Disclosure Scotland Board Meeting

Wednesday 31 January 2024: 10am to 1pm

Hybrid Meeting - Pacific Quay Boardroom/Microsoft Teams

Minutes of meeting

Present:

Gerard Hart	Chief Executive/Chair
Laura Robertson	Deputy Chief Executive
Nicola McBain	Director of Corporate Services
Kathleen McInulty	Director of Safeguarding Operations
Kevin Lee	Interim Director of Policy and Customer Engagement
Andrew Cunningham	Interim Director of Digital
Keith Rosser (KR)	Non-executive Director
Lesley Muirhead (LM)	Non-executive Director
Martin Gallagher (MG)	Non-executive Director
Morven MacLean (MM)	Non-executive Director
Christopher Wroath (CW)	Non-executive Director

In attendance:

[REDACTED]	Head of Change Management
[REDACTED]	Head of Finance

Apologies:

Lynne McMinn	Interim Strategic Director – Digital Programme Delivery
Alastair Sim	Non-executive Director

Secretariat:

[REDACTED]	Governance Manager
[REDACTED]	Assistant Governance Manager

Item 1 - Welcome and apologies

The chair welcomed everyone to the meeting and noted the above apologies.

Item 2 - Register of interests

None.

Item 3 - Previous minutes and action register

The minutes were agreed as a true reflection of the previous meeting.

The Governance Manager provided an update on open actions.

The Deputy Chief Executive provided a verbal update on Action A9 - Target Operating Model next steps. Sessions have been held with Heads of Department, who have been commissioned to look at how activities in their business delivery

plans strategically align with the specific objectives and targets set out at a high-level in the current TOM. The Leadership Team have a session scheduled in February to discuss how we articulate the asks and ensure any gaps in understanding are addressed. A further update will be provided to the Board following the output of this session.

Item 4 – Chief Executive update

Performance in terms of production and the barring service remain at a good level. Figures are still at a top end of our performance curve, and we are comfortable with our delivery. We are staying on top of barring decisions and making significant improvements in this area.

The Deputy Chief Executive agreed that we continue to perform very well. A particular success is how much work we have done with regards to Ongoing Monitoring. We have recently reprioritised our timescales around this. Last week we were completely up to date on Scottish systems – this is a significant demonstration of the time the team have put in to prioritising Ongoing Monitoring.

CW asked what had been affected by this prioritisation.

The Deputy Chief Executive advised that temporary staff were recruited for a period of time to specifically address the backlog. This is no longer the case. The Service Level Agreement (SLA) has also risen slightly; however, this is not a concern as our SLA is 14 days and we still are well within this. We had to view things holistically as opposed to disclosure production and Ongoing Monitoring being viewed separately.

The Chief Executive noted that this highlights that we are moving away from the idea of Disclosure Scotland as a factory which produces certificates, to an organisation which carries out a safeguarding operation. Ongoing Monitoring is very important, and we need to grow public consciousness about this.

The Director of Safeguarding Operations added that the results are a cumulative effect of process improvements and targeted exercises.

MG raised whether there is an opportunity in terms of communications around how important ongoing monitoring is given recent press coverage about the challenge of vetting and ongoing monitoring for police officers in the UK.

The Chief Executive agreed that it was worth exploring discussions regarding police officers and PVG membership.

Action/01/January24: Chief Executive to speak to CEO of the College of Policing regarding membership of PVG scheme.

The Chief Executive briefed members on a recent technical issue. The Interim Director of Digital advised members of the plan of action and current position in relation to the issue identified.

In terms of financial position, we have been scrutinising our pressure and examining our costs to identify options. We have validated to the extent that we can that there is ministerial awareness of our significant unfunded pressure and the potential implications of this.

Delivery clarity is also increasing massively as Digital work to set out a prospectus for what we will deliver and when. We are seeing clarity now around costs, savings and the trajectory for delivery which is a massive improvement.

The Deputy Chief Executive noted that basics automation went into our live operational system. The full impact of this will be analysed over the coming weeks.

