 we opened 307 cases which represents a 26% reduction on February's figure. This reduction is due to COVID-19 impact, before the full effect of COVID-19 was felt we were opening approximately 18.3 cases a day which would have meant opening 403 cases opened for the month. However, since COVID-19 we were opening approximately 12 cases a day, and this has

now dropped to 8.6-8.8 cases a day. Initially it appeared that the reduction was keener felt in application cases however both registrant and application cases have seen a similar proportional drop in cases opened by the end of March.

In March 2020 we closed 307 cases which is 13.6% below February but approximately 25% below were we predicted to be. Applicant closures were lower at the start of the month, approximately 5.1 case closures a day, however this could be down to resourcing challenges with sickness, annual leave and training high for investigation assistants at the start of the month. The next two full weeks applicant closures increased to 9.4 closures a day which is the same as the highest productive week in February. These closures will reduce in the next few weeks as we see applications reduce.

Registrant case closures were impacted for one week due to changes the SSSC made in relation to COVID-19. In the week the SSSC moved to working from home, WC 16.03.20, we saw closures reduce to 2.8 a day down from 11.6 a day two weeks prior. As well as disruption of moving to a working from home model we asked staff to stop sending anything out as we made changes to processes and communications. The following week WC 23.03.20 we saw closures increase again to 8.6 cases we will monitor case closures during this time and factor in a reduction in closures as part of our future return to the office.

Overall for the financial year 4,139 cases were opened against a model of 3,276 which is 26.3% more than predicted. The FtP with the help of mitigating management actions closed 3,726 cases across the year which is 13.7% above the model. However, it does mean that our overall net position will have increased by 413 cases over a 12-month period.

Management Action and Risk

This indicator reflects our work to deliver to strategic outcome 1, the right people are on the register, by measuring our ability to process Fitness to Practice cases, ensuring that any concerns about applicants or registrants are addressed efficiently and effectively. This indicator is linked to strategic risk 1 and risk 5, the SSSC does not have sustainable resources to support the delivery of Strategic Plan objectives (i.e. the strategic planning growth assumptions are not financially sustainable), which are both currently scored as 16 (red) due to the high risk to the public of us not delivering the expected volumes of cases.

Actions taken:

- Recruitment of temporary investigators, assistants and trainee solicitors
- Overtime available for all staff. Overtime is achieving equivalent productivity of four additional full-time staff

- Instruction of external legal advice to increase capacity of solicitors
- Commencement of new approach to early resolution of cases, which has increased the number of cases closed without requiring full investigation.
- Two court actions against Police Scotland to recover documents raised. One concluded the other in progress.
- Utilisation of capacity in the Registration Department to assist the Investigation Assistants, providing them with more capacity.
- Improved referral form to assist in providing us with key information at the outset.

Actions in progress

- Engagement with Investors In People about ways we can provide resilience support to staff.
- Discussion in progress with Scottish Government Improvement Team about commencement of a process improvement project in the new financial year. This will be picked up when we reach a point of stability in light of coronavirus.
- Discussion in progress with Sponsor Team about a new approach to complaints about Members of the Public. If successful, this will take approximately six months to implement.
- Opt-in Hearings commencement – although this has been delayed due to Scottish Gov capacity to deal with Rules in light of coronavirus
- Increase permanent staff base, which has been approved by Council in March. We are considering how to recruit and train in the current virtual environment.
- Ongoing discussions with Police Scotland and Scottish Government, regarding difficulties in obtaining evidence from them, alongside targeted court actions to recover documents. This has been delayed due to priority of responding to coronavirus. This will start again when we reach a point of stability in light of coronavirus.
- Improvements to the application for registration form to provide enhanced information at the application stage, to be introduced in May
- Recruitment to the Head of Fitness to Practise role, senior solicitors and solicitor recruitment

All of these steps are focussed on increasing staff capacity and reducing the staff input required to conclude each investigation.

