



**SCOTTISH SOCIAL SERVICES COUNCIL  
ANNUAL REPORT AND ACCOUNTS  
1 April 2012 – 31 March 2013**

The Accountable Officer authorised  
these financial statements for  
issue on 29 October 2013

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## **1. CONVENER'S FOREWORD**

This is the last annual report I will present as my time as Convener of the SSSC comes to an end. Our ambition is for a world-class, skilled and confident workforce, delivering services that meet the expectations and needs of people using services, carers and Government.

Reflecting on our progress and achievements towards this over the last year and over my time as Convener, I am struck by two things in particular. The first of these is the drive and commitment shown by people working in social services to do everything they can to improve outcomes for the people of Scotland. The second thing is that none of these challenges can be faced either in isolation or by any one organisation or individual.

This is about bringing together the right organisations and people in strategic partnerships and collaborations. It is also about looking at the small things that will make a big difference and I am very pleased that the SSSC is leading on new and different ways to do this.

This year we set a challenge for ourselves and for people working in social services to work with us to identify key issues which, if we can find a way to solve them, will make a real difference. Using service design techniques and an online ideas platform, hundreds of people who would not otherwise have been able to contribute got involved in developing solutions, some of which are being piloted now across Scotland. And we will hear more of these in the coming year. The year was one of continued innovation both through technology and business developments. Recognising that people working in our sector don't sit behind desks or work from 9-5, we've developed leading-edge products using mobile technologies that are designed to help them to keep up to date with their learning, their registration and their practice. These products are already starting to have an impact.

Making sure that the right people are on the Register and able to work in social services is vital. Reading the report, you will be struck by the increase in conduct cases. Not only have these cases increased but they are also increasingly complex. As registration becomes compulsory for more and more social service workers our caseload will increase and we are working hard to make sure that we have the right systems and processes. The right people, skills and other resources are also critical.

All of this work is set against a backdrop of national policy and legislative development where our leadership on behalf of the care professions is central. The integration of social services and health with the development of new partnerships and varying delivery systems across Scotland has significant implications for the professional roles of the people who work in these services. Self-Directed Support also presents challenges for our workforce and the people registered with the SSSC.

This year was our first as the producer of Official Statistics on the social service workforce in Scotland. We will also be producing a National Statistics report on Mental Health Officers and we provide wider intelligence reports on our workforce. Many are surprised at the size of our workforce with one in every 12 people employed in Scotland working in this sector and 18% more people employed in social services than the NHS.

As well as helping with workforce planning, the intelligence and statistics provide further evidence of the social and economic value of social services, as we highlighted in our report **Life Changing Work; the economic value of social services in Scotland**. These services are not a luxury, nor are they there to give a helping hand. Social service professionals are leading the way as innovators in service redesign to meet both economic and social challenges and changes and must be equal partners with their colleagues in health, justice and education.

I would like to pay tribute to my colleagues and fellow Council Members, old and new for their role insight, commitment and effective governance of the SSSC in the last year.

A handwritten signature in black ink, appearing to read 'Garry Coutts', with a stylized flourish at the end.

Garry Coutts

Convener, Scottish Social Services Council

## **2. MANAGEMENT COMMENTARY**

### **2.1 An overview of the year 2012-2013**

**Outcome 1: Scotland has a safer, more skilled and flexible social service workforce**

**Outcome 2: Scotland has an effective, proportionate and successful model of regulation in social services**

- We have dealt with a significant increase in referrals about the conduct of social service workers. We now have over 50,000 social service workers on our Register and although we receive complaints about a small proportion, it is important that we take action against the minority who are not suitable to support and care for people who use services.
- We set up a Fitness to Practise Department bringing together the Conduct and Legal Teams. This allows us to deal with cases more efficiently, from receiving the information to conclusion. From the start, the focus is on the allegation of misconduct (as defined in the SSSC (Conduct) Rules 2013).
- We introduced a Thresholds Policy. We use this to decide if a concern referred to us about a registered worker could affect an individual's suitability for continued registration. This will ensure that our standards are consistent and our processes are fair and rigorous, giving the public confidence in the SSSC as a regulator.
- On 7 March 2013, we launched MySSSC. This is an online service where people can apply to register, renew and update their details. Employers can also see the progress of applications they have endorsed. This service will reduce costs and staff time and will improve accessibility for registrants and employers.
- We took the SSSC on the road for six pop-up events for employers, social service workers and students, focusing on rural communities to recognise that many of our workforce support people in remote areas.

### **Outcome 3: Scotland has high quality well-led social services**

- Implementing the **Carers' Workforce Training and Education Plan** has included the development of **Equal Partners in Care (EPiC): core principles for working with carers and young carers**. There is also practice guidance and an online knowledge portal. We worked with carers and carers' groups to develop these resources. The principles are embedded in other strands of our work such as **Reshaping Care for Older People**, National Occupational Standards and the **Continuous Learning Framework**. These connections will support employers and frontline staff to address the principles in a more inclusive way.
- We have recruited and supported almost 200 Dementia Ambassadors from across the sector as part of Promoting Excellence. They will play an important part in sharing knowledge and up-skilling the workforce. They, together with 36 social service champions, support the work of the SSSC. The leadership capacity of the workforce is increased as Ambassadors support the workforce to develop dementia knowledge and skills and become more confident and competent in their practice with people with dementia, their families and carers.
- We have supported nine health and social care partnerships, the University of Dundee schools of social work and nursing and three partnerships of Scotland's Colleges to deliver a drama-based programme of learning. This approach, known as Sliding Doors, supports the social services and health workforces and students to think differently about how to support practice, based on the personal outcomes of service users and carers. The feedback highlights that learning through live drama is both powerful and memorable and supports a shift to more creative, outcomes-focused practice. Specifically in our work with the University of Dundee, the social work students highly valued the opportunity to learn alongside nursing colleagues.
- As part of our leadership work 10 health and social care partnerships participated in a programme jointly funded by SSSC and NHS Education Scotland (NES). These programmes use action learning techniques. The initial evaluation shows that participants' confidence has increased to facilitate change within their organisation.

- We have enlisted over 50 Ambassadors for Careers in Care as part of a programme with partners across the UK to recruit high quality people into social services. The Ambassadors are practitioners who engage with people considering working in the sector at careers events and in places like schools, job centres and colleges. The Ambassadors themselves are gaining skills and confidence through participation.

**Outcome 4: Our work and the organisation are regarded as international exemplars of good practice and innovation**

- Throughout the year we have used our expertise and knowledge to respond to policy consultations. We want to ensure that we influence policy to meet the needs of the workforce and people who use services.
- We used a 'service design' approach to work with the sector to develop new ways of working to address challenges in the sector. As part of this project, we developed an ideas platform that attracted 106 ideas from 700 people across the sector, we ran a two-day event to develop and prototype ideas and in December 2012 we asked organisations to adopt and pilot the prototypes. There are pilots running for four projects. There are two Dementia Diary pilots, one with Alzheimer Scotland and one with Scottish Borders Council. Moray Council is taking forward a pilot to increase awareness and understanding, among secondary school pupils, of the brain development of babies. And the fourth pilot is the SSSC looking to see if we can develop a chartermark for organisations who demonstrate a commitment to registration and workforce development. As well as the projects, the approach was itself innovative and has changed thinking in the sector.
- Our annual Care Accolades ceremony continues to grow with an increase in entries from a widening range of organisations and partnerships. The finalists offer inspiration to the wider sector and present a refreshingly positive image of social services to the public.
- We published our first official statistics report as the producer of Official Statistics for social service workforce data, having been delegated this responsibility by Scottish Government.

- As well as our comprehensive **Workforce Skills Report**, we produced a series of six **Vision** briefings setting out facts, figures and analysis of workforce data and intelligence to help employers plan for the future.



## 2.2 Our performance in 2012-2013

This section shows our progress towards meeting our key performance indicators (KPIs).

### Core task: Register and regulate the workforce to ensure a safe and trusted workforce

Registration KPIs	Our progress
100% of completed registration applications are processed within 60 working days.	From the 10,144 we received, 12 applications did not meet the 60 day timeline (0.01%). Applications submitted late to the SSSC from adult care home services created a high volume of applications at the deadline for required registration.
Where all the relevant information is received from the registrant, changes in circumstances are updated on the Register within 10 working days.	Of the 21,964 change of circumstances processed for the year, 10 cases did not achieve the 10-day timeline (0.05%). This was due to exceptionally high volumes of work being experienced at that time.
The Public Facing Register is accurately updated every day.	Although the Public Facing Register was not updated during migration no processing was taking place so the data on the public facing register was correct. However, if Conduct had an update in relation to an interim suspension order, this was manually updated during the data migration period. After the six weeks data migration period between February and March 2012 the Public Facing Register was updated accurately.

<b>Fitness to Practise KPIs</b>	<b>Progress</b>
100% of level 1 risk assessments completed within 24 hours.	<p>In the first six months of the year the KPI was met in 100% of cases (549 cases). In the six months from September to March, we met the KPI in 96% of cases (702 out of 732 cases).</p> <p>Of the 30 cases where the KPI was missed, 20 were missed by a day, nine by two days and one by three days. None of the cases required a level 2 risk assessment and public protection was not compromised.</p> <p>The Fitness to Practise Department, as well as experiencing high referral numbers, had a surge of cases from people applying to register as Practitioners in Care Home Services for Adults. Registration became compulsory for this group on 29 March 2013.</p>
100% of level 2 risk assessments completed within 48 hours.	<p>In the first six months of the year we met the KPI in 35% of cases. In cases where there was sufficient information to enable a level 2 risk assessment to be completed within 48 hours, the figure was 99%.</p> <p>In the six months from September to March we met the KPI in 94% of cases (43 of 46 level 2 risk assessments were completed within 48 hours).</p> <p>Of the three cases where the KPI was missed, it was missed by one, two and four days. Two of the cases were subsequently referred for interim</p>

	<p>orders. In one case the interim order was heard by a Sub-committee and granted 22 days after the referral to the SSSC and in the other case the Sub-committee hearing was due to take place within four months of referral to the SSSC. This case required further information and evidence before it was possible to refer it to a Sub-committee hearing.</p>
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**Core task: Work with employers to support them in their workforce planning and development**

Work in partnership with stakeholders to develop and regularly review the National Occupational Standards (NOS) so that:

- employers are confident that the skills needs of the sector are accurately identified
- the NOS provide the framework for professional development which meets the changing needs of the social service workforce.

KPIs	Our progress
All new qualifications for social service workers are based on the NOS	Development of revised NOS as Scottish Vocational Qualifications (SVQs) completed ahead of schedule.
All new qualifications meet the requirements of the relevant awarding body	Completed
As a partner in Skills for Care and Development, the SSSC meets the requirements to contribute to the development of the NOS as agreed by the UK Commission for Employment and Skills (UKCES) each year.	The SSSC contributed an officer to represent Scotland on the QA process required in the revision of Leadership & Management NOS and has contributed to future planning re NOS.
The social service workforce uses the credit and level value of qualifications to achieve continuous professional	Completed as part of this year’s NOS work, and additional work on embedding Recognition of Prior learning (RPL) will continue as a priority area for development.

development.	
The SSSC produces its first publication as Producer of Official Statistics on time and to the required standards.	We met the published date of 31 October 2012 for publication and all the standards as an official statistics producer. We are working to ensure the statistics are helpful to employers. We now have an interactive website that anyone can use to find the data to help them with their workforce planning.

**Core task: contribute to the development of national policy in an innovative way**

The SSSC is represented on, and influences, national working groups to develop Scottish Government policy on integrated working involving the social service workforce so that:

- the needs and priorities of the social service workforce are highlighted and taken into account
- policy decisions reflect and meet the needs of people who services, carers and the social service workforce.

<b>KPIs</b>	<b>Our progress</b>
<p>The SSSC is represented on Scottish Government policy development groups in relation to, for example, the integration of adult social care and health, early years and Getting it Right For Every Child (GIRFEC).</p>	<p>The SSSC is represented on the Early Years Taskforce’s workforce group and the sub-group on Integrated Early Learning and Childcare and contributed to the National Early Years Collaborative Event. We are leading the development of resources for collaborative practice with NES.</p>
<p>The SSSC identifies objectives to achieve as a result of SSSC representation on each policy development group. There is evidence that these objectives meet the needs of the sector.</p>	<p>We are also working to develop the workforce requirements of an integrated health and social service workforce.</p> <p>We have worked to support the Self-Directed Support Act 2013. Key objectives are the development of a learning strategy to support the workforce and review of current training and Post Registration Training and Learning.</p>
<p>The contribution of the SSSC to each of the policy development</p>	<p>Working with NES on the development of Scotland’s second Dementia Strategy we have led the development of core principles for</p>

<p>groups is reflected in the strategic outcomes for each policy development group.</p> <p>The social service sector knows and understands how the SSSC is influencing key policy developments on their behalf.</p>	<p>work with carers on behalf of the Scottish Government's Carers and Young carers Implementation and Monitoring Group.</p> <p>In May last year the SSSC initiated work with colleagues in the Information Services Division (ISD) and the Directorate for Health and Social Care in Scottish Government, on the implications of the integration of social services and health for the collection of workforce data on both workforces. A small health and social service working group now exists to take this work forward. The SSSC's involvement means the sector is now part of other strategic workforce planning events with the NHS where there is a social service workforce interest.</p>
<p>The SSSC is seen as an organisation that leads big debates, promotes innovation and delivers ideas to bring about strategic change.</p>	<p>This year we tested using innovative tools and techniques to engage the sector in the challenges facing the workforce of the future. Involving over 1,500 social service workers we developed problem-solving and creative thinking techniques. We have a number of pilot projects in progress and the people involved in the process have told us they use the techniques in their workplace. We will produce a fuller report once all the pilot projects are up and running.</p>

**Core task: Ensure there is evidence to support our decisions and future direction**

KPIs	Our progress
We can demonstrate the difference our work makes.	Work has begun on the Strategic Plan for 2014/17 and we are using the insights we have gained to guide our future direction, including outcomes-based budgeting.

**Core task: make sure people know who we are and what we do**

KPIs	Our progress
Scottish Government recognises the contribution the sector makes to the economy.	<p>We developed a briefing on the economic value of the social service workforce for MSPs. We issued the SSSC's <b>Vision</b> briefings to MSPs to provide useful data on the profile of the sector.</p> <p>To support and promote this work we also hosted a stand in the Scottish Parliament in June and attended the Scottish regulatory bodies event in November.</p> <p>The MSP stakeholder survey by IPSOS MORI in October 2012 identified more MSPs being aware of the SSSC, but there was a drop in favourable comments about our work compared to the survey in 2010. One suggested reason for this was the high number newer of MSPs who were not aware of our role to protect the public.</p>



<p>Increase the percentage of people who believe their views have influence a decision or policy of the SSSC.</p>	<p>The stakeholder survey shows that there has been a decrease in the percentage of people who believed they were able to influence our work but an increase in the number who said it was too early to tell. Action: we need to be more transparent in giving people updates about what has changed as the result of consultation, complaints or other engagement work.</p>
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## 2.3 Protecting the public

The following section provides an overview of our work in Fitness to Practise. In the last year we have seen a significant increase in cases. During the summer of 2012, we experienced a high increase in referrals to our Fitness to Practise Department. The cases which were referred were also more complex. This does not appear to be a result of any single factor, but rather a combination of things happening at once. It resulted in a need to urgently review the resourcing of that area of our activity. We did this using a combination of an independent consultant and internal review and on the basis of our findings made a submission to Scottish Government for an increase in resources. And we are working closely with Scottish Government to identify a sustainable solution. We are also working with our internal auditors to learn lessons from this year's experience to improve our capacity to forward plan more effectively.