The Chief Executive highlighted that in the last month we have had three significant releases. This is the new cadence for releases – we are going for short, sharp release cycles which will help us move forward.

CW asked for clarification on how the Board is currently being asked to support the Accountable Officer in the decisions that have to be made, and whether these are now about how to save money rather than the service.

The Chief Executive confirmed that we are a values-based organisation. We will never compromise on the safeguarding of children and vulnerable adults. We will do what we can to save money and contribute to the bigger picture of the civil service, but not at the expense of our fundamental safeguarding values.

CW welcomed this.

The Chief Executive provided an update on engagement with organisations in terms of digital changes and the need to adapt their approach.

Action/02/January24: Director of Corporate Services to add information regarding previous briefings in the current Ministerial submission being prepared.

Action/03/January24: Governance Manager to arrange meeting for Chief Executive with DD in the Third Sector unit.

Item 5 – Horizon scanning

CW noted the need to be aware of the current environment.

Item 6 – Finance update

The Head of Finance provided the Period 9 Update.

All RAG statuses are now green because our Spring Budget Revision funding was confirmed.

Revenue has not changed since November. Capital has slipped slightly, partially due to festive leave.

Discussions have taken place on how to ensure we are in the best position possible for next year.

We are running two platforms which is one of the big costs. The Head of Finance has been working with the Interim Director of Digital on implementing savings plans.

In terms of income, we have mostly been ahead and have been able to release excess income.

To date, £102.8k of free Childcare applications have been completed. We are reimbursed for these applications by the relevant department.

Basics and PVG were lower than expected in December with only 90% of what was predicted, so this is being kept in view. We are not overly concerned, however, as this appears to have bounced back.

Digital Programme work remains the most complex area in terms of budget and the revenue/capital split.

We are still working on the platform migration plan for next year. Once that is complete, we will have much more clarity.

The Head of Finance advised that we have broken phase 2 of platform migration into increments which are either capital or revenue and shared this plan with auditors.

The Deputy Chief Executive highlighted that having this type of scrutiny across the budget and spend-type is required as depending on the articulation of the platform migration task, it could go either way. Getting it wrong means readjusting our budget lines for revenue and capital. We need to make sure the plan is robust, and that the articulation and categorisation of the work is as accurate as possible.

Item 7 – Risk Strategy review

The Risk Management Strategy review was discussed at the Audit and Risk Committee in January.

The approach taken across Disclosure Scotland is currently aligned to standard Scottish Government methodology. We have been considering our risk approach and whether it is working for Disclosure Scotland within the context we operate in, and by looking at the benefits and disbenefits of that approach.

Risk identification has been strong within Disclosure Scotland, but the area of concern is around risk management.

There is agreement across the Leadership Team that Disclosure Scotland can improve on the current methodology and introduce a method that truly allows us to consider the complexity of a risk and aid targeted action through a more qualitative approach.

There needs to be recognition that risks do not necessarily sit in one category. Each risk will be assessed across a number of risk elements.

Initial focus will be on the Corporate Risk Register. Discussions have taken place regarding how escalation and de-escalation works and some testing has been carried out.

We have looked at every risk on the Corporate Risk Register and assessed it using this methodology. We have identified four or five that can be de-escalated to local level without any concerns. The methodology therefore seems to focus on the right risks. However, there may some gaps. The intention is to bring the risk strategy to the Board away day to get members perspective on this and do a gap analysis.

For each risk, there will be a more detailed risk management plan which sits under that.

The Corporate Risk Review Group (CRRG) will remain and we are having wider discussions with Risk owners on the perception of risk.

The Director of Corporate Services has shared the methodology with other Scottish Government agencies for peer review. Responses have been positive and there is interest in how it progresses. It has also been reviewed by Internal Audit who are comfortable with us testing this approach.

Internal Audit will conduct a review of the strategy next year.

The ARC are also comfortable with the approach. The only concern raised was whether we could revert back if necessary. The ARC and CRRG will serve as checkpoints.

