

Title of report	Annual Review 2021/22 - Shared Services – SSSC and the Care Inspectorate (CI)
Public/confidential	Public
Summary/purpose of report	For Council to endorse the 2021/22 annual review of shared services.
Recommendations	The Council is asked to endorse the 2021/22 annual review of shared services.
Author	Kenny Dick, Head of Shared Services
Responsible Officer	Lynn Murray, Interim Director of Finance and Resources
Link to Strategic Plan	<p>The information in this report links to all four outcomes:</p> <p>Outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise.</p> <p>Outcome 2: The SSSC supports and enhances the development of the registered workforce to deliver high standards of practice and drive improvement.</p> <p>Outcome 3: Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.</p> <p>Outcome 4: The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives.</p>
Link to Risk Register	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.
Impact assessments	<ol style="list-style-type: none"> 1. An Equalities Impact Assessment (EIA) was not required. 2. A Data Protection Impact Assessment (DPIA) was not required. 3. A Sustainability Impact Assessment (SIA) was not required.

Documents attached	<p>Appendix 1: SSSC Shared Service Performance 2021/22 – Scoring from Interim Director of Finance and Resources</p> <p>Appendix 2: Shared Services risk register at April 2022</p>
Background papers	Link to Council Report 21/2021 with appendices

EXECUTIVE SUMMARY

1. We have carried out an annual review of shared services following revised arrangements from 1 April 2021. We have made good progress and will continue to update the improvement plan.

BACKGROUND

2. SSSC has shared services with the Care Inspectorate from 2001 ie Finance, HR, Procurement, Estates and Health and Safety. Following recommendations in a CIPFA report in 2020 both organisations agreed to strengthen governance arrangements and the SSSC Council approved the following governance documents in May 2021 with the Care Inspectorate Board approving in June 2021:
 - shared services strategy
 - management agreement
 - performance measures
 - risk register.
3. The revised shared services arrangements were in place from 1 April 2021. Henderson Loggie, internal auditors for the SSSC and the Care Inspectorate carried out an audit of documentation in two phases. The phase 1 review on governance documents rated the overall level of assurance as satisfactory and we implemented all their recommendations in the final documents. The phase 2 review on operational documents rated the overall level of assurance as good and there were no further recommendations to implement.

ANNUAL REVIEW OF SHARED SERVICE ARRANGEMENTS

Review Meetings

4. The Shared Services Review Board comprises the Chief Executives of the SSSC and the CI, the Interim Director of Finance and Resources at SSSC, the Executive Director of Corporate and Customer Services at the CI and the Head of Shared Services. The Board met three times to discuss quarterly performance for 2021/22, although one meeting was not quorate. These meetings were positive with no significant issues raised. The quarter four meeting also served as an annual review and the group reflected that the governance and operational arrangements were working well and that there was evidence of improved performance over the period with the Head of Shared Services putting in place an improvement plan that considered feedback from internal customers.
5. The Shared Services Oversight Group (SSOG) has the same membership as the Review Board, excluding the Chief Executives. The Group met regularly throughout the year to monitor performance, risk and use of resources and worked to constructively resolve any issues that arose during the year.

6. The SSSC Convener and the Chair of the CI Board met with the Chief Executives of both organisations, the Interim Director of Finance and Resources at the SSSC and the Executive Director of Corporate and Customer Services at the CI on 17 May 2022. Directors made a short presentation on what has gone well and what we need to keep working at. The Convener and Chair considered that the shared service arrangement is making good progress.

Performance

7. The Council agreed a range of performance measures at its meeting on 27 May 2021. The Interim Director of Finance and Resources at SSSC, with input from the Executive Management Team, and the Executive Director of Corporate and Customer Services at the CI evaluated performance of the shared service every quarter and the Head of Shared Services shared this information with shared services staff and acted in response to feedback.
8. The Head of Shared Services collated key performance information for the year to 31 March 2022 and reported to the Shared Services Review Board. We have included the results for SSSC, based on scoring by the Interim Director of Finance and Resources, at Appendix 1. Performance was good in most areas. We will use the performance monitoring work to inform service improvements.
9. The Head of Shared Services sent a customer feedback survey to key users in SSSC and the CI in June 2022. Based on returns from 19 SSSC staff, the average scores for specific shared services questions increased from 3.4 out of 5 in 2020 to 3.7 with only 5% (1 person) of those surveyed expressing dissatisfaction compared to 54% in 2020.
10. The SSOG monitored the risk register agreed by the SSSC Council and CI Board throughout the year. The risk register monitoring template at April 2022 is attached at Appendix 2 and a summary of movements is included at paragraph 14 in this report.

Update to documentation

11. The management agreement covers a three-year period. Both organisations agreed to annually review and update the document, if necessary. Given that internal audit's phase 2 joint review of shared services was reported to the Audit and Assurance Committee on 2 November 2021, we will carry out the first review of the management agreement and operational documents and make any changes in advance of 1 April 2023, in consultation with colleagues in SSSC using shared services.

CONSULTATION

12. We have consulted on the shared services arrangements with colleagues on the Operational Management Team and Executive Management Team throughout the year.

RISKS

13. Although shared services support delivery of all our organisational functions with links to all risks, we have included shared services in risk 3 of the strategic risk register: we fail to meet corporate governance, external scrutiny and legal obligations. We have an averse appetite to this risk.
14. The risk register for shared services at April 2022 is included at Appendix 2. The SSOG monitored the risk register agreed by the SSSC Council and CI Board throughout the year. Risk 3 - Terms and Conditions Variances increased in risk score but remains at the target level of medium. The increase is due to the SSSC and CI taking a different approach to reviewing reward and the potential for the cost-of-living crisis to mean that the SSSC and CI agree different pay awards. Risk 6 - HR capacity has reduced from high risk to medium risk and is now within tolerance level. This is due to implementing the new HR structure and appointing staff to permanent contracts.

IMPLICATIONS

Resourcing

15. SSSC had a budget of £1.0366m for 2021/22 for staff in shared services, which is 53% of the total cost of shared services, and actual costs were £1.0367m (subject to audit). There is a greater proportion of costs for SSSC due to the number of staff in the Transactions Team processing a high volume of invoices for registration fees.
16. CI recharged SSSC £0.521m for rent, rates and various other services, which is £0.011m less than budgeted. SSSC is billed directly for Quadrant House.

Compliance

17. There are no specific legal implications arising from this report.

IMPACT ASSESSMENTS

Equalities

18. As this is an internal governance matter, an Equalities Impact Assessment was not required.

CONCLUSION

19. We ask Council to endorse the annual review of shared services, which shows that we have made good progress in the 2021/22 financial year.