### Cases opened

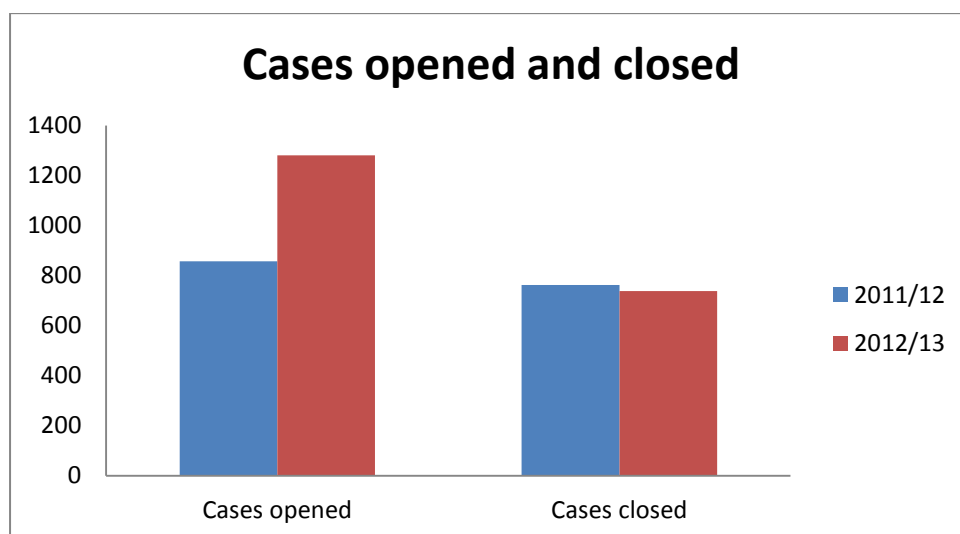
In 2011/12:

- 857 referrals were made about registered workers or applicants for registration.

In 2012/13:

- this figure increased to 1,281, an increase of 49%.

**Graph 1**



## Cases closed (Graph 1)

In 2011/12:

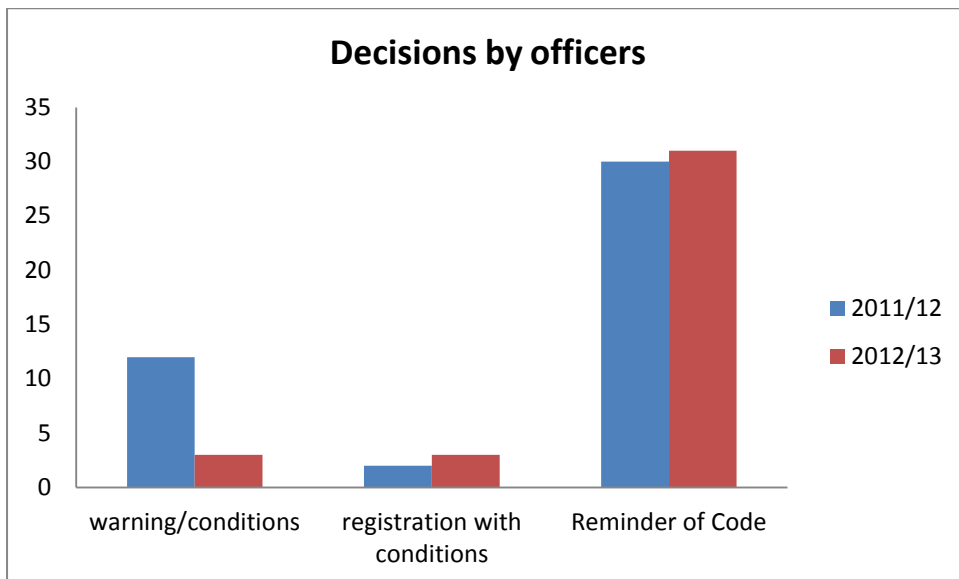
- 762 cases were closed.

In 2012/13:

- this figure decreased to 738.

Note: There are instances where a case may be open for more than a year, for example if there are criminal investigations ongoing.

## Graph 2



## Decisions by officers (Graph 2)

In 2011/12:

- we imposed 12 officer warnings/conditions
- two applicants were registered with a condition
- we imposed 30 reminders of the SSSC Code of Practice.

In 2012/13:

- we imposed three officer warnings/conditions
- three applicants were registered with a condition
- we imposed 31 reminders of the Code of Practice for Social Service Workers.

### **Preliminary Proceedings Sub-committee decisions**

In 2011/12 we sought:

- 33 Interim Suspension Orders
- 58 reviews of Interim Suspension Orders.

In 2012/13 we sought:

- 57 Interim Suspension Orders
- 84 reviews of Interim Suspension Orders.

### **Conduct and Registration Sub-committee decisions**

In 2011/12:

- 25 Conduct or Registration Sub-committee cases were heard:
  - in one case there was no finding of misconduct
  - in one case we imposed conditions
  - in four cases a suspension order was made
  - in 19 cases a removal order was made.

In 2012/13:

- we heard 20 Conduct or Registration Sub-committee cases:
  - we imposed a warning in one case
  - in one case we imposed a condition
  - in one case an applicant for registration had their application granted
  - in two cases an applicant for registration had their application refused
  - we imposed a removal order in 15 cases.

Note: This annual report has highlighted a significant increase in the number of cases referred. It takes time for a case to go through the different parts of the process and we will see a significant increase in cases going to hearings in the period 2013-2014.

## What are the cases about?

Each case may involve issues that relate to more than one theme.

### 2012/13

Case types	Number	%
Alcohol	18	1.79
Assault/violence	101	10.04
Breach of confidentiality	13	1.29
Breach of the peace	40	3.98
Causing death	0	0.00
Dishonesty	37	3.68
Drugs offence	32	3.18
Employment	262	26.04
Failure to meet condition	3	0.30
Failure to meet qualification		
Condition	4	0.40
Failure to renew	7	0.70
Financial dishonesty	27	2.68
Health and safety	16	1.59
Inappropriate behaviour	56	5.57
Indecent images	2	0.20
Motoring offence	106	10.54
Neglect of own		
children/family	5	0.50
Other criminal	31	3.08
Personal/professional		
boundaries	51	5.07
Practice issues	132	13.12
Sexual offences	5	0.50
Social network	21	2.09
Theft	37	3.68
<b>TOTAL</b>	<b>1,006</b>	

## 2.4 Other areas of work and our progress

**Note:** Each year we carry out an annual stakeholder survey. This year we sent the survey to approximately 25,000 people on our mailing lists. We received 1,240 responses (compared to 1,336 in the previous year). The breakdown of the respondees:

- 47% practitioners (compared to 17% the previous year)
- 34% managers (compared to 56% the previous year)
- 37% of respondees are registered on the day care of children part of the register 37% are registered as social workers (compared to 39% and 16% last year). We also saw a reduction in the number of people who classified themselves as 'other'.

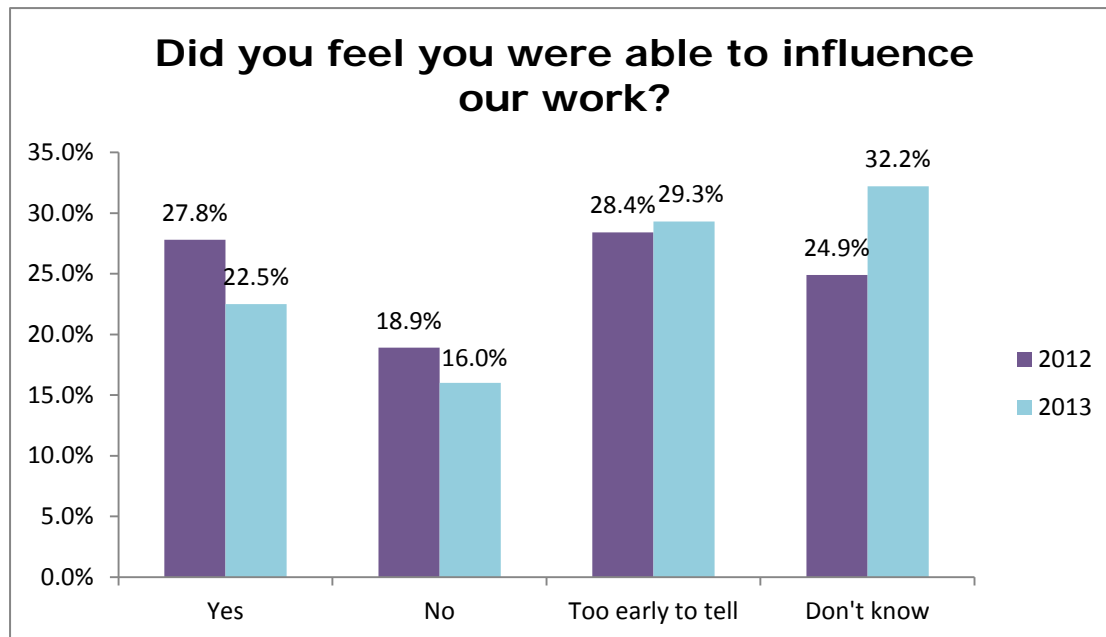
### Engaging with our stakeholders

It is vital that we listen to our stakeholders and ensure that they inform the direction of the SSSC. We have developed a system to record all our engagement and to act upon the information. By analysing this information we can see if there are themes emerging and plan accordingly.

Equally important is that we communicate clearly and we work hard to make our information easier to understand. The SSSC is now a member of the Plain English Campaign and we are looking at all our information to see how it can be improved. The results from our survey tell us that 76% of people who responded said that our publications and information materials 'tell me what I need to know', 8% said they didn't, 16% said they did not know.

In our survey we ask people if they feel they are able to influence our work. This year the number has gone down and we need to find out why. Graph 3 highlights some interesting findings, for example, less people said they were able to influence our work and at the same time less people said that they were not able to influence our work but there was an increase in those who didn't know.

**Graph 3**



This is an area we need to address to determine whether we are consulting in the right way and on the right things and whether we are letting people know about the decisions we have made and why we have made them (Graph 3).

We are now trying to record all our engagement with stakeholders, along with the issues raised and the action taken. In 2012/2013 we recorded 385 activities over the year and met with nearly 4,000 people. We aim to improve this area of work as the process is still bedding in.

However, our stakeholder survey suggests that on the whole people believe our information tells them what they need to know.

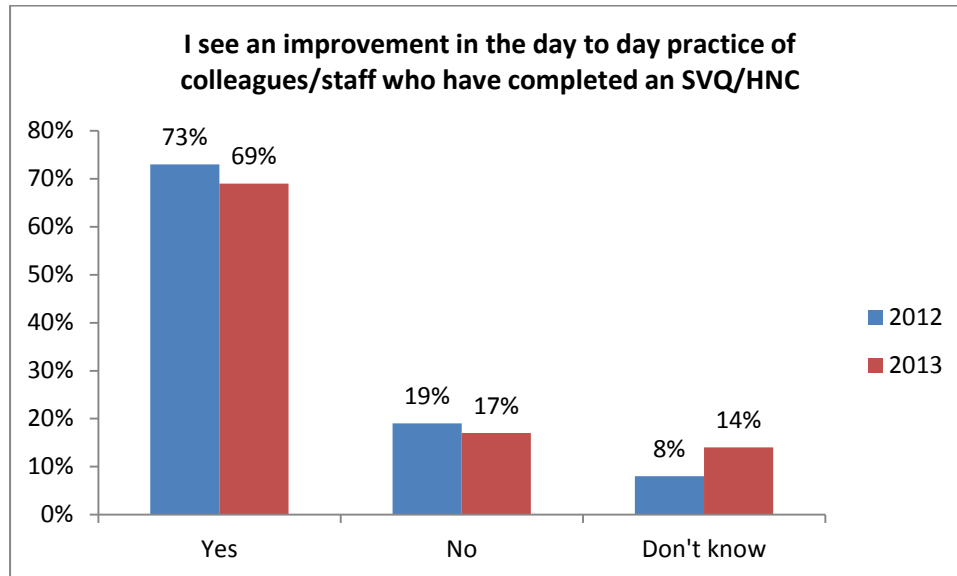
From 1,175 responses, 76% said our publications tell them what they need to know and 8% said our publications did not give them the information they needed.

We will continue to ask our stakeholders for feedback so we can improve our publications and other communications and we will try to do that in more innovative ways.

## Developing the workforce

A relevant qualification is a requirement of registration with the SSSC (Graph 4). It is our view and evidence supports it, that a qualified workforce delivers the best outcomes for people who use services. Our survey suggests that workers and employers can see improvements as a result of gaining qualifications such as a SVQ or Higher National Certificate (HNC).

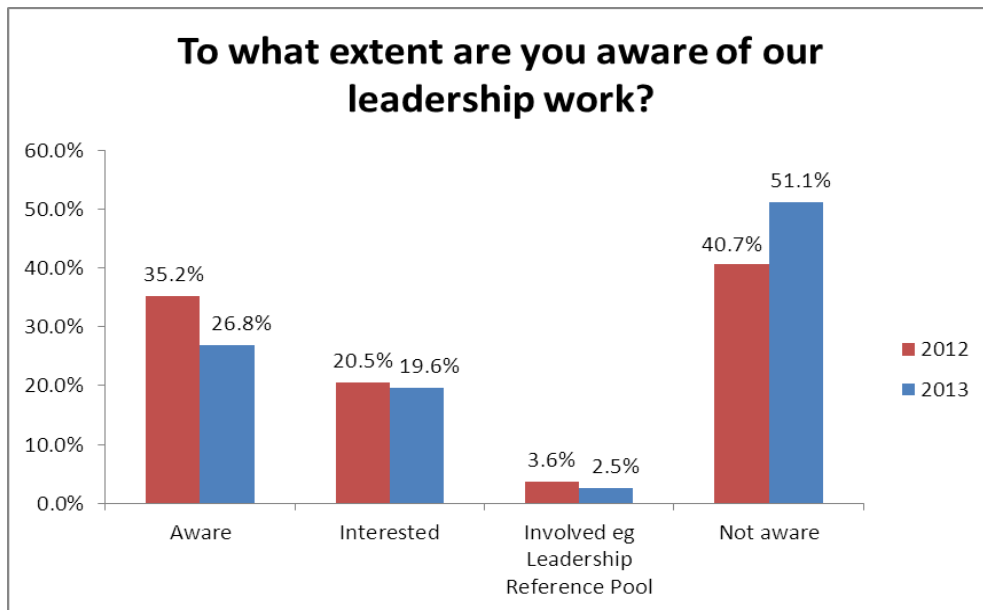
**Graph 4**



We launched our **Step into Leadership** website in the summer of 2012 (Graph 5). The site provides four leadership pathways for people who use services and carers, frontline workers, managers and strategic/corporate leaders. In our survey, it would appear that awareness of this work has declined. Significant work has been happening throughout the year and we are undertaking a range of work which will provide more detailed evaluation.