Action/04/January24: Director of Corporate Services to share Corporate Risk Register with Board members as an out of committee paper.

The Director of Corporate Services noted that is important that the Board have oversight of risk strategy and actively play a part in this.

The Chief Executive highlighted the need to understand where the precise risk exists within each quadrant as a risk management strategy cannot be accurately tailored to the importance and proximity of the risk without this understanding.

CW welcomed the re-evaluation of the risk strategy. Board members need evidence-based reporting in order to understand what the risk is. There is also an opportunity regarding how we structure all of the information that is being collected in a way that is standardised, accessible and in the same technology environment.

KR feels assurance is good in terms of peer review and Internal Audit input and asked if there is anyone else we should be consulting about this given it is a deviation from Scottish Government practice. KR also noted the ARC concern about

being able to revert back to previous methodology and asked what the trigger points for this would be.

The Director of Corporate Services advised that once the new register is in place this will trigger discussion on whether it is the correct way forward, what the gaps are etc, and what the indicators are that show us the change is making a difference.

The Leadership Team, CRRG and ARC will keep a back register we can revert to if needed.

KR asked whether there could be potential issues with engagement once this change is implemented.

The Deputy Chief Executive noted that there is good theory around the approach. It is a construct that allows us to better manage our organisation and get better outcomes. It is about ensuring our people have the toolkit that they need to fully understand the term 'risk management'. This new approach allows us to regroup. Using a methodology that does not work for us does not engage people either, so while there is a risk which we need to be cognisant of in introducing a new methodology, it is also an opportunity.

The Director of Safeguarding agreed that this may engage people in a way they have not been engaged with risk before.

KR made a minor point that they felt the benefit was undersold on the cover paper and should be bigger. KR also raised de-escalation after two consecutive months at green and whether recently removed risks could be missed depending on when the ARC meeting falls. The Director of Corporate Services confirmed we can look at sequencing.

MM asked whether there is a framework around risk appetite and if there is an organisational understanding of this.

The Chief Executive acknowledged that it can be difficult to get a consensus around risk appetite and instructed that there should be a deep dive on risk appetite with the Board, modelled around scenarios that could emerge and the risk appetite that would evolve from these.

Action/05/January24: Deep dive session to be arranged on risk appetite, focusing on scenarios that could emerge in each quadrant.

Item 8 – Change delivery and assurance update

The Head of Change Management advised that there is no highlight report for this period as we are in the process of introducing the Change Portfolio Board. A highlight report will be presented to the Change Portfolio Board on 15 February 2024. It will then be shared with the Leadership Team and Board.

The overall portfolio remains as red due to on-going delays across all digital projects, requirement to re-baseline business cases and budget position currently for 2024 to 2025.

Re-baselining work is nearing completion. Online Accounts is complete and will go to the Digital Programme Board in February for approval. Some work remains ongoing around the platform re-engineering business case.

There is a summary of key milestones on the paper circulated. The Head of Change Management called out that the defects identified within Vetting Increment 1 have been resolved and tested, and the increment has been re-deployed as of 15 January.

Vetting Increment 2 – Process Basics – went live on 31 January and is being monitored closely.

A detailed retrospective was carried out on the defects identified in increment 1. Main outcomes of this exercise were reviewing the full life cycle of how work is released, review of testing scenarios, and lessons learned around defect prioritisation.

The current position on the Disclosure Act Programme is green.

The current position on the Digital Programme is amber.

The Head of Change Management provided an update on the work being done by Scott Logic to support and drive forward solutions to these challenges in digital by building on previous research and recommendations which they provided Disclosure Scotland in Summer 2023. We are already seeing positives from this.

The Change Management Team are also looking at governance and how we can be making improvements in this area.

KR asked about getting to the final cost of the digital projects and if we are concerned about this.

The Deputy Chief Executive advised that work is fairly progressing. For example, we have a platform re-engineering proposal that demonstrates the full cost of all of the work with a breakdown of capital and revenue. The piece we need our accountants and change team to put together is how we present this as part of a bigger picture to deliver the objectives. We are at a much more detailed and advanced level of planning than ever before. There will be a deep dive on this at the Change Portfolio Board in February.