CORONAVIRUS UPDATE

Actions Complete

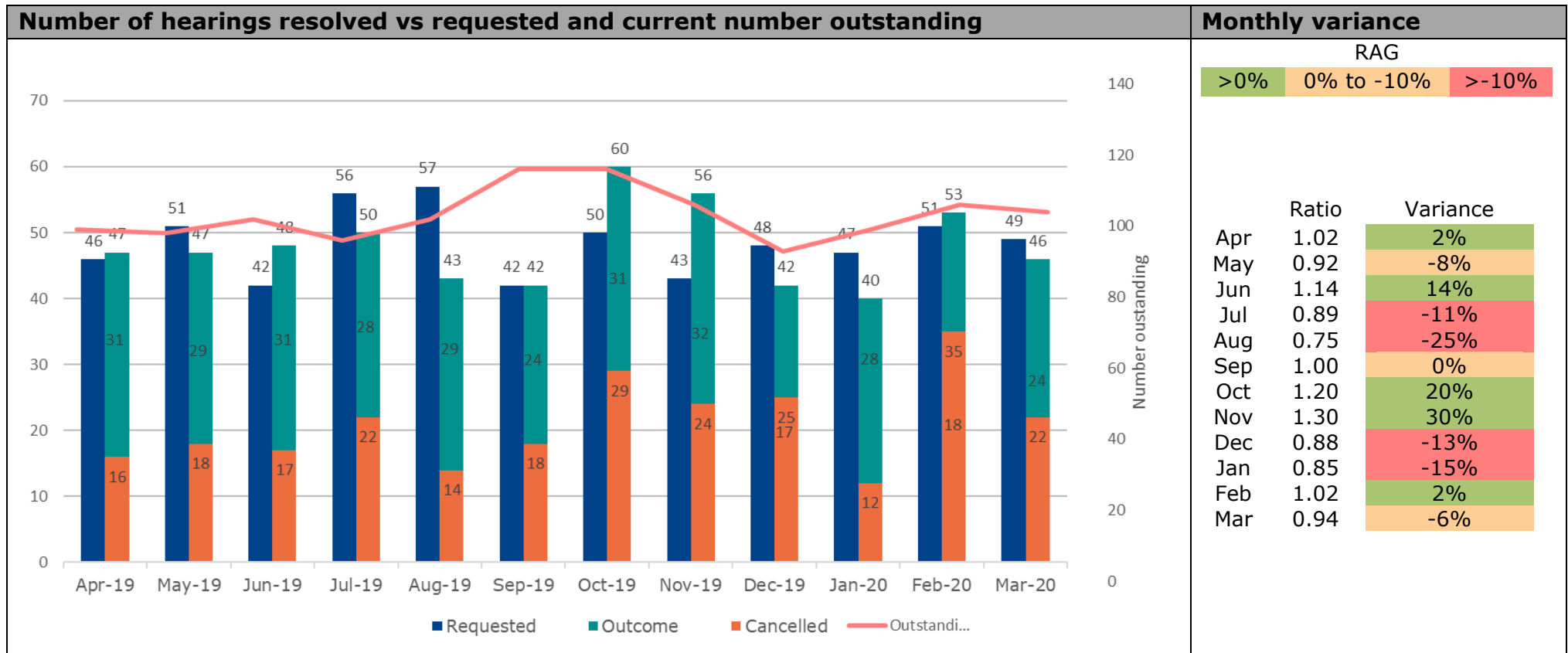
- New referral criteria focussed on high risk cases introduced on 27 March. This requires only high-risk cases be referred. This will reduce incoming cases and, whilst there will be a dip in staff capacity due to caring responsibilities, it should enable staff to have the capacity to progress existing cases where possible.

- Guidance on what can and can't be investigated. We will not be able to progress cases which are non-high risk and require input from employers.

Actions In progress

- Developing reporting so we can track the backlog
- Plan for managing a surge of referrals that may take place when we return to a level of stability.
- Plan for inducting and training new staff in virtual environment

2.3 Regulation: decrease the number of hearings outstanding and balance the monthly ratio



Assessment

This indicator reflects our delivery of strategic outcome 1, the right people are on the register, by measuring our ability to conclude hearings that have been requested, ensuring that the right workers are on the register, and that they have access to justice. We do this by reducing the number of hearings outstanding and delivering an equal number of hearings requested to be resolved each month.

This indicator takes into account hearings cancelled, as those hearings are in effect resolved, the hearing is concluded, and the person who is being investigated has a resolution.

Despite the circumstances March happened almost exactly as predicted, the predicted figures for requested and cancelled were exactly what we expected 49 and 22 respectively only difference was for the outcome figure which was 24 against a predicted 25. Due to COVID-19 all Impairment and Application hearings due to take place between 23 March and the end of May have been rescheduled. There was one Impairment Hearing and one Application Hearing due to start and conclude in March, both of these were moved to take place later in the year.

The impact of COVID-19 does not seem to have been felt for hearings cases in March as only two cases were impacted, as above. There will be a greater impact in April as 12 Impairment hearings have been rescheduled from April to later dates. For the financial year there were 582 hearings requested and during that time period there were 574 that had an outcome achieved, 8 cases represents 0.9% of cases requested throughout the financial year.

We anticipate that the number of open active hearings will remain between approximately 90-110 cases. Hearings have finished the financial year in a relatively comfortable position of resolving approximately the same amount that are being requested. This means that the net outstanding hearings will be relatively static.

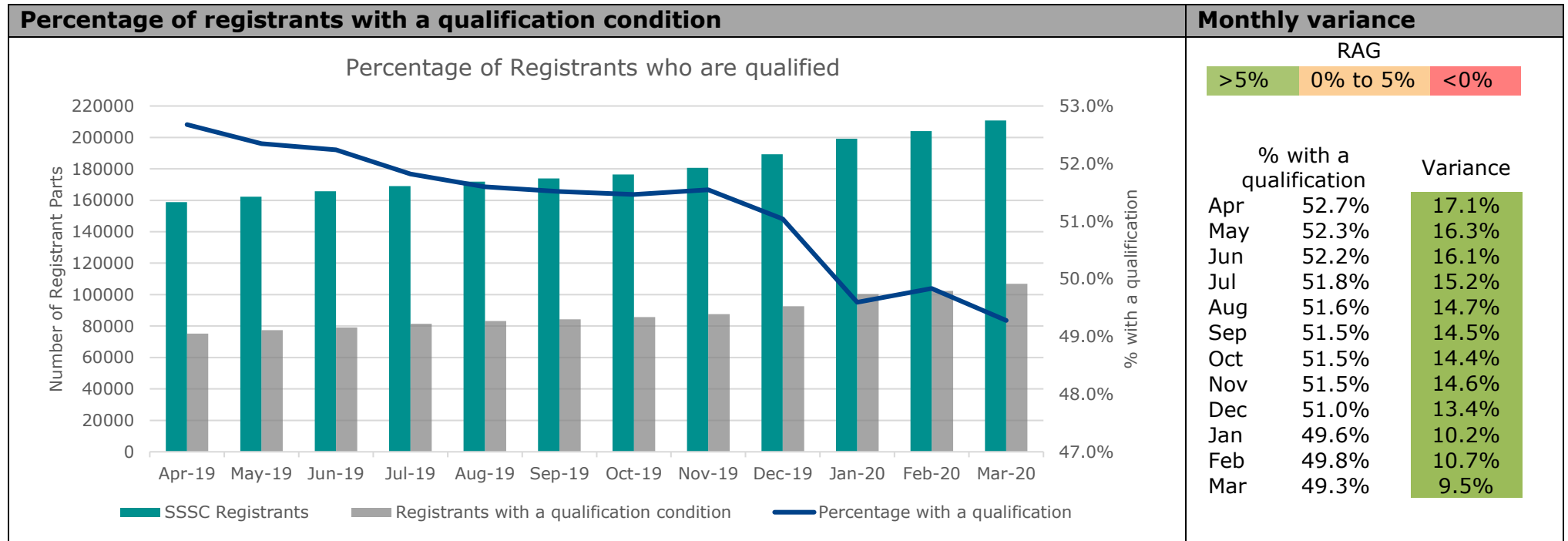
Management Action and Risk

This measure is linked to strategic risk 1 which is currently scored as 16 (red) due to the issues around Fitness to Practise case closures (indicator 2.2).

As a result of coronavirus social distancing we have cancelled all substantive Impairment and Application Hearings. Temporary Order and Review hearings have been taking place via Microsoft Teams. We are exploring how to hold Impairment and Application Hearings fairly, by getting feedback from panel members, views from union solicitors and feedback from other regulators who have held virtual substantive hearings. However, it is likely that there will be some hearings we will not be able to hold virtually due to the number of witnesses involved.

We are therefore starting to explore the steps we can take to manage the backlog of hearings as restrictions are lifted including using additional venues and increasing the number of staff who can clerk hearings.

2.4 Development and Innovation: increase the percentage of the registered workforce with the correct qualification



Assessment

This measure reflects our delivery of strategic outcome 2: our standards lead to a safe and skilled social service workforce, by measuring the proportion of the registered workforce who have achieved the correct qualification.

As previously highlighted the percentage of the registrants with a qualification is on a decreasing trend however this is still within the agreed standards. Since the start of the financial year we have seen the percentage of registrants with a qualification decrease from 52.7% to 49.3% in March this is a drop against 3.4%. However, during this time we have seen the overall number of individuals on the register increase by 28,666 this is mostly due to the new parts of the register workers in a housing support service (HSS) and workers of a care at home service (CAS).

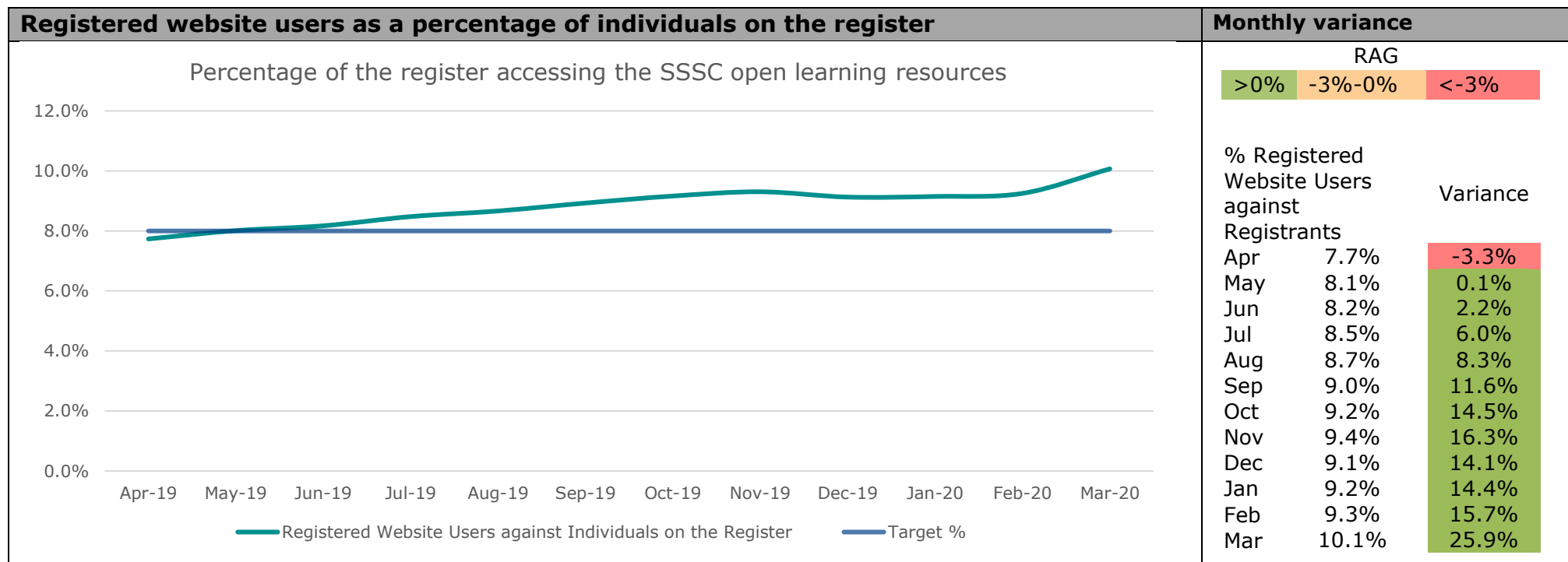
During the financial year there has been an increase of 36,426 registrations with qualification conditions, of this HSS and CAS make up 34,152 which is 93.8%. However, of the 23 registered parts only 5 have seen an overall reduction in the number of registrants with a qualification condition.

Management Action and Risk

This work is linked to strategic risk 4, the qualifications framework and workforce development products we produce do not meet the needs of employers and social service workers, which is currently scored as 12 (red).

As part of COVID-19 measures the time frame for registrants who do not meet their qualification condition deadline will be extended by 12 months and new registrants have 12 months to get registered. We are working with partners including HEIs, SDS and SQA to support flexible ways of individuals being able to evidence their competency when placements/ work-based programmes have been interrupted. The ELC expansion deadline no longer applies and therefore there will be a delay in further PDCCS registrants. We will monitor the impact of all these decisions breaking this down by register part and renewal dates to assess the impact and to understand the trends in terms of groups and deadlines for achieving qualifications.

2.5 Development and Innovation: increase the percentage of the register who access our learning resources to support their CPL



Assessment

This SPI reflects our delivery of strategic outcome 3: our resources support the professional development of the social service workforce. The indicator reflects the number of registered users on our learning website.

We have had 1,659 new learner accounts in March which is a large increase on all previous months almost a fourfold increase on February's data. We've also seen 1,346 badges awarded, broken down into 1,203 SSSC badges and 143 Health and Social Care Standards badges again this is a large increase from February's position of 424 in total.

As a result of the new learner accounts we have approximately 10.1% registered website users in comparison against individuals on the register, which means we finish the financial year in a strong position against our target of 8%.

Management Action and Risk

This measure is linked to strategic risk 4, which is currently scored as 12 (red).

The surge this month has been directly related to COVID-19 measures where ELC staff in particular have been furloughed and have been asked by their employers to focus on their CPD and our open badges have been referenced within national guidance we have produced in partnership with NES to support those new to the sectors, redeployed or volunteers. The increases in new users provides us with an opportunity to keep registrants engaged and signpost to our other resources.

We are developing the MyLearning app which will be ready in June which will replace the current system for registrants recording their PRTL. This will allow us to see and report more accurately on the number of new users, the number of people using our resources to evidence their CPD and what resources they are using. The app also allows us to push through notifications and target what resources we think are relevant. We will be communicating and engaging with the sector on the functionality of the app and highlighting it as the means for regarding PRTL from Sept 2020 onwards so we would anticipate an increase of users and will need to configure our baseline and targets accordingly.

3. Current Strategic Risk Register

New, Emerging and Changed Strategic Risk identified in March 2020

This is the last month reporting against the current risk register. There are no changes to scores to the end of March. The new strategic risk register will be used for April 2020 assurance reporting.

A new risk for the impact of global pandemic COVID-19 has been added to the new strategic risk register for April 2020.

| No. | Risk | Related SPI | Strategic Outcome | Lead Officer | Raw Score (LxI) | Raw Grade | Residual Score (LxI) | Residual Grade |
|-----|---|--------------------------|-------------------|--------------------------------------|-----------------|-----------|----------------------|----------------|
| 1 | That failures in our regime of registration or fitness to practise leads to public protection failure. | 2.1 2.2 2.3 2.4 | 1.5 | Director of Regulation | 20 | Very High | 16 | High |
| 2 | The SSSC is not able to demonstrate to our stakeholders (including SG) that its operational activity is fulfilling its strategic outcomes. | N/A | All | Director of Strategy & Performance | 12 | High | 9 | Medium |
| 3 | Ineffective working relationships with partner bodies impact significantly on our ability to deliver our organisational objectives. | N/A | 5.6 | Chief Executive | 16 | High | 12 | Low |
| 4 | The qualifications framework and workforce development products we produce do not meet the needs of employers and social service workers. | 2.5 2.6 | 4 | Director of Development & Innovation | 16 | High | 12 | Low |
| 5 | The SSSC does not have sustainable resources to support the delivery of Strategic Plan objectives (i.e. the strategic planning growth assumptions are not financially sustainable). | Section 1 | 7 | Director of Corporate Services | 16 | High | 12 | High |
| 6 | The SSSC experiences disruption or loss or reputation damage from a failure in its ICT systems, | N/A | 7 | Director of Strategy & Performance | 20 | Very High | 9 | Medium |

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| physical security or information governance arrangements. | | | | | | | |
|---|--|--|--|--|--|--|--|

Scoring Grid

| | | | | | | |
|--------------------|------------------|-----------------|---------|------------|---------|----------------|
| Probability | 5 Almost Certain | 5 | 10 | 15 | 20 | 25 |
| | 4 Likely | 4 | 8 | 12 | 16 | 20 |
| | 3 Possible | 3 | 6 | 9 | 12 | 15 |
| | 2 Unlikely | 2 | 4 | 6 | 8 | 10 |
| | 1 Rare | 1 | 2 | 3 | 4 | 5 |
| | | 1 Insignificant | 2 Minor | 3 Moderate | 4 Major | 5 Catastrophic |
| Impact | | | | | | |