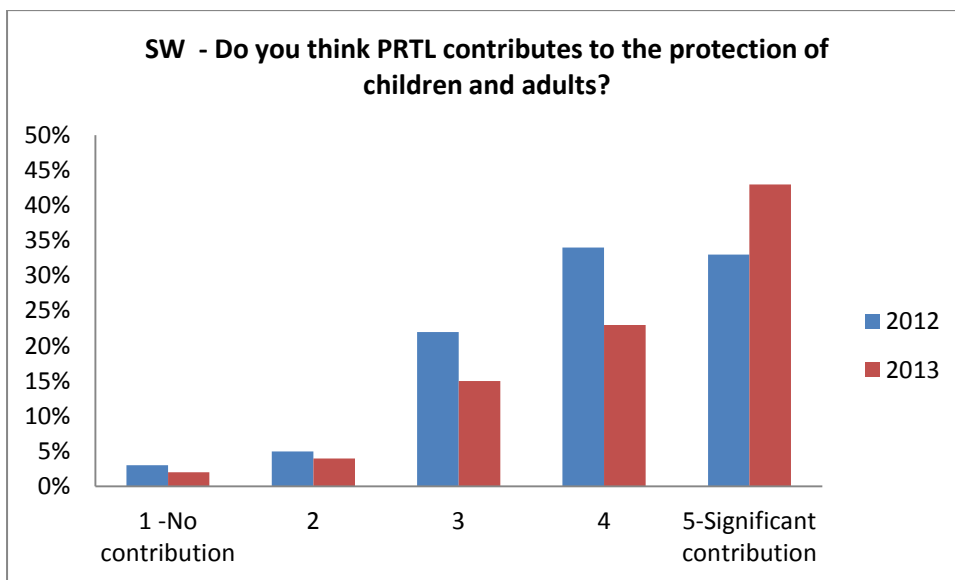


**Graph 5**

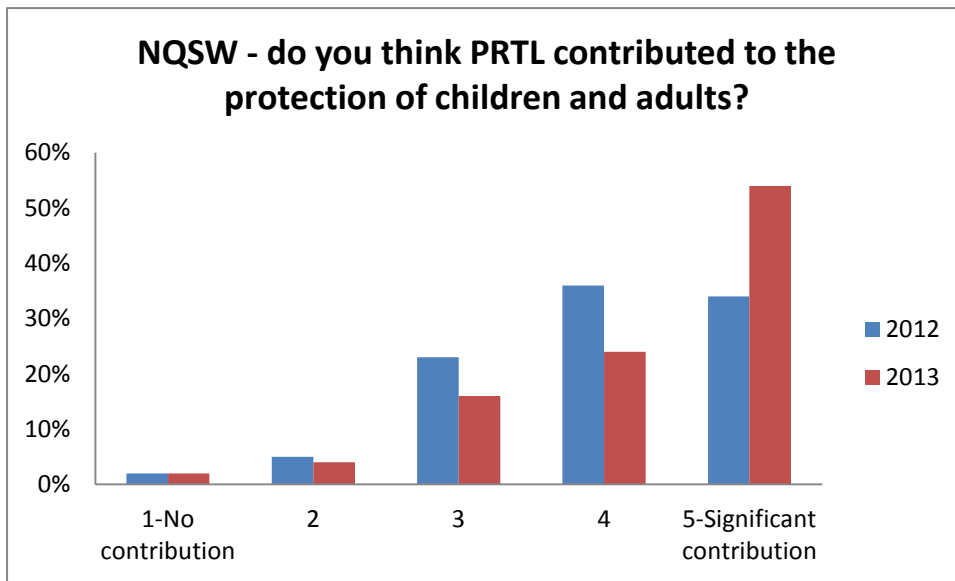


All social workers (SW) and newly qualified social workers (NQSW) must carry out five days of Post Registration Training and Learning (PRTL) in relation to protection of vulnerable children and adults (Graphs 6 and 7). Our survey shows that this significantly contributes to the protection of children and adults.

**Graph 6**

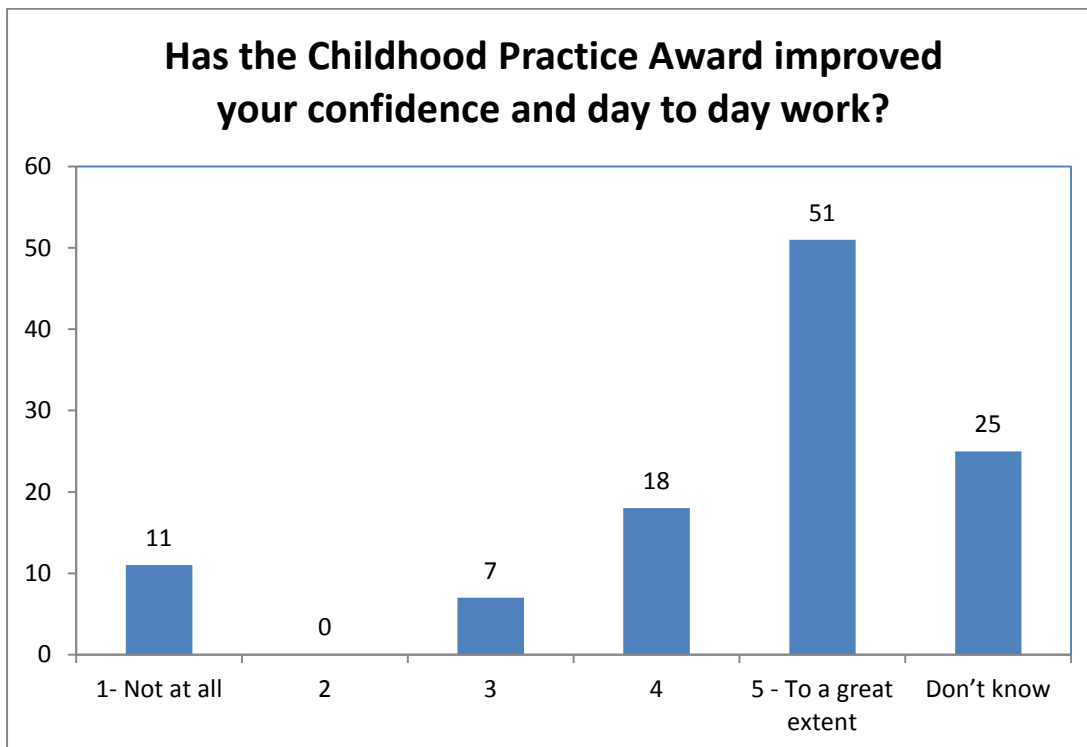


**Graph 7**

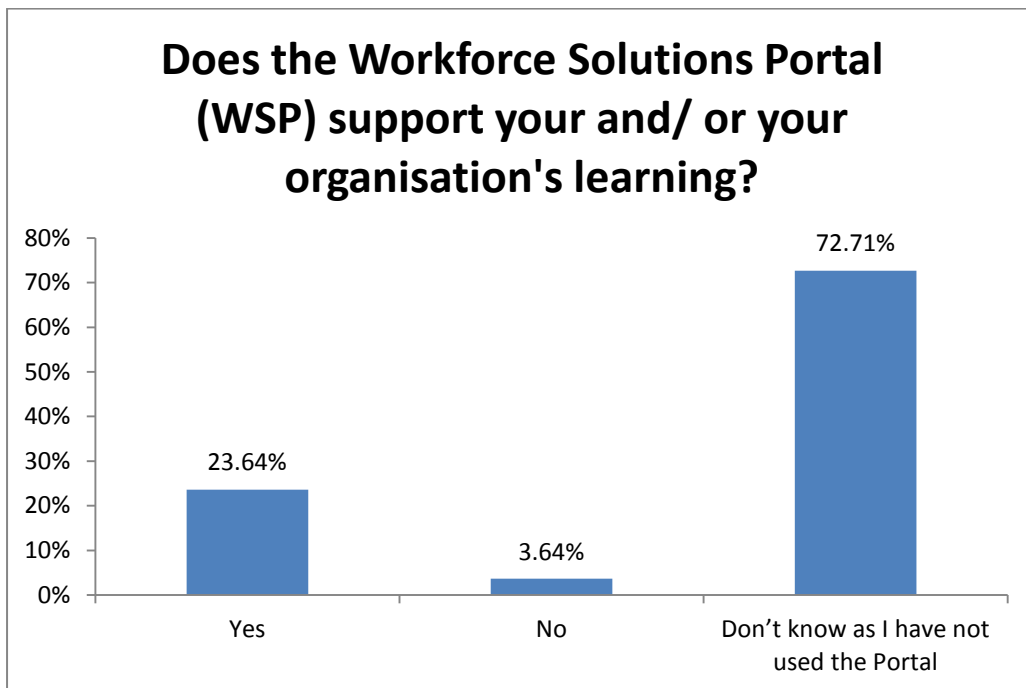


For the first time this year we asked a question in our survey about the Childhood Practice Award – this was only asked of those who had completed the award (Graph 8).

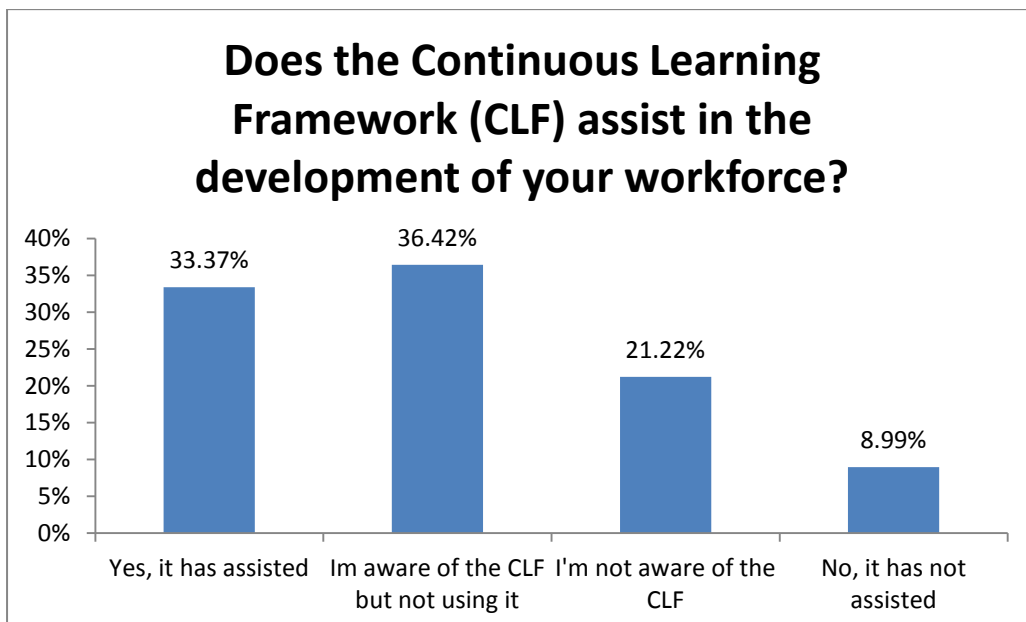
**Graph 8**



**Graph 9**



**Graph 10**



## 2.5 Looking ahead

2013-2014 will be another busy year as the Register grows and we continue developing our workforce development and planning activities. We will start some exciting new projects.

- We will be engaging with key stakeholders to scope out a review of the social work degree.
- As an Official Statistics provider, we want to make our data usable and helpful to employers, managers and policy makers in planning the workforce of the future. We have launched a website where people can interact with the data to make it more meaningful. We will be running a series of sessions to show how this can be done.
- The development of a new strategy for learning which includes career-long development; developing social work and social care leadership at all levels including citizen leadership; developing a range of career pathways.
- Events to explore and enhance our engagement with stakeholders to help us provide the best possible service.
- Working with employers and representative organisations such as Scottish Care and Coalition of Care and Support Providers in Scotland (CCPS) to improve our reach across our activities.
- We will further develop our online and digital engagement to make our registration processes more streamlined and accessible for registrants and employers, and to make sure our resources are future-proofed.
- We will continue to develop our partnerships with NHS Education for Scotland, Institute for Research and Innovation in Social Services (IRISS) and others, as well as in other parts of the UK to ensure that we are properly supporting the social service workforce to deliver government policy and improve outcomes for the people of Scotland
- We will continue to develop our Fitness to Practise capacity to ensure that people who use services are safe and can count on skilled, confident social service workers when they need them.
- We will be taking forward a new, enhanced approach to strategic planning and reporting which is focused on outcomes and impact. Considerable groundwork has already been done and we will implement that into improved practice.

## **2.6 About the Scottish Social Services Council**

The Scottish Social Services Council (SSSC) was established in October 2001 by the Regulation of Care (Scotland) Act. We are responsible for registering people who work in social services and regulating their education and training.

Our work will increase the protection of people who use services by ensuring that the workforce is properly trained, appropriately qualified and effectively regulated.

The SSSC's vision is a competent, confident and valued social service workforce.

Our aims:

- to protect people who use services
- to raise standards of practice
- to strengthen and support the professionalism of the workforce
- to improve the outcomes and experience of people who use social services.

To achieve our objectives we have a number of responsibilities:

- to set up a Register of key groups of social service staff
- to publish Codes of Practice for all social service workers and their employers
- to regulate the training and education of the workforce
- to promote education and training
- to undertake the function of the sector skills council: Skills for Care and Development, this includes workforce planning and development
- produce data on the social service workforce.

We will achieve this by:

- putting people who use services and carers at the heart of everything we do
- raising awareness of the work carried out by the social service workforce
- promoting the importance of education, training and workforce development and wider initiatives in the sector

- regulating and registering the social service sector
- being open, accessible and responsive
- working in partnership with our stakeholders.

## **2.7 The difference we want to make**

We will ensure that people who use services and carers:

- are confident in the skills of the people providing those services
- understand the standards that social service workers must meet.

Social service workers:

- are confident in their skills and training
- have the opportunity to enhance their skills throughout their career
- are proud to be part of a registered profession.

Employers:

- have information to help them plan for the future needs of people who use services and carers
- have confidence in the skills of their workforce
- have a workforce with the right skills and the right training to meet the demands of today and tomorrow.

## **2.8 How the SSSC contributes to a successful Scotland**

The SSSC's roles of protecting people who use services, workforce planning and development and promoting the value of social services enable us to make a significant contribution to delivering the Scottish Government's strategic objectives to create a wealthier and fairer, healthier, smarter, safer and stronger and greener Scotland.

We will continue to work with our partners to ensure that we have a safe and skilled workforce that supports and protects people who use social services. The SSSC will contribute to a successful Scotland through our work, which includes:

- promoting high quality social services through the SSSC Codes of Practice for Social Service Workers and their Employers

- the regulation of the workforce, high quality training and education and a culture of continuous learning
- registering and regulating the workforce to ensure that the public is confident in the knowledge, skills and values of the people providing social services
- enhancing the status of the sector so the brightest and the best will be attracted to a career in social work, social care and child care
- ensuring the education and training for social workers is relevant, rigorous and builds on the experience and expertise of the existing workforce, people who use services and carers and the themes emerging from our conduct work
- providing employers with robust and reliable labour market information which helps them to understand the profile of the current workforce and identify gaps and trends and forecast the type of workforce they will need in years to come
- working with employers and education and learning providers to plan for and develop the future workforce
- ensuring effective systems are in place to deliver the priorities set out in the strategic plan by managing our finances to meet our statutory and policy commitments.

The outcomes that will show we have achieved our aims and contribute to the Scottish Government's strategic objectives are:

1. Scotland has a safer, more skilled and flexible social service workforce.
2. Scotland has an effective, proportionate and successful model of regulation in social services.
3. Scotland has high quality, well-led social services.
4. Our work and the organisation are regarded as an international exemplar of good practice and innovation.

## 2.9 The strategic context

The work of the SSSC is influenced and informed by a number of factors. These include:

- our responsibilities as set out in the Regulation of Care (Scotland) Act 2001 and other relevant legislation
- our commitment to ensuring that people who use social services and carers receive services of the highest quality from a skilled and trusted workforce
- the priorities and policies of the Scottish Government and the need to align our work to the national outcomes
- the views of our stakeholders
- the redesign of care services to meet future demand and the demographic challenges of an ageing population
- an expectation from people who use social services and carers of flexibility and choice in the delivery of those services and the personalisation of those services
- the more complex health and social care needs created by more people living longer and the impact of drugs, unemployment, poverty and alcohol in our communities
- the knowledge we are building about the social service workforce, the need to work closely with the wider public service such as health and education services in the design of qualifications and learning and the provision of services
- the commitment of the social services workforce to be recognised as a high status profession and an attractive career option and which is valued by the public
- the current financial climate and the need for public bodies to achieve efficiencies
- best value and the drive for continuous improvement.



## **2.10 Working to achieve Scottish Government national outcomes**

The SSSC contributes to meeting all of the Scottish Government's national outcomes but particularly:

- we realise our full economic potential with more and better employment opportunities for our people
- we are better educated, more skilled and more successful, renowned for our research and innovation
- our children have the best start in life and are ready to succeed
- we live longer healthier lives
- we have improved the life chances for children, young people and families at risk
- our people are able to maintain their independence as they get older and are able to access appropriate support when they need it
- we reduce the local and global environmental impact of our consumption and production
- our public services are high quality, continually improving, efficient and responsive to local people's needs.

This annual report provides information on our progress towards achieving our outcomes and how we have contributed to a more successful Scotland.

## **BEING AN EFFECTIVE ORGANISATION**

### **2.11 Working to the highest standards**

Achieving our outcomes is dependent upon the SSSC being a high performing organisation in all aspects of our work. To do this we need dedicated and professional staff who are valued and supported and we need robust financial, human resources and information governance systems and processes.

To ensure this we:

- develop our employees through our performance development system
- value our workforce and ensure equality of opportunity.

Staff across the organisation regularly participated in formal and informal learning opportunities. As an organisation which promotes learning and development in the sector, we feel it is important to lead by example and ensure that our own staff access learning and development opportunities to meet not just their current job role but also their career aspirations where possible.

#### 2012-2013

- In November 2012, we maintained our Bronze Investors in People Award. The staff survey reported an open and supportive leadership culture in the organisation, which was an improvement on the assessment in 2009. The survey also highlighted that staff understood how their work helped the SSSC to meet its strategic outcomes.
- We held a staff conference in January 2013 and involved all staff in discussing our outcomes for the 2014-2017 Strategic Plan. Staff also attended workshops to develop new approaches to different aspects of our work such as knowledge management.
- We received 36 requests under Freedom of Information legislation. One response was not responded to within the timescales. We kept the person who asked for the information informed and they did receive the information and made no complaint.
- Since August 2012, we have had 24 data breaches. In all cases, we carried out a data breach investigation. We reported one serious breach to Information Commissioner's Office (ICO). The ICO has decided to take no further action in respect of this breach as there was minimal detriment to

the affected data subject and we took appropriate steps to contain the incident. There were no data losses during the year.

- There have been 10 subject access requests since 15 May 2012. All requests have received responses. There have been no review requests or complains in respect of these requests. We responded to one request out with the statutory deadline due to an administrative oversight, but SSSC liaised with the requester who was satisfied with our response.
- Our Annual Report and Accounts received favourable comments from an external audit and our financial systems are consistently rated highly by internal and external audit.
- Our procurement capability was again assessed by Scottish Government as excellent, exceeding the public sector average by 22%.

## **2.12 A healthy organisation**

### **Sickness absence**

The percentage of working days lost for the year 1 April 2012 to 31 March 2013 was 3.6% which equates to 8.2 days per employee. Latest figures from the CIPD cite average public sector absence levels at 3.9 % and nine days per employee.

In 2011-12, the figure was 4.7% and 10.1 days per employee, so we have seen a slight improvement.

### **Employee turnover**

The employee turnover for the year 2012 – 2013 was 16.1%. The Chartered Institute of Personal Development's (CIPD) latest survey cites an average public sector turnover figure of 10.1 %.

In 2011-12 the staff turnover figure was 10.3%. The increase in turnover could be for a number of reasons, for example in our registration department we employ a number of students who are working to support their studies rather than as a long-term career. We also have a relatively young staff group who gain skills at the SSSC and move on to other employers, which we believe reflects well on us. The SSSC has a relatively flat structure so there are limited opportunities for career advancement.

## 2.13 Environmental matters and associated policies

This section details our environmental performance and sustainability reporting requirements as detailed in the Public Sector Sustainability Report guidance produced by the Scottish Government and in line with HM Treasury guidance.

The information in the table below is the performance for the SSSC in 2012-2013. The target performance of a 155 reduction is taken from our Carbon Management Plan which was approved by the Carbon Trust.

Last year was the first time the SSSC reported on environmental matters. In a number of instances the split between the Care Inspectorate and SSSC was difficult to calculate, as we share services and our building. Further explanation is included below.

**Table 1: Overview of all areas**

Area	Actual Performance 2011-2012	Actual Performance 2012-2013
Greenhouse gas emissions	196tCO <sub>2</sub> e (reported figure) 236.9tCO <sub>2</sub> e (correct figure) * split between CI and SSSC incorrect last year.	298tCO <sub>2</sub> e
Carbon reduction commitment related expenditure	£0k	£0k
Total Energy Consumption	482,226kWh	587,140kWh
Total energy expenditure	£54,405	£59,678
Total waste expenditure	£5.4k	£4.8k
Water consumption	1,186m <sup>3</sup>	670m <sup>3</sup>

		Split between CI and SSSC incorrect last year
Water expenditure	£4,904	£4,905

### **Performance summary**

The Climate Change (Scotland) Act 2009 sets high targets for Scotland to reduce its carbon emissions by 80% in 2050. Public bodies are asked to support this initiative by reducing their carbon emissions. The SSSC has a Carbon Management Plan approved by Carbon Trust. The Carbon Management Plan states that the SSSC is committed to reducing its carbon emissions by 15% by 2015.

### **Direct impact commentary**

The main impact is from emissions through electricity and gas consumption and business travel.

In 2012-2013 we have increased our greenhouse gas emissions and will need to take action to meet our target in 2015. This will be challenging as we are in a new, purpose built building so there are no significant savings to make. We have increased our energy consumption in response to a cold winter. The area that we have most control over is travel.

This year, unlike last year, Council Members' costs were included in travel expenses. We have also grown as an organisation and made a commitment to increase our engagement with stakeholders. This has resulted in an increase in travel although increasingly staff are using video conference and Skype to reduce travel. There is a need to increase the use of these types of facilities and to further improve our use of public transport.

**Table 2: Greenhouse gas emissions and energy**

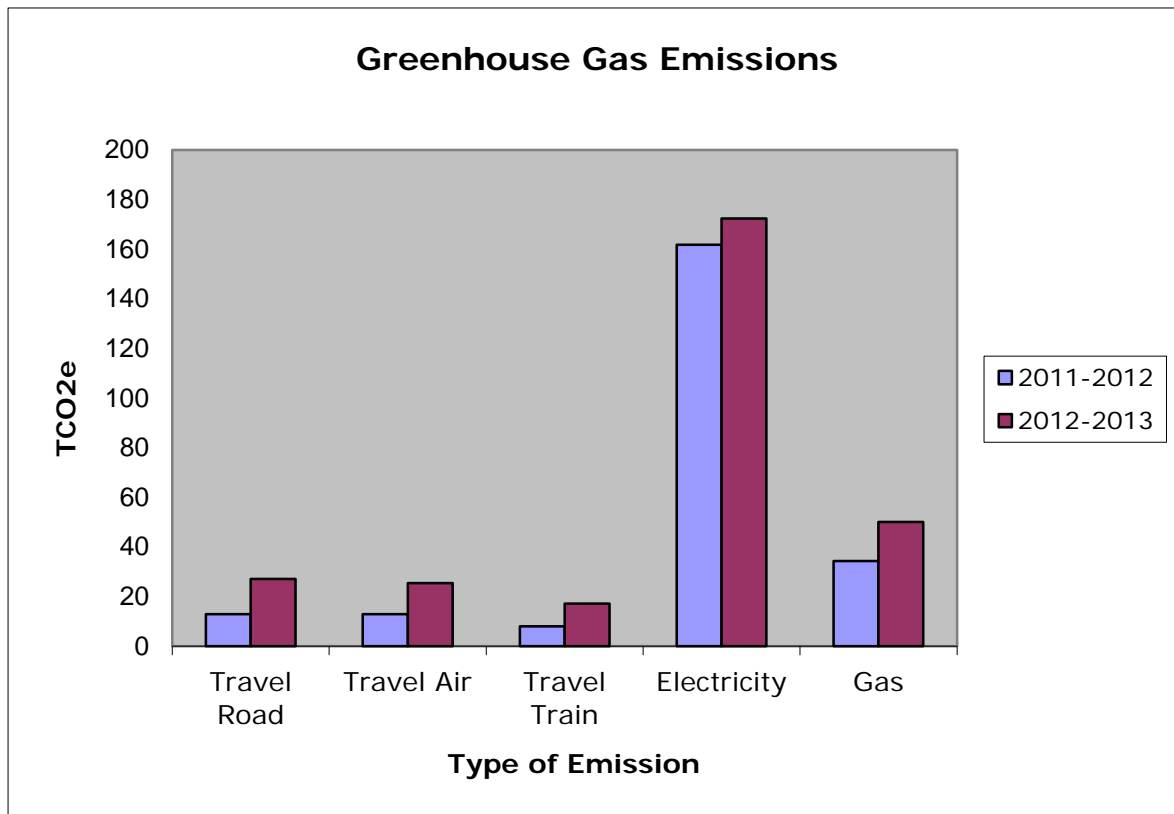
<b>Greenhouse gas emissions and energy</b>		2011/12	2012/13
<b>Non financial indicators</b>	Gross Emissions Scope 1 Gas	162.2tCO <sub>2</sub> e (reported figure) 34.4tCO <sub>2</sub> e (correct figure)	50.1tCO <sub>2</sub> e
	Gross emissions scope 2 & 3 (indirect impacts electricity and business travel)	34.2tCO <sub>2</sub> e (reported figure) 202.5tCO <sub>2</sub> e (correct figure)	248.1tCO <sub>2</sub> e
<b>Related energy consumption (kWh)</b>	Electricity Non renewable	296.7	316.4
	Gas	185.5	270.7
<b>Financial Indicators (£k)</b>	Expenditure on energy	54.4	59.7
	Expenditure on business travel	£64.3k	£119.3k

**Performance summary**

As outlined above there is an increase in our overall emissions. It is difficult to control our kWh usage as the weather did have an impact.

The main impacts within this section are our electricity and gas consumption and our business travel. As a Scotland wide organisation we need to travel, we are also a growing organisation. We will work to raise awareness of this among staff.

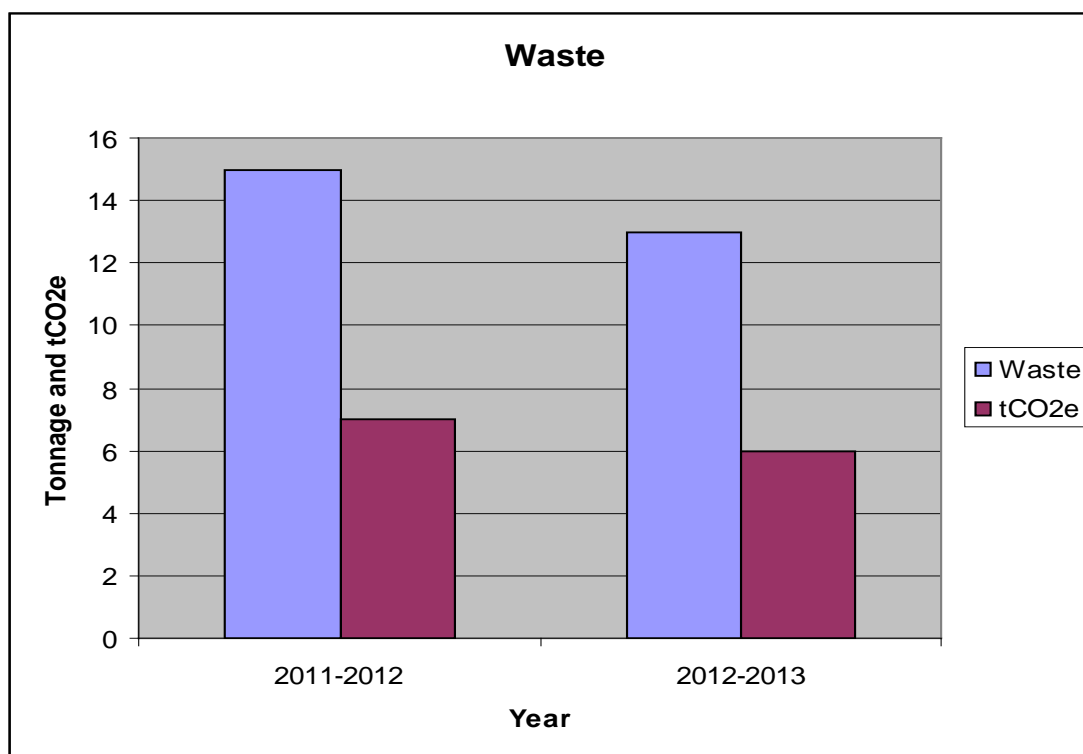
**Graph 11**



**Table 3: Waste**

Waste		2010/11	2011/12	2012/13	
<b>Non financial indicators (t)</b>	Total volume of waste	-	15	13	
	Non hazardous waste	Landfill	-	-	-
		Recycled	-	11	10
		Incinerated	-	4	3
<b>Financial Indicators (£k)</b>	Total waste disposal cost		5.4k	4.8k	
	Hazardous special waste total disposal cost	N/A	N/A	N/A	
	Non hazardous waste - total disposal cost	Landfill	-	-	-
		Recycled		4	3.6
		Incinerated		1.4	1.2

**Graph 12**

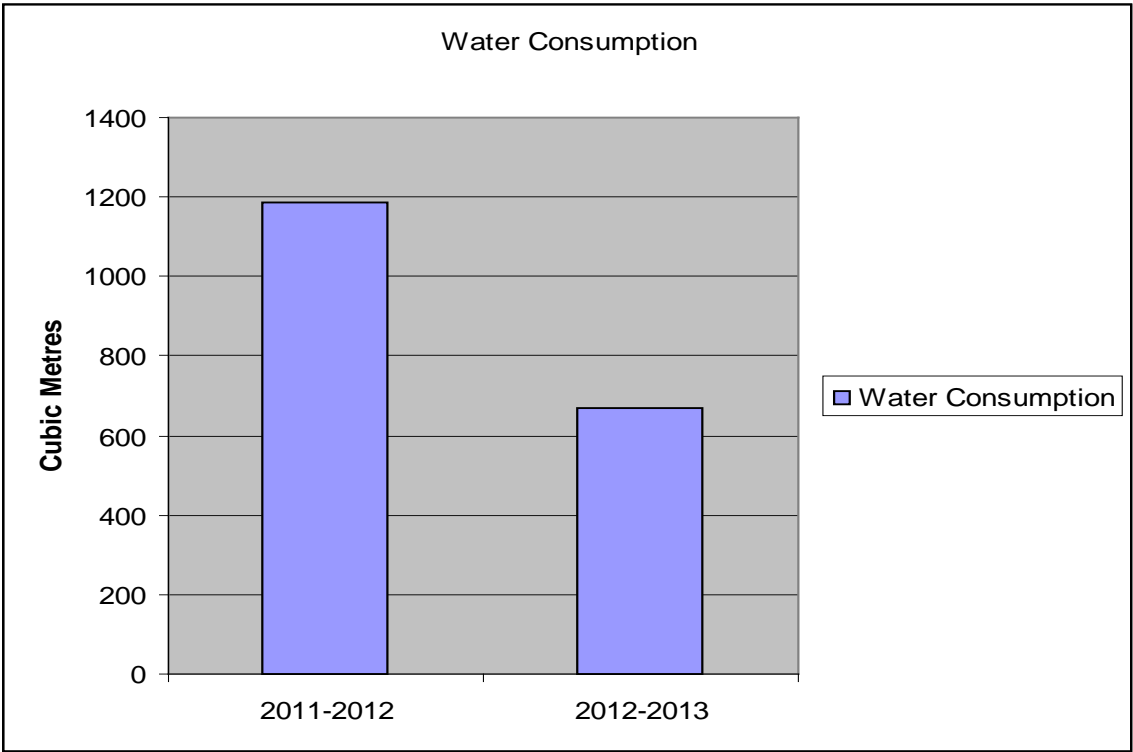


**Table 4: Finite resource consumption**

Finite resource consumption		2010/11	2011/12	2012/13
<b>Water</b>				
<b>Non financial indicators</b>	Supplied	-	1,186m3	670m3
	Disposed	-	-	-
<b>Financial indicators (£k)</b>	Water supply costs	-	£4.9k	£4.7k
<b>Target and commentary</b>				
There is no specific target for reduction in water consumption. Direct comparisons with last year can not be made as the usage was calculated incorrectly last year.				



**Graph 13**



**Biodiversity**

We are using green and renewable energy where possible through the Scottish Government energy contract.

**Sustainable procurement**

Sustainable procurement means taking into account social, economic and environmental considerations as part of the procurement process. The SSSC will, when evaluating tenders, consider sustainability and it will be relevant and proportional to the procurement process.

**This section complies with the Scottish Government Guidance of Public Sector Sustainability Reporting. In future years, the SSSC wants to make this more understandable to a wider audience.**

## **2.14 FINANCIAL REVIEW**

### **Current and future**

#### **Funding**

The Scottish Social Services Council is funded mainly by grant in aid and grants for specific projects from the Scottish Government. Operating income includes practice learning funding, income received from registration fees, other fees and miscellaneous income.

The Scottish Social Services Council is not permitted to make use of overdraft facilities or to borrow.

#### **Financial position**

We prepare our annual accounts following guidance in the Government Financial Reporting Manual (FRoM). We are funded by grants and grant in aid received from the Scottish Government. Our funding and budgeting position is different from the accounting financial position as shown in the Statement of Comprehensive Net Expenditure (SCNE) for the reasons below:

- For budgeting purposes we consider grants and grant in aid to be income. The accounting position must present grants and grants in aid as sources of funds and are credited to the General Reserve on the Statement of Financial Position.
- Post employment benefits (pensions) must be accounted for using International Accounting Standard 19 "Employee Benefits" (IAS 19). IAS 19 requires accounting entries for pensions to be based on actuarial pension expense calculations. Our funding position is based on the cash pension contributions we make as an employer to the pension scheme.
- Grant in aid used for the purchase of non-current assets is credited to the general reserve and the balance is reduced by the amount of depreciation charged each year.

The table below reconciles the deficit shown on the Statement of Comprehensive Net Expenditure (SCNE) to the small surplus recognised for funding and budgeting purposes.

	<b>Ref</b>	<b>£000</b>
Deficit per the SCNE	SCNE	9,059
Reverse IAS 19 Pension accounting adjustments	Note 5b	1,051
Funding from grants and grant in aid	Note 12	(10,326)
To fund depreciation charge	Note 6	(284)
<b>(Surplus)/Deficit on funding and budgeting basis</b>		<b>(500)</b>

The SSSC 2012/13 budget was based on approved grant in aid of £8.884m. During the year the Scottish Government Sponsor Department approved additional grant in aid of £0.717m providing total grant in aid funding of £9.601m. The SSSC used this authorized grant in aid allocation of £9,601m in full.

Other grants with a total value of £1.017m were received providing total funding of £10.618m. Of this funding £0.292m was used to fund capital expenditure.

The SSSC's operating income during the financial year 2012/13 was £3.972m. This includes registration fee income of £1.259m.

The SSSC's net revenue expenditure for the year ended 31 March 2013 totalled £10.110m. The total funding available to meet this cost was £10.610m consisting of grant in aid of £9.309m and other grants of £1.017m, i.e. total grant funding of £10.326m. In addition to grant funding £0.284m was transferred from the general reserve to fund depreciation. Therefore there was a surplus of £0.500m retained in the general reserve. This is summarized in the following table:

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Operating income:</b>			
Fee income	(1,294)	(1,259)	35
Other grants and income	(2,642)	(2,713)	(71)
<b>Total operating income</b>	<b>(3,936)</b>	<b>(3,972)</b>	<b>(36)</b>
<b>Operating costs:</b>			
Staff costs*	5,883	5,756	(127)
Other operating costs	2,821	3,115	294
Grants, awards & bursaries	5,172	5,200	28
<b>Total operating cost</b>	<b>13,876</b>	<b>14,071</b>	<b>195</b>
<b>Net bank charges/(interest)</b>	<b>13</b>	<b>11</b>	<b>(2)</b>
<b>Net revenue expenditure</b>	<b>9,953</b>	<b>10,110</b>	<b>157</b>
<b>Funded by:</b>			
Grant in aid	(8,592)	(9,309)	(717)
Other Grants	(1,077)	(1,017)	60
To fund depreciation	(284)	(284)	0
<b>Total funding</b>	<b>(9,953)</b>	<b>(10,610)</b>	<b>(657)</b>
<b>(Surplus)/deficit</b>	<b>0</b>	<b>(500)</b>	<b>(500)</b>

\*staff costs are shown net of pension valuation adjustments.

## **Review of 2012/13**

Actual income and expenditure was monitored throughout the year and action taken to respond to a significant increase in fitness to practise work. This is expected to become a sustained trend and the cost of fitness to practise is anticipated to increase over the next few years as the number of registered social care workers continues to grow.

The Sponsor Department worked with the Executive Management Team (EMT) to agree a short term funding solution. This was to provide additional grant in aid (£0.717m) and agree that the SSSC could retain any 2012/13 underspend in order to provide temporary funding into 2013/14. This will provide time for a longer term budget and funding solution to be developed for 2014/15 onwards.

## **Looking ahead**

The number of new registrations is increasing each year as new sectors of the workforce are required to register. This will mean an increase in the number of mainly registration and fitness to practise staff and associated costs. The increased cost will be partially offset by increased registration income. In the current economic climate and with significant pressures on public finances the SSSC will be required to keep cost increases to a minimum and deal with a significant proportion of increased workload through delivering efficiencies.

The intention when the SSSC was set up in October 2001 was to move to a position where the fees charged to registrants would be sufficient to fund the cost of their registration. Analysis of the impact of this is on-going.

## **Going concern**

The Statement of Financial Position at 31 March 2013 shows net liabilities of £3.394m. The net liabilities are mainly the result of actuarial assumptions adopted for the application of accounting standard IAS 19.

The SSSC participates in a pension fund which is the subject of an actuarial valuation every three years. This actuarial valuation is different from the valuation required by the accounting standard IAS 19. The actuarial valuation determines employer contribution rates that are designed to bring fund assets and liabilities into balance for the fund as a whole over the longer term.

The liability will therefore be reduced through the payment of employee and employer contributions each year. Any future increases in employer contributions will require to be reflected through the grant in aid agreed with the Sponsor Department.

The Council has no reason to believe the Sponsor Department and Scottish Ministers have any intention to withdraw or reduce support to the SSSC. In addition the Sponsor has confirmed grant in aid figures for 2013/14. It is therefore considered appropriate to prepare the accounts on a going concern basis.

### **Pensions**

The Scottish Social Services Council is an admitted body to the Tayside Superannuation Fund. This is a local government pension scheme administered by Dundee City Council.

The local government pension scheme is a defined benefit scheme that provides pension benefits based on final pensionable remuneration. There were 149 employees who were active members of the Tayside Superannuation Fund as at 31 March 2013.

Employer contribution rates have been set following actuarial valuation as follows:

<b>Year ended</b>	<b>Employer contribution rate</b>
31 March 2013	18.0%
31 March 2014	18.0%
31 March 2015	18.0%

Employee contribution rates are in the range 5.5% to 12% based on earnings bands. The rates and earning bands are subject to periodic review.

The disclosures required by accounting standard IAS 19 "Employee Benefits" are contained in Note 5 of the accounts.

## **Auditor's remuneration**

Under the Public Finance and Accountability (Scotland) Act 2000 the Auditor General for Scotland appoints the auditors of the SSSC. For the financial years 2011/12 to 2015/16 the Auditor General appointed Audit Scotland to undertake the statutory audit of the SSSC.

The general duties of the auditor, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

The cost of statutory audit for 2012/13 was £17.6k (2011/12 £19.2k). We received a discount of £1.1k for 2011/12 audit fees during 2012/13. Audit Scotland provided services solely relating to the statutory audit. No further assurance, tax or other services were provided.

Scott Moncrieff are appointed as the SSSC's internal auditors. The cost of internal audit for 2012/13 was £24.7k (2011/12 £18.5k). Additional audit work on Fitness to Practice was requested during 2012/13. All reports by internal and external audit are considered by the Audit Committee.

## **Public Services Reform (Scotland) Act 2010**

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose a duty on the SSSC to publish information on expenditure, economic stability and efficiency as soon as is reasonably practicable after the end of each financial year. The information required to comply with these disclosure requirements is not an integral part of the annual accounts and is displayed on the SSSC website at [www.sssc.uk.com](http://www.sssc.uk.com)

## **Supplier Payment Policy**

The SSSC is committed to the Confederation of British Industry Prompt Payment Code for the payment of bills for goods and services we receive.

It is our policy to make payments in accordance with the Scottish Government's instructions on prompt payment and a target of payment within 10 days. We paid 97.4% (2011/12 98.1%) of invoices within 10 days.

We aim for continuous improvement in payment performance.

**Disclosure of information to Auditors**

So far as I, as the Accountable Officer, am aware, there is no relevant audit information of which our auditors are unaware.

I have taken all steps I ought to have to make myself aware of any relevant information and to establish that our auditors are aware of that information.

**Post Statement of Financial Position events**

There were no events after the end of the reporting period (31 March 2013) that require disclosure.



Anna Fowlie

Chief Executive

29 October 2013



### **3. REMUNERATION REPORT**

#### **UNAUDITED INFORMATION**

##### **Introduction**

This report provides information on the remuneration of Scottish Social Services Council (SSSC) Council Members and senior managers. The SSSC implemented an organisational restructure with effect from 1 April 2012 and a new Executive Management Team (EMT) was appointed. The EMT is the Chief Executive, Director of Sector Development, Director of Fitness to Practise, Director of Resources and the Head of Strategic Development. The report contains both audited information and information which is not specifically subject to audit.

##### **Remuneration Committee**

The Remuneration Committee determines the performance element of the pay of the EMT excluding the pay of the Chief Executive.

The following Council Members have been appointed to sit on the Remuneration Committee:

Garry Coutts (SSSC Convener)

Lorraine Brown (from 1 September 2012)

Karen Croan (to 31 August 2012)

Gail Harris (from 1 October 2012)

Maureen O'Neill

Kingsley Thomas

The Committee is advised by the following officers:

Chief Executive

Senior HR Advisor

The Remuneration Committee did not meet during 2012/13.

## **Remuneration policy**

### **Members**

The remuneration of Council Members is determined by Scottish Ministers. There is no performance element to Members' remuneration.

### **Executive Management Team**

#### **Chief Executive**

The Chief Executive's remuneration is determined by the Senior Salaries Review Body. Performance is assessed through an annual appraisal performed by the Convener and this appraisal is submitted to the Scottish Government to allow the Chief Executive's remuneration to be agreed.

#### **Senior managers**

The Directors of Fitness to Practise and Sector Development are on a salary scale of £56k to £64k and the Head of Strategic Development salary scale is £45k to £51k. Incremental progression to the maximum of the scale is determined by performance. Performance is assessed by the SSSC's "Performance Development Review System" and progression is subject to agreement by the Remuneration Committee. The SSSC's pay strategy must be approved by the Scottish Government. Subject to that approval, a pay award package is negotiated with the trade unions. When the pay award package has been agreed it is applied to the remuneration of senior managers and the main body of SSSC staff.

The Director of Resources is employed by the Care Inspectorate and works for the SSSC through a shared service arrangement.

#### **Notice periods - Members**

Council Members are appointed for a term that does not exceed three years and may be re-appointed for a further term again not exceeding three years.

There is no notice period specified for Council Members. Either party may terminate early by giving notice but there is no exact time period specified.

Normally there is no payment available in the event of early termination of the contract. However, where special circumstances exist, Scottish Ministers may

determine that compensation for early termination is appropriate and instruct the SSSC to make a payment. The value of the payment would also be determined by Scottish Ministers.

Details of the service contracts for Council Members serving during the year are detailed below:

<b>Name</b>	<b>Current term</b>	<b>Date of initial appointment</b>	<b>Date of re-appointment</b>	<b>Date of termination of appointment</b>
Garry Coutts (Convener)	2nd	01 Sept 2007	01 Sept 2010	31 Aug 2013
Lorraine Brown	1st	01 Sept 2012	n/a	31 Aug 2015
Michael Cairns	2nd	01 Sept 2007	01 Sept 2010	<b>31 Aug 2012</b>
Elizabeth Carmichael	2nd	01 Sept 2007	01 Sept 2010	31 Aug 2013
Frank Clark *	2nd	17 Oct 2006	17 Oct 2009	<b>31 March 2013</b>
Karen Croan	2nd	01 Sept 2007	01 Sept 2010	<b>31 Aug 2012</b>
Julia Edey	1st	01 Oct 2012	n/a	30 Sept 2015
Anne Haddow	2nd	01 Oct 2006	01 Oct 2009	<b>30 Sept 2012</b>
Gail Harris	1st	01 Oct 2012	n/a	30 Sept 2015
Joyce Lishman	1st	01 Oct 2012	n/a	30 Sept 2015
Bart McGettrick	2nd	01 Oct 2006	01 Oct 2009	<b>30 Sept 2012</b>
Maureen O'Neill	2nd	01 Sept 2007	01 Sept 2010	31 Aug 2013
Stan Smith	2nd	01 Oct 2006	01 Oct 2009	<b>30 Sept 2012</b>
Harry Stevenson	1st	01 Sept 2012	n/a	31 Aug 2015
Kingsley Thomas	2nd	01 Sept 2007	01 Sept 2010	31 Aug 2013

\* Frank Clark was formerly the Convener of the Care Commission and was appointed Chair of the Care Inspectorate. There is a reciprocal arrangement where the Convener of the SSSC is a Board member of the Care Inspectorate and the Chair of the Care Inspectorate is a Council Member.

### Chief Executive

Anna Fowlie was appointed as the SSSC's Chief Executive on 2nd November 2009. The normal retirement age for this post is 65 and the current post holder will attain normal retirement age in 16.4 years. Termination of the contract requires a notice period of 6 months by either party.

There are no compensation payments specified in the contract in the event of early termination of the contract.

### Senior managers

The Director of Fitness to Practise, Director of Sector Development and the Head of Strategic Development are all engaged on permanent contracts and are subject to the normal retirement age of 65. Termination of the contract requires a notice period of three months by either party.

There are no compensation payments specified in the contract in the event of early termination of the contract.

<b>Name</b>	<b>Title</b>	<b>Date of appointment</b>	<b>Years to normal retirement age</b>
Mairi Anne MacDonald	Director of Sector Development	16 April 2012	16.6
Valerie Murray	Director of Fitness to Practise Adviser	10 June 2002	11.9
Lorraine Gray	Head of Strategic Development	18 Feb 2008	16.4

### Services from other organisations

Gordon Weir, the Director of Resources is employed by the Care Inspectorate but provides professional services to the SSSC through a Service Level Agreement (SLA). The SSSC made payments to the Care Inspectorate for professional services as follows:

	<b>2012/13</b>	<b>2011/12</b>
	<b>£000</b>	<b>£000</b>
Gordon Weir, Director of Resources	23.0	23.0

## **Discretionary benefits policy**

The Chief Executive, and senior managers do not have any contractual rights to early termination compensation payments but the SSSC operates a discretionary benefits policy that is applicable to all staff (excluding Council Members).

This policy allows additional years of pensionable service to be awarded to those members of the pension scheme who have more than five years pensionable service. The award of additional pensionable service is limited to a maximum of six and two thirds years in a redundancy situation and ten years if early termination is in the interests of the efficiency of the service.

Alternatively, pension scheme members with more than two years pensionable service may be paid compensation of up to 104 weeks pay.

The number of years added or the amount of compensation paid, if any, is determined on the basis of individual circumstances and the employee's age and length of service. All awards of additional service and compensation for early termination are subject to a three year pay-back period and must be approved by the Council.

## **AUDITED INFORMATION**

### **Remuneration - SSSC Council Members**

<b>Salary 2011/12 £000</b>		<b>Salary 2012/13 £000</b>
20 – 25	Garry Coutts (Convener)	20 – 25
n/a	Lorraine Brown	0 – 5
5 – 10	Michael Cairns	0 – 5
5 – 10	Elizabeth Carmichael	5 – 10
5 – 10	Karen Croan	0 – 5
n/a	Julia Edey	0 – 5
5 – 10	Anne Haddow	0 – 5
n/a	Gail Harris	0 – 5
n/a	Joyce Lishman	0 – 5
5 – 10	Bart McGettrick	0 – 5
5 – 10	Maureen O'Neill	5 – 10
5 – 10	Stan Smith	0 – 5
n/a	Harry Stevenson	0 – 5
5 – 10	Kingsley Thomas	5 – 10

Frank Clark, the Chair of the Care Inspectorate is a member of the Council but receives no remuneration from the SSSC. There is a reciprocal arrangement in

place whereby the Convener of the SSSC, is a member of the Board of the Care Inspectorate and receives no remuneration from the Care Inspectorate.

Harry Stevenson has chosen not to claim remuneration for his work as a Council Member.

Council Members are not eligible to join the pension scheme available to employees of the SSSC.

### Remuneration – Executive Management Team

The salaries and pension entitlements of the Chief Executive and senior managers are as follows:

	Emoluments	Real increase in Pension	Real increase in Lump sum	Accrued Pension at age 60	Related Lump sum at age 60	Cash equivalent transfer value at 31/03/12	Cash equivalent transfer value at 31/03/13	Real Increase in cash equivalent transfer value
2012/13	£000	£000	£000	£000	£000	£000	£000	£000
<b>Anna Fowlie</b> Chief Executive	75-80	(2.5)-0	(2.5)-0	35-40	60-65	307	397	81
<b>Mairi Anne MacDonald</b> Director of Sector Development	55-60	n/a	n/a	10-15	0	n/a	11	n/a
<b>Valerie Murray</b> Director of Fitness to Practise	60-65	(2.5)-0	(2.5)-0	25-30	40-45	245	335	84
<b>Lorraine Gray</b> Head of Strategic Development	45-50	n/a	n/a	10-15	5-10	n/a	64	n/a

No benefits in kind were paid during 2012/13. This is the first year that the remuneration of Mairi Anne MacDonald and Lorraine Gray has been reported.

We are required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of our workforce.

The Chief Executive was the highest paid director in the financial year 2012/13 and 2011/12. Remuneration of the workforce ranged from £8,265 to £64,389 in 2012/13.

	<b>2012/13</b>	<b>2011/12</b>
	<b>£000</b>	<b>£000</b>
Highest paid employee (mid-point)	77,500	77,500
Median salary	20,087	19,161
Remuneration ratio	<b>3.86</b>	<b>4.04</b>

Total remuneration includes salary, overtime and other taxable allowances as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

### **Termination Payments**

No termination payments were made during 2012/13.



Anna Fowlie  
Chief Executive  
29 October 2013

#### 4. STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under paragraph 9 (1) of Schedule 2 to the Regulation of Care (Scotland) Act 2001, the SSSC is required to prepare a statement of accounts for each financial year in the form and on the basis directed by Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the SSSC's affairs at the year end and of its financial activities during the year.

In preparing the accounts, the SSSC is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis.
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements.
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the SSSC will continue in operation.

Scottish Ministers designated the Chief Executive as the Accountable Officer for the SSSC. The Chief Executive's relevant responsibilities as Accountable Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accountable Officer Memorandum issued by the Scottish Government and published in the *Scottish Public Finance Manual*.



Anna Fowlie  
Chief Executive  
29 October 2013



## **5. ANNUAL GOVERNANCE STATEMENT**

### **Introduction**

The Scottish Social Services Council (SSSC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The SSSC also has a duty of Best Value as described in the Scottish Public Finance Manual. The duty of Best Value ensures there is a focus firstly on continuous improvement which will help ensure sustainable economic growth for the people of Scotland and secondly on the delivery of the outcomes required of all public services as articulated in the National Performance Framework.

In discharging this overall responsibility, members and senior officers are responsible for putting in place proper arrangements for the governance of SSSC's affairs and facilitating the exercise of its functions. This includes setting the strategic direction, vision, culture and values of the SSSC, effective operation of corporate systems, processes and internal controls, engaging with stakeholders, monitoring whether strategic objectives have been achieved and services delivered cost effectively and ensuring that appropriate arrangements are in place for the management of risk.

This Annual Governance Statement explains the SSSC's governance and risk management framework.

### **The Governance Framework**

#### **Organisational structure**

The Council commenced the year with a Convener and 9 Members. The Convener and 8 of the members were appointed by Scottish Ministers through open competition. The Chair of the Care Inspectorate is a member of the Council through a reciprocal arrangement where the Convener of the SSSC is a Board member of the Care Inspectorate. The membership reflects a wide range of interests in the field of social care, including service users, carers, those involved in service delivery, professional bodies and those delivering education and training for the social service workforce. The Council remains ultimately responsible and accountable for all the decisions taken in its name, whether directly or through its Committees.

The Council has overall responsibility for oversight of the work of the SSSC and in particular for ensuring that the interface between the SSSC's work in registration and regulation and development of the capability and capacity of the workforce is identified and managed to ensure that the SSSC works in a coherent and effective manner.

The Council must approve the making, revision or revocation of Standing Orders, the approval of the Annual Report and Accounts, budget, corporate plan, risk register and risk management strategy for each financial year.

The Council is also responsible for the approval of the appointment of internal auditors to the SSSC.

We currently have the following Committees all of which report to the Council:

### **Education and Workforce Regulation Policy Committee**

Established to develop an integrated approach to workforce planning, the registration and regulation of the social service workforce and its education and training, including policy on rules made to the Council.

### **Audit Committee**

Established to take an overview of the financial reporting arrangements of the Council, the external and internal audit arrangements and ensure that there is sufficient and systematic review of internal control arrangements of the organisation, including arrangements for risk management.

### **Finance and Resources Committee**

Established to take an overview of how the Council conducts its business, overseeing on behalf of the Council, the preparation of work and business plans, including budgets and resource requirements and the effective, efficient and economical use of the Council's money and to agree the organisational structure, human resources strategy and employment policy.

### **Remuneration Committee**

Established to deal with the remuneration of the Executive Management Team, with the exception of the Chief Executive, whose remuneration is determined by Scottish Government.

## **Registration Committee**

This was established to act as the Registration Committee in terms of the Council's Registration Rules. The Registration Rules set out the processes, procedures and requirements for registration in the SSSC's Register.

## **Conduct Committee**

This was established to act as the Conduct Committee in terms of the Council's Conduct Rules. The Conduct Rules regulate how the SSSC deals with allegations of misconduct against persons on the SSSC's Register.

The SSSC has a number of other committees that only meet as required, such as the Complaints Review Committee and the Employment Appeals Sub-committee.

## **Council Members**

Council Members are subject to the Ethical Standards in Public Life (Scotland) Act 2000 and the SSSC Code of Conduct which has been approved by Scottish Ministers. The key principles which underpin the Code are based on the principles of public life set down by the Committee on Standards in Public Life (originally 'the Nolan Committee'). The key principles are:

- Public Service
- Selflessness
- Integrity
- Objectivity
- Accountability and Stewardship
- Openness
- Honesty
- Leadership and
- Respect.

Council Members also work to the six core principles set out in the Good Governance Standard for Public Services, which are:

- focusing on the organisation's purpose and on outcomes for citizens and service users
- performing effectively in clearly defined functions and roles
- promoting values for the whole organisation and demonstrating the values of good governance through behaviour
- taking informed transparent decisions and managing risk

- developing the capacity and capability of the governing body to be effective
- engaging stakeholders and making accountability real.

The quarterly Council meetings are held in public and the minutes of each meeting are available on our website [www.sssc.uk.com](http://www.sssc.uk.com)

Council Member	Council	Finance & Resources		Audit		Registration		Education & Workforce Regulation Policy		Conduct	
	Attended	Member Yes/no	Attended	Member Yes/no	Attended	Member Yes/no	Attended	Member Yes/no	Attended	Member Yes/no	Attended
Garry Coutts, Convener	3							Yes	4		
Lorraine Brown	2	Yes	3	No	1	Yes		Yes	2	Yes	
Michael Cairns *	1			Yes	2	Yes	1	Yes	1		
Elizabeth Carmichael	3			Yes	4			Yes	4	Yes	
Professor Frank Clark	4			No	2			Yes			
Karen Croan *	1					No	1	Yes	1	Yes	1
Julia Edey	3			Yes	2			Yes	2	Yes	
Dr Anne Haddow **	2	No	1					Yes	2		
Gail Harris	2	Yes	3					Yes	1		
Joyce Lishman	2	Yes	2	Yes				Yes	1		
Professor Bart McGettrick **				Yes							
Maureen O'Neill	2			Yes		Yes		Yes	2		
Stan Smith **	2			Yes	1			Yes	1		
Harry Stevenson	1							Yes			
Kingsley Thomas	2	Yes	4					Yes	1		

The Remuneration Committee was not required to meet during the year.

\*Michael Cairns and Karen Croan appointment term ended 31 August 2012.

\*\*Dr Anne Haddow, Professor Bart McGettrick and Stan Smith appointment term ended 30 September 2012.

### **Accountable Officer**

The SSSC's Chief Executive, Anna Fowlie is the designated Accountable Officer for the SSSC. The Accountable Officer is personally responsible to Scottish Ministers, who are ultimately accountable to the Scottish Parliament, for securing propriety and regularity in the management of public funds and for the day-to-day operations and management of the SSSC.

The detailed responsibilities of the Accountable Officer for a public body are set out in a Memorandum from the Principal Accountable Officer of the Scottish Administration which is issued to the Chief Executive on appointment and updated from time to time.

### **Executive Management Team**

The Executive Management Team (EMT) supports the Chief Executive in her Accountable officer role through the formal scheme of delegation. The EMT comprised the Director of Sector Development, the Director of Fitness to Practise, Director of Resources and the Head of Strategic Development. Each of these officers has responsibility for the development and maintenance of the governance environment within their own areas of control.

### **Internal Audit**

The SSSC's internal audit function has been contracted out. Internal audit forms an integral part of the SSSC's internal control and governance arrangements. The internal audit service operates in accordance with Government Internal Audit Standards and undertakes an annual programme of work approved by the Audit Committee. This annual programme is based on a formal risk assessment process which is updated on an ongoing basis to reflect evolving risks and changes.

### **Key elements of the SSSC's governance arrangements**

The key elements of the SSSC's governance arrangements are set out below.

- The SSSC's vision is incorporated within the Strategic Plan which has been published and is available on the SSSC's website.
- The SSSC seeks stakeholder views on a wide range of issues and undertakes regular formal and informal consultation.

- The roles and responsibilities of Council Members and officers are defined in our standing orders, scheme of delegation and financial regulations.
- Our standing orders, scheme of delegation and financial regulations are subject to regular review and revised where appropriate.
- We have tested business continuity plans in place which set out the arrangements with which we aim to continue to deliver services in the event of an emergency.
- Our performance management arrangements enable progress against the SSSC's priorities to be monitored.
- We publicly report on our performance.
- We respond to findings and recommendations of our external auditors (Audit Scotland) and our internal auditors (Scott-Moncrieff). The Audit Committee receives regular reports from management on the implementation of audit recommendations. The internal auditors formally report on the implementation of agreed audit recommendations to the Audit Committee annually.
- The Audit Committee reports annually to the Council on their own performance as a Committee, the Committee's opinion on the performance of internal and external audit and provide an opinion on the reliability and appropriateness of the Annual Governance Statement.
- We are committed to the efficient government programme and on an annual basis identify efficiency savings achieved by implementing this initiative.
- Codes of conduct are in place for, and define the standards of behaviour expected from, Council Members and officers.
- We foster relationships and partnerships with other public, private and voluntary organisations where there is a clear alignment with our strategic objectives.
- A register of Members' interests is maintained and is available for inspection by members of the public. Declarations of conflicts of interest are standing agenda items at each Council and Committee meeting.
- The performance and training needs of Council Members is assessed by the Convener. The Convener is similarly assessed by senior officials within the Sponsor Department. Through this process all Council

Members have personal development plans which are periodically supplemented by additional training.

- Council Members are appointed by Scottish Ministers. The scheme of members' remuneration and expenses is similarly determined by Scottish Ministers. Details of all members' expenses are published on an annual basis.
- The Chief Executive is responsible and accountable for all aspects of executive management.
- The roles of all officers are defined in agreed job descriptions. Staff performance is reviewed on an annual basis in accordance with our personal development and review scheme (PDRS).
- We have an agreed systematic approach to delivering Best Value.
- Our procurement capability is assessed annually by the Scottish Procurement Directorate and we strive to continually improve our procurement capability.
- We hold regular performance review meetings with the Sponsor Department.
- We have a fraud response plan that clearly sets out the process to be followed if fraud is suspected.
- A whistle blowing policy (contained within the Code of Conduct) provides for the direct reporting of problems to senior managers without fear of recrimination.

### **Risk management**

The SSSC has a risk management policy. The main priorities of this policy are the identification, evaluation and control of risks which threaten our ability to deliver our objectives. The policy provides direction on a consistent, organised and systematic approach to identifying risks, the control measures that are already in place, the residual risk, the risk appetite and action that is necessary to further mitigate against risks.

Risks identified are maintained on a strategic risk register and addressed in the preparation of the strategic plan. The Strategic Plan has been developed to show clear links between risks identified on the risk register and the SSSC's strategic objectives. As a result, the risks identified become embedded in managers' work plans for the year.



## **System of internal financial control**

Within the SSSC's overall governance framework specific arrangements are in place as part of the system of internal financial control. This system is intended to ensure that reasonable assurance can be given that assets are safeguarded, transactions are authorised and properly recorded and material errors or irregularities are either prevented or would be detected within a timely period. The SSSC's system of internal financial control is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is the responsibility of managers within the SSSC. In particular, the system includes:

- financial regulations
- comprehensive budgeting systems
- regular reviews of periodic and annual financial reports which indicate financial performance against forecast
- setting targets to measure financial and other performance
- the preparation of regular financial reports which indicate actual expenditure against the forecasts
- clearly defined capital expenditure guidelines.

## **Compliance with guidance and best practice**

The following are all key documents that have underpinned the development of our governance framework:

- Scottish Public Finance Manual
- Management Statement and Financial Memorandum of the SSSC
- On Board: A Guide for Board Members of Public Bodies in Scotland
- The Model Code of Conduct for Members of Devolved Public Bodies
- Best Value in Public Services: Guidance for Accountable Officers
- SSSC Codes of Practice for Social Service Workers and Employers.

## **Review**

The effectiveness of our governance framework is reviewed annually as part of the preparation of this Governance Statement. Individual policies and procedures that contribute towards the overall governance framework are also subject to periodic review. This review is informed by:

- the views of Audit Committee on the assurance arrangements.
- the opinions of internal and external audit on the quality of the systems of governance, management and risk control.
- "Certificates of Assurance" supplied by EMT members following a review of the governance arrangements within their specific areas of responsibility.
- feedback from managers and staff within the SSSC on our performance, use of resources, responses to risks, and the extent to which in-year budgets and other performance targets have been met.

Significant issues and areas where the governance framework can be developed identified as a result of this review process are detailed in the sections below:

### **Significant issues**

#### Fitness to Practise

The workload of the Fitness to Practise Department has increased very significantly during 2012/13 and new referrals are being received at an increasing rate. The caseload will continue to increase.

Work is underway with the Sponsor Department to develop a sustainable long term solution to fund the increased workload. The Fitness to Practise resource model will continue to be further developed to ensure that there is a longer lead time to identify future workload requirements and the resources needed to support this.

#### Efficiencies

As at 31 March 2013 there were approximately 55,000 social care service workers on the workforce register. It is anticipated that by 2019/20 there will be approximately 116,000 registered workers. The increase in number of registered workers will require the SSSC to expand its workforce both in terms

of registration and fitness to practise staff. However, at a time of significant pressure on public finances we will need to grow the SSSC firstly by demonstrating efficiencies before making additional demands on scarce public funding.

Finance and Resources Committee receives an annual report on efficiencies delivered and ensures that the SSSC as a minimum complies with Scottish Government expectations for public bodies.

#### Delays in applications for required registration

When the Register is opened to new parts of the social care workforce we plan on the basis of expected registrations, forecasting on activity levels up to the date of required registration in each financial year. The expected workforce numbers and associated activity is calculated from a number of sources, for example, the annual care service returns to the Care Inspectorate and the Local Authority Social Work Services Staffing Census. We encourage new registrants to apply early in order to spread our workload but there is often a significant peak in new registrations around the required registration date. Such peaks in workload create pressure on staffing and on our ability to maintain service standards.

We have introduced measures such as using temporary staff and a twilight shift to deal with workload peaks. It is anticipated that we need to continue to ensure there is flexibility in our employment arrangements.

#### **Specific grant funding**

The SSSC is attracting significant grant funding which is additional to grant in aid. This is short term funding which creates issues in terms of the time frame to plan and deliver grant funded project whilst maximising the benefit from the funding available.

#### **Data handling and protection**

There are no data losses to report for the year to 31 March 2013.

## **Developing the governance framework**

### Organisational structure review

We implemented a new organisational structure in 2012/13. The new organisational structure is intended to clarify roles, responsibilities and accountability and make the SSSC a more efficient and effective organisation.

### Business needs analysis / ICT strategy

Information Communication Technology (ICT) is provided via a shared service agreement with the Care Inspectorate. This agreement is centred on hardware and the ICT network. The implementation of the new SEQUENCE system has highlighted that there is a need to develop an ICT strategy specific to the SSSC's business needs. During 2012/13 a situational analysis was undertaken, which will inform the development of an ICT strategy tailored to SSSC requirements. This work will be progressed in 2013/14. These reviews will inform the development of an ICT strategy tailored to the SSSC's requirements.

### Development of SSSC Code of Corporate Governance

Although we believe the governance framework in place is working effectively there is no overarching document that brings all the different elements together to provide an overview of how the SSSC delivers effective governance.

During 2012/13 work on developing a code of Corporate Governance for the SSSC was initiated. It is anticipated this work will be completed and a code of Corporate Governance agreed in 2013/14, This code will:

- describe the principles of good governance and how we aim to achieve these
- identify the policies and procedures that are essential to demonstrate compliance with these principles.

The existence of a code that brings all the different strands of corporate governance together will facilitate more effective and systematic governance reviews.

### New payroll/HRMIS system

A new payroll and human resource management information system will be implemented early in 2013/14. The new system will incorporate electronic "self-serve" and manager authorisation functionality. The new system will provide access to user friendly management information appropriate to management and supervisory responsibilities throughout the organisation.

### **Certification**

The SSSC's governance framework has been in place for the year ended 31 March 2013 and up to the date of signing of the accounts.

It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the SSSC's systems of governance. Although areas for further improvement have been identified the annual review has provided sufficient evidence that the SSSC's governance arrangements have operated effectively and that the SSSC complies with all relevant guidance and generally accepted best practice in all significant respects.



Anna Fowlie  
Chief Executive  
29 October 2013

## **6. Independent Auditor's Report to the members of the Scottish Social Services Council, the Auditor General for Scotland and the Scottish Parliament**

I have audited the financial statements of the Scottish Social Services Council for the year ended 31 March 2013 under the Regulation of Care (Scotland) Act 2001. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2012/13 Government Financial Reporting Manual (the 2012/13 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Respective responsibilities of Accountable Officer and auditor**

As explained more fully in the Statement of the Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Council's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements, irregularities or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2013 and of its total comprehensive net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2012/13 FReM; and
- have been prepared in accordance with the requirements of the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers.

### **Opinion on regularity**

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

### **Opinion on other prescribed matters**

In my opinion:

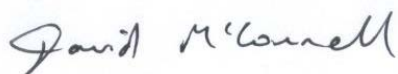
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I am required to report by exception**

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.



David McConnell MA, CPFA  
Assistant Director of Audit  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
GLASGOW  
G2 1BT



29 October 2013



**ANNUAL REPORT AND ACCOUNTS**

**1 April 2012 – 31 March 2013**

## **Annual Accounts**

**1 April 2012 – 31 March 2013**

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**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2012/13 £000	2011/12 £000
<b><u>Income</u></b>			
Registration fees	2a	(1,259)	(1,151)
Other operating income	2b	(2,713)	(2,802)
		(3,972)	(3,953)
<b><u>Expenditure</u></b>			
Staff costs	3b	6,319	5,879
Operating expenditure	6a	3,115	2,789
Disbursement grants	6b	0	66
Bursaries	6b	2,681	2,621
Practice learning fees	6b	2,519	2,589
		14,634	13,944
<i>Net operating cost on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities</i>		10,662	9,991
Bank interest (net of charges)		11	11
(Return)/cost on pension assets & liabilities	5b	89	(80)
		10,762	9,922
<i>Net operating cost on ordinary activities after interest and (return)/cost on pension scheme assets and liabilities</i>		10,762	9,922
Actuarial (gains)/losses on pensions assets/liabilities		(1,703)	2,905
<b>Total comprehensive net expenditure before Scottish Government funding</b>		9,059	12,827

All operations are continuing.

The notes on pages 79 - 96 form an integral part of these accounts.

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Note	2012/13 £000	2011/12 £000
<b>Non-current assets</b>			
Property, plant and equipment	7	165	205
Intangible assets	8	764	716
<b>Total non-current assets</b>		929	921
<b>Current assets</b>			
Trade and other receivables	9	889	742
Cash and cash equivalents	10	3,106	2,632
<b>Total current assets</b>		3,995	3,374
<b>Total assets</b>		4,924	4,295
<b>Current liabilities</b>			
Trade and other payables	11	(3,194)	(3,073)
<b>Total current liabilities</b>		(3,194)	(3,073)
<b>Non-current assets plus net current assets</b>		1,730	1,222
<b>Non-current liabilities</b>			
Pension liabilities	5a	(5,124)	(6,175)
<b>Total non-current liabilities</b>		(5,124)	(6,175)
<b>Net assets/(liabilities)</b>		(3,394)	(4,953)
<b>Taxpayers' equity</b>			
Pensions reserve		(5,124)	(6,175)
General reserve	12	1,730	1,222
		(3,394)	(4,953)

Anna Fowlie

Anna Fowlie  
Chief Executive  
29 October 2013

The notes on pages 79 - 96 form an integral part of these accounts.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2012/13 £000	2011/12 £000
<b>Cash flows from operating activities</b>			
Net operating cost before Scottish Government funding	SCNE	(9,059)	(12,827)
Adjustments for non cash items:			
Pension actuarial adjustments	5b	(1,051)	2,908
Depreciation and amortisation	6a	284	225
(Increase)/decrease in trade and other receivables	9a	(147)	113
Increase/(decrease) in trade and other payables	11a	121	1,791
<b>Net cash outflow from operating activities</b>		<b>(9,852)</b>	<b>(7,790)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7a	0	0
Purchase of intangible assets	8a	(292)	(804)
<b>Net cash outflow from investing activities</b>		<b>(292)</b>	<b>(804)</b>
<b>Cash flows from financing activities</b>			
Funding from Scottish Government	13a	10,618	10,633
<b>Net financing</b>		<b>10,618</b>	<b>10,633</b>
Net increase/(decrease) in cash and cash equivalents in the period	10	474	2,039
Cash and cash equivalents at the beginning of the period	10	2,632	593
Cash and cash equivalents at the end of the period	10	3,106	2,632

The notes on pages 79 – 96 form an integral part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	Pension Reserve £000	General Reserve £000	Total Reserves £000
<b>Balance at 31 March 2011</b>		<b>(3,267)</b>	<b>508</b>	<b>(2,759)</b>
<b>Changes in taxpayers' equity for 2011/12</b>				
Adjustment between accounting basis and funding basis for actuarial pension valuation	5b	(2,908)	2,908	0
Total Comprehensive Net Expenditure	SCNE		(12,827)	(12,827)
<b>Total recognised income and expense for 2011/12</b>		<b>(2,908)</b>	<b>(9,919)</b>	<b>(12,827)</b>
Grants from Scottish Government	13a		10,633	10,633
<b>Balance at 31 March 2012</b>		<b>(6,175)</b>	<b>1,222</b>	<b>(4,953)</b>
<b>Changes in taxpayers' equity for 2012/13</b>				
Adjustment between accounting basis and funding basis for actuarial pension valuation	5b	1,051	(1,051)	0
Total Comprehensive Net Expenditure	SCNE		(9,059)	(9,059)
<b>Total recognised income and expense for 2012/13</b>		<b>1,051</b>	<b>(10,110)</b>	<b>(9,059)</b>
Grants from Scottish Government	13a		10,618	10,618
<b>Balance at 31 March 2013</b>		<b>(5,124)</b>	<b>1,730</b>	<b>(3,394)</b>

The notes on pages 79 – 96 form an integral part of these accounts.

## NOTES TO THE ACCOUNTS

### 1 Statement of accounting policies

#### 1.1 Basis of accounts

The accounts have been prepared in accordance with the Accounts Direction issued by the Scottish Ministers. The Accounts Direction (reproduced at Appendix 1) requires compliance with the Government's Financial Reporting Manual (FRoM) which follows International Financial Reporting Standards as adopted by the European Union, International Financial Reporting Interpretation Committee (IFRIC) Interpretations and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The particular accounting policies adopted by the Council are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts are prepared using accounting policies and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors.

#### 1.2 Accounting Standards issued not yet effective

In accordance with IAS8, changes to IFRS that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. Other than an amendment to IAS 19 post-employment benefits which may affect the recognition and measurement of termination benefits, no significant impact on future periods' financial statements is anticipated.

#### 1.3 Accounting convention

They have been prepared under the historical cost convention except for certain financial instruments and pensions that have been measured at fair value as determined by the relevant accounting standard.

#### 1.4 Going concern

The accounts have been prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future. Further explanation of the adoption of the going concern basis is contained in the Financial Review section (pages 42-48).

#### 1.5 Property, plant and equipment

##### 1.5.1 Capitalisation

The capitalisation threshold for individual assets is £10,000. This applies to all asset categories.

##### 1.5.2 Valuation

Property, plant and equipment assets are carried at cost less accumulated depreciation and any recognised impairment value. The Council does not have any assets held under finance leases.



Depreciated historic cost has been used as a proxy for the current value. All property, plant and equipment have low values and short useful economic lives which realistically reflect the life of the asset, and a depreciation charge which provides a realistic reflection of consumption.

#### 1.5.3 Depreciation

Depreciation is provided on property, plant and equipment on a straight line basis using the expected economic life of the asset. A full year's depreciation is charged in the year the asset is first brought in to use and no depreciation is charged in the year of disposal. The economic life of an asset is determined on an individual asset basis.

#### 1.6 **Intangible assets**

Acquired intangible assets are measured initially at cost and are amortised on a straight line basis over their estimated useful lives. Acquired intangible assets tend to be software and the useful lives are typically 4 years.

#### 1.7 **Impairment of tangible and intangible assets**

All tangible and intangible non-current assets are reviewed for impairment in accordance with IAS 36 "Impairment of Assets" when there are indications that the carrying value may not be recoverable. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs to sell, and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses this is recognised as income immediately. No impairments have been identified in previous years.

#### 1.8 **Government grants receivable**

Grants and grant in aid in respect of revenue and capital expenditure are treated as a source of financing and are credited to the General Reserve.

#### 1.9 **Disbursement grants & bursaries payable**

This expenditure is recognised in the Statement of Comprehensive Net Expenditure in the period in which the recipient carries out the specific activity, which forms the basis of entitlement to grant, or otherwise meets the grant entitlement criteria.

#### 1.10 **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Council currently only holds operating leases. Costs in respect of operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the term of the lease. The SSSC has

shared service arrangements with the Care Inspectorate and charges in respect of Compass House and ICT costs are disclosed as lease payments. Charges from Scottish Ministers in respect of Quadrant House are also disclosed as lease payments.

**1.11 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position consist of cash at bank and cash in hand.

**1.12 Pensions**

The Council accounts for pensions under IAS 19 "Employee Benefits" as adapted to the public sector.

The Council is an admitted body to the local government pension scheme and this is a defined benefit scheme. Obligations are measured at discounted present value whilst plan assets are recorded at fair value. The operating and financing costs of such plans are recognised separately in the Statement of Comprehensive Net Expenditure. Service costs are spread systematically over the expected service lives of employees. Financing costs and actuarial gains and losses are recognised in the period in which they arise.

The SSSC's funding rules requires the General Reserve balance to be charged with the amount payable by the SSSC to the pension scheme and not the amount calculated according to the application of IAS 19. Therefore there are appropriations to/from the Pensions Reserve shown in the Statement of Changes in Taxpayers' Equity to revise the impact of the IAS 19 entries included in the Statement of Comprehensive Net Expenditure to ensure the General Reserve balance is charged with amount payable by the SSSC.

**1.13 Short term employee benefits**

The Council permits the carry forward of unused annual leave entitlement and accumulated flexible working hours scheme balances. Entitlement to annual leave and flexible working hours are recognised in the accounts at the time the employee renders the service and not when the annual leave and accumulated hours balances are actually used.

**1.14 Shared services**

The Council shares its headquarters and some services with the Care Inspectorate. The Care Inspectorate charges the Council for services provided based on a Service Level Agreement (SLA). The SLA contains arrangements akin to a lease for accommodation and ICT equipment.

**1.15 Value Added Tax (VAT)**

The Council can recover only a nominal value of VAT incurred on purchases, with irrecoverable VAT being charged to the Statement of Comprehensive Net Expenditure.

**1.16 Revenue and capital transactions**

Revenue and capital transactions are recorded in the accounts on an income and expenditure basis i.e. recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the Council as at 31 March 2013 have been brought into account.

### 1.17 Financial instruments

The SSSC does not hold any complex financial instruments. As the cash requirements of the Council are met through grant in aid provided by the Children and Families Directorate of the Scottish Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with our expected purchase and usage requirements and the Council is therefore exposed to little credit, liquidity or market risk.

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Council becomes a party to the contractual provisions of the instrument.

#### Trade receivables

Trade receivables are non-interest bearing and are recognised at fair value, reduced by appropriate allowances for estimated irrecoverable amounts.

#### Trade payables

Trade payables are non-interest bearing and are stated at fair value.

### 1.18 Operating segments

Financial reporting to senior decision makers is at organisation wide level and therefore segmental reporting under IFRS 8 is not required.

## 2 Operating income

	2012/13 £000	2011/12 £000
2a Registration fees	1,259	1,151
2b Other operating income:		
Practice learning fees*	2,519	2,589
Modern apprenticeship fees	160	152
Recovery of Protection of Vulnerable Groups (PVG) fees	14	20
Care accolades sponsorship	13	11
Other income**	7	30
	<u>2,713</u>	<u>2,802</u>

\* Practice learning fees are paid to universities to fund practice learning days for social work students within workplace settings. An administration fee is paid to each university to administer this function. The Scottish Government provide separate funding to the SSSC to fund these payments to universities.

\*\* Other income for the period 2012/13 mainly comprises of a £4k contribution from Access to Work for disability equipment, £2k for repayment of staff removal fees and other recharges and £1k for supplier rebates.

### 3 Staff numbers and costs

3a	<u>Average number of staff employed (full time equivalent)</u>		Restated
		<b>2012/13</b>	<b>2011/12</b>
		<b>FTE</b>	<b>FTE</b>
	Chief executive & corporate	20	20
	Fitness to practise	29	30
	Sector development	87	87
	Strategic development	12	12
	Resources	19	19
	Seconded staff	1	1
	Agency staff	5	1
		<hr/>	<hr/>
		173	170

3b	<u>Analysis of staff costs</u>		
		<b>2012/13</b>	<b>2011/12</b>
		<b>£000</b>	<b>£000</b>
	Salaries	4,190	4,137
	Social security costs	303	300
	Pension – current service costs	991	736
	Pension – past service cost	93	36
	Pension – curtailments	169	0
	Other staff costs	409	587
	Provision for severance	15	0
	Agency staff	102	38
	Secondment inwards	47	45
	<b>Staff costs</b>	<hr/>	<hr/>
		6,319	5,879

### 3c **Analysis of Impact of Actuarial Pension Valuation Adjustments** (See Note 5)

		<b>2012/13</b>	<b>2011/12</b>
		<b>£000</b>	<b>£000</b>
	<u>Actual Payments</u>		
	Employer pension contributions actually paid	674	677
	Unfunded pension payments actually paid	18	12
	Total pension related payments actually paid	<hr/>	<hr/>
		692	689
	<u>Accounting Entries (IAS 19 Note 5)</u>		
	Current service costs (actuarial basis)	993	736
	Past service costs	93	36
	Losses on curtailments	169	
	Pension costs included in staff costs (SCNE)	<hr/>	<hr/>
		1,255	772
	Variance between actual costs and accounting basis	<hr/>	<hr/>
		563	83

#### 4 Severance costs

No staff received voluntary early severance in 2012/13 however a £15k provision for potential severance for one staff member is included. The Council offered voluntary early severance to three staff in 2011/12. The table below shows the number of departures and associated costs.

Exit package cost band	2012/13		2011/12	
	Number of departures	Total Cost £000	Number of departures	Total cost £000
Up to £25,000	0	15		
£25,000 to £50,000			2	85
£100,000 to £150,000			1	136
	0	15	3	221

Exit costs include:

- Redundancy payments
- Payments to the pension fund where early retirement has been agreed
- Compensation for added years.

Exit costs are accounted for in full in 2011/12. Redundancy and other departure costs have been paid in accordance with the financial requirements of the SSSC's voluntary severance scheme and the Local Government Pension Scheme Regulations for Scotland. Where the SSSC has agreed early retirements, the additional costs are met by the SSSC and not the Local Government Pension Scheme.

#### 5 Post employment benefits: pension

International Accounting Standard 19 (IAS 19) "Employee Benefits" sets out the accounting treatment to be followed when accounting for the costs of providing a pension scheme.

##### Tayside Superannuation Fund

The Fund is administered by Dundee City Council and the pension scheme is part of the Local Government Pension Scheme. It is a defined benefit scheme, which means that the benefits to which members and their spouses are entitled are determined by final pensionable pay and length of service.

The contributions paid by the Council for the year to 31 March 2013 were £672k representing 18.0% of pensionable pay (2011/12: £677k representing 18.5% of pensionable pay). Employee contribution rates were in the range 5.5% to 12% based on earnings bands.

The Tayside Superannuation Fund is a multi-employer scheme which includes local authorities and admitted bodies. The Council's share of the underlying assets and liabilities have been separately identified on the following basis:

5a **Employee benefits – statement of financial position recognition**

	Year to 31 March 2013 £000	Year to 31 March 2012 £000
Present value of funded obligation	19,281	17,856
Fair value of scheme assets (bid value)	14,527	11,901
<b>Net Liability</b>	<b>4,754</b>	<b>5,955</b>
Present value of unfunded obligation	370	220
<b>Net Liability in statement of financial position</b>	<b>5,124</b>	<b>6,175</b>

5b **Income and expenditure costs for the year to 31 March 2013**

The amounts recognised in the statement of comprehensive net expenditure are as follows:

	Year to 31 March 2013		Restated Year to 31 March 2012	
	£000	£000	£000	£000
Current service cost		993		736
Past service costs/(gain)		93		36
Interest on obligation	836		754	
Expected return on scheme assets	<u>(747)</u>		<u>(834)</u>	
(Return)/cost on pension assets & liabilities		89		(80)
Losses (gains) on curtailments		169		0
Difference between actual employer's contributions and unfunded payments and actuarial assumptions	(128)		0	
Actuarial (gains)/losses	<u>(1,575)</u>		<u>2,905</u>	
Total Actuarial (gains)/losses		(1,703)		2,905
<b>Total</b>		<b><u>(359)</u></b>		<b><u>3,597</u></b>
Actual return on scheme assets		<b>2,052</b>		<b>46</b>

The SSSC recognises the cost of retirement benefits in the reported operating cost when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made under the SSSC's funding rules is based on the cash payable in the year. This requires the real cost of post employment/retirement benefits to be reversed out of the General Reserve via the Statement of Changes in Taxpayers' Equity during the year.

<b>Adjustments are made for:</b>	<b>Note</b>	<b>2012/13 £000</b>	<b>2011/12 £000</b>
Staff costs	3c	563	83
Return or cost on pension assets and liabilities		89	(80)
Total actuarial (gains)/losses		(1,703)	2,905
		<u>(1,051)</u>	<u>2,908</u>

The impact of the changes required in the final version of the revised IAS 19 standard had it been applied in 2012/13 are detailed in the table below:

<b>Projected pension expense</b>	<b>Year to 31 March 2013 £000</b>
Service cost	1,255
Net Interest on defined liability (asset)	276
Administration expenses	6
<b>Total</b>	<b>1,537</b>
Actual return on scheme assets	2,058

For accounting years beginning on or after 1 January 2013, the expected return and interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the IAS 19 discount rate. Therefore we are not required to disclose an expected return assumption for the year to 31 March 2014. For the year to March 2013, the expected return was 6.1% per annum, which has been used to determine the profit and loss for the year ended 31 March 2013.

	<b>Expected return as at:</b>		
	<b>1 April 2013 % p.a.</b>	<b>1 April 2012 % p.a.</b>	<b>1 April 2011 % p.a.</b>
Expected return on assets	6.1%	6.1%	7.3%

5c **Benefit obligation reconciliation for the year to 31 March 2013**

Changes in the present value of the defined benefit obligations are as follows:

	Year to 31 March 2013 £000	Year to 31 March 2012 £000
<b>Opening defined benefit obligation</b>	<b>18,076</b>	<b>16,766</b>
Service cost	993	736
Interest cost	836	754
Actuarial losses/(gains)	(270)	(398)
Losses (gains) on curtailments	169	-
Estimated benefits paid net of transfers in	(462)	(50)
Past service cost/(gain)	93	36
Contributions by scheme participants	244	244
Unfunded pension payments	(28)	(12)
<b>Closing defined benefit obligation</b>	<b>19,651</b>	<b>18,076</b>

5d **Fair value of scheme assets reconciliation for the year to 31 March 2013**

Changes in the fair value of Scheme assets are as follows:

	Year to 31 March 2013 £000	Year to 31 March 2012 £000
<b>Opening fair value of scheme assets</b>	<b>11,901</b>	<b>13,499</b>
Expected return on scheme assets	747	834
Actuarial gains/(losses)	1,305	(3,303)
Employer contributions (including unfunded pensions)	820	689
Contributions by scheme participants	244	244
Estimated benefits paid net of transfers in (including unfunded pensions)	(490)	(62)
<b>Closing fair value of scheme assets</b>	<b>14,527</b>	<b>11,901</b>

5e **Projected pension expense for the year to 31 March 2014**

<b>Projected pension expense</b>	<b>Year to 31 March 2014 £000</b>
Service cost	965
Net Interest on the defined liability	223
Administration expenses	7
<b>Total</b>	<b>1,195</b>
Employer contributions	652

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2013.



5f **SSSC fund assets**

The table below provides details of the estimated asset allocation of the fund for the Scottish Social Services Council.

Asset share – bid value	31 March 2013		31 March 2012	
	£000	%	£000	%
Equities	10,314	71%	8,093	68%
Gilts	1,017	7%	952	8%
Other bonds	1,598	11%	1,309	11%
Property	1,307	9%	1,309	11%
Cash	291	2%	238	2%
<b>Total</b>	<b>14,527</b>	<b>100%</b>	<b>11,901</b>	<b>100%</b>

The SSSC's share of the assets of the fund is approximately 1%.

5g **Financial assumptions as at 31 March 2013**

The financial assumptions used for IAS 19 calculations are below. These assumptions are set with reference to market conditions at 31 March 2013. The estimate of the duration of the employer's liabilities is 29 years. The discount rate is the annualised yield at the 25 year point on the Merrill Lynch AA rated corporate bond curve which has been chosen to meet the requirements of IAS 19 and with consideration of the duration of the SSSC's liabilities. This approach has been updated from previous disclosures when the yield on the iBoxx AA rated over 15 year corporate bond index was used as a standard assumption for most employers in the fund.

The RPI increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England, specifically the 25 year point on the BoE spot inflation curve. Previously the 20 year point was used and so this has been updated to reflect that the SSSC's liabilities have a longer duration than average.

This measure has historically overestimated future increases in the RPI and so a deduction of 0.25% has been made to get the RPI assumption of 3.4%. As future pension increases are expected to be based on CPI rather than RPI, CPI is assumed to be 0.8% below RPI i.e. 2.6%.

Salary increases are assumed to be 1.4% above RPI in addition to a promotional scale. This is a slightly lower long term assumption than last year to reflect the continuing climate of low salary increases.

Assumptions as at	31 March 2013		31 March 2012		31 March 2011	
	real rate		real rate		real rate	
	% p.a.	% p.a.	% p.a.	% p.a.	% p.a.	% p.a.
RPI increases	3.4		3.3	-	3.5	-
CPI increases	2.6	(0.8)	2.5	(0.8)	2.7	(0.8)
Salary increases	4.8	1.4	4.8	1.5	5.0	1.5
Pensions increases	2.6	(0.8)	2.5	(0.8)	2.7	(0.8)
Discount rate	4.7	1.3	4.6	1.3	5.5	1.9

## 5h Demographic/statistical assumptions

A set of demographic assumptions that are consistent with those used for the formal funding valuation as at 31 March 2011 have been adopted. The post retirement mortality tables used were the S1PA tables with a 120% multiplier, making allowance for future improvement factors in line with the CMI 2011 projections, with a long term rate of 1%.

The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		31 March 2013	31 March 2012
Retiring today	Males	20.6	20.6
	Females	22.9	22.8
Retiring in 20 years	Males	21.9	21.8
	Females	24.5	24.4

We have also made the following assumptions:

- Members will exchange half of their commutable pension for cash at retirement
- Active members will retire one year later than they are first able to do so without reduction.

## 5i Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	19,089	19,651	20,232
Projected service cost	925	965	1,005
Adjustment to mortality age rating assumption	+1 year	none	-1 year
Present value of total obligation	18,915	19,651	20,396
Projected service cost	920	965	1,010

5j **Amounts for the current and previous periods**

The amounts for the current and previous four periods are detailed below:

<b>Year to:</b>	<b>March 2013 £000</b>	<b>March 2012 £000</b>	<b>March 2011 £000</b>	<b>March 2010 £000</b>	<b>March 2009 £000</b>
Defined benefit obligation	(19,651)	(18,076)	(16,766)	(18,700)	(8,516)
Scheme assets	14,527	11,901	13,499	11,867	6,666
Surplus/(deficit)	(5,124)	(6,175)	(3,267)	(6,833)	(1,850)
Experience adjustments on Scheme liabilities	(76)	3,371	16	(86)	(210)
Percentage of liabilities	(0.4%)	18.6%	0.1%	(0.5%)	(2.5%)
Experience adjustments on Scheme assets	1,305	(3,303)	74	2,208	(2,489)
Percentage of assets	9.0%	(27.8%)	0.5%	18.6%	(37.3%)
Cumulative actuarial gains/(losses)	(4,116)	(5,691)	(2,786)	(5,133)	(167)

**6 Analysis of operating costs**

6a **Operating expenditure**

	<b>2012/13 £000</b>	<b>2011/12 £000</b>
Supplies & services	959	575
Administration costs	1,203	1,370
Property costs	559	523
Transport costs	119	122
Depreciation	284	225
Allowance for impairment of debt	(9)	(26)
	<b>3,115</b>	<b>2,789</b>

The above total includes £17.6k (2011/12: £19.2k) for external auditor's remuneration and £24.7k (2011/12: £18.5k) for internal auditor's remuneration. We received rebates of £1.1k on 2011/12 audit fees during 2012/13. External or internal auditors did not receive any fees in relation to non-audit work.

6b **Analysis of disbursements**

No disbursement grants were paid during the year. Disbursement grants totalling £0.066m were paid to education and training providers to provide appropriate training to the social services workforce in 2011/12.

During 2012/13 postgraduate bursaries totalling £2.681m (2011/12: £2.621m) were managed by the Council. Of this £1.640m was paid directly to students undertaking postgraduate social work training and £1.041m to universities for tuition fees.

A total of £2.519m (2011/12 £2.589m) was paid to universities to support practice learning opportunities during the year.

## 7 Property, plant and equipment

7a	Information Technology £000	Plant & Equipment £000	Furniture &Fittings £000	Total £000
<b>Cost or valuation:</b>				
At 1 April 2012	101	231	186	518
Additions	0	0	0	0
<b>At 31 March 2013</b>	<b>101</b>	<b>231</b>	<b>186</b>	<b>518</b>
<b>Depreciation:</b>				
At 1 April 2012	99	103	111	313
Charged in year	1	24	15	40
<b>At 31 March 2013</b>	<b>100</b>	<b>127</b>	<b>126</b>	<b>353</b>
<b>Net book value:</b>				
<b>At 31 March 2013</b>	<b>1</b>	<b>104</b>	<b>60</b>	<b>165</b>
At 31 March 2012	2	128	75	205

All assets are owned

7b	Information Technology £000	Plant & Equipment £000	Furniture &Fittings £000	Total £000
<b>Cost or valuation:</b>				
At 1 April 2011	101	231	186	518
Additions	0	0	0	0
<b>At 31 March 2012</b>	<b>101</b>	<b>231</b>	<b>186</b>	<b>518</b>
<b>Depreciation:</b>				
At 1 April 2011	98	80	95	273
Charged in year	1	23	16	40
<b>At 31 March 2012</b>	<b>99</b>	<b>103</b>	<b>111</b>	<b>313</b>
<b>Net book value:</b>				
<b>At 31 March 2012</b>	<b>2</b>	<b>128</b>	<b>75</b>	<b>205</b>
At 31 March 2011	3	151	91	245

All assets are owned

**8 Intangible assets**

	<b>Information Technology £000</b>
8a	
<b>Cost or valuation:</b>	
At 1 April 2012	1,169
Additions	292
<b>At 31 March 2013</b>	<u>1,461</u>
<b>Amortisation:</b>	
At 1 April 2012	453
Charged in year	244
<b>At 31 March 2013</b>	<u>697</u>
<b>Net book value:</b>	
<b>At 31 March 2013</b>	<b>764</b>
At 31 March 2012	716

All assets are owned

	<b>Information Technology £000</b>
8b	
<b>Cost or valuation:</b>	
At 1 April 2011	365
Additions	804
<b>At 31 March 2012</b>	<u>1,169</u>
<b>Amortisation:</b>	
At 1 April 2011	268
Charged in year	185
<b>At 31 March 2012</b>	<u>453</u>
<b>Net book value:</b>	
<b>At 31 March 2012</b>	<b>716</b>
At 31 March 2011	97

All assets are owned

## 9 Trade receivables and other current assets

9a	2012/13 £000	2011/12 £000
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	558	598
Trade receivables	107	114
Other receivables	224	30
	<u>331</u>	<u>144</u>
	<u>889</u>	<u>742</u>

Trade and other receivables are non-interest bearing. Credit terms are generally 30 days. Trade and other receivables are recorded at fair value, reduced by appropriate allowances for