The Chief Executive highlighted that is it evident that there has been good progress and movement which is very positive.

Item 9 – Strategic session – Deep dive on budget 2024 to 2025

The Head of Finance introduced the session and provided members with background information on how the budget ask was formulated.

We are working to review the budget ask to further refine this where possible, but there is a number of financial obligations we must meet.

To manage unfunded pressures in 2024 to 2025 we have requested a letter of comfort, this has also been recommended by audit.

The Director of Corporate Services confirmed that we have been very proactive in engaging with the Department of Children and Families and the finance leads regarding our approach.

We need to be very clear to ministers on what we have been allocated and that the unfunded pressures are to a level that may require key decisions to be made.

We are looking at early March 2024 before we understand what the letter of comfort will provide.

In terms of strategy, we are putting up a submission to the Minister highlighting the position we are in. If we feel there is a risk regarding decisions that need to be made, we will put up another submission.

MG asked whether there are other Accountable Officers in the same position. The Chief Executive confirmed that there are others in the same position across government.

The Deputy Chief Executive noted that the key points to focus on in this session are:

This is the first year where there are unknowns around whether or not the pressure will be met in the mid-year budget review.

Baseline operating costs – we have a pressure on expenditure, coupled with the fact that our baseline operating costs have increased by around 20% of our overall operating budget. Some of these are within our control and some are not, and some are subject to options while others are not.

The questions to Board members are:

- Is the proposed strategy the right strategy in terms of how we engage with Ministers and the centre, and in how we articulate the choices we may have?
- Are there any choices that we are not thinking about?

CW felt the strategy is correct. We must clearly articulate the context and real-life impacts.

Accountability was also discussed and the need to understand the responsibility for the decisions being made within the context of safeguarding.

The Chief Executive noted that we need a specific, documented plan for what we do in every scenario, communicate this properly, and then deliver.

LM agreed that the approach is correct in terms of an exposition of the issues until we have enough information on our choices.

Engagement with ministers was discussed.

The Deputy Chief Executive noted that we need to understand the detail that underpins the options that we are asking ministers to consider and emphasise our role in protecting children and adults.

KR suggested highlighting how slowing down our service has wider impact.

LM noted that there are options and choices around the way things are implemented in terms of timing and sequencing. There will be questions around this. Also welcomes continuing discussions as the Board should be part of this process.

The Deputy Chief Executive agreed that impartial and fresh advice around the robustness and feasibility of any options we consider is needed and welcomes continued discussion and challenge.

Item 10 – AOB

Members were invited to provide any feedback on below the line papers to the Corporate Governance Team.

Date of next meeting: 27 March 2024.

Disclose, Protect and Promote

New actions

ID	Date Assigned	Assigned To	Agenda Item	Description	Source	Status
A16	Jan-24	Governance Manager/Chief Executive	Chief Executive update	Chief Executive to speak to CEO of the College of Policing regarding membership of PVG Scheme.	DS Board	**New**
A17	Jan-24	Director of Corporate Services	Chief Executive update/Budget submission	Director of Corporate Services to add information regarding previous briefings in the current Ministerial submission being prepared.	DS Board	**Complete**
A18	Jan-24	Governance Manager/Chief Executive	Chief Executive update/Budget submission	Governance Manager to arrange meeting for Chief	DS Board	**Complete**

ID	Date Assigned	Assigned To	Agenda Item	Description	Source	Status
				Executive with DD in the Third Sector unit.		
A19	Jan-24	Director of Corporate Services	Risk Strategy review	Director of Corporate Services to share Corporate Risk Register with Board members as an out of committee paper.	DS Board	**New**
A20	Jan-24	Director of Corporate Services/Governance Manager	Risk Strategy review	Deep dive session to be arranged on risk appetite, focusing on scenarios that could emerge in each quadrant.	DS Board	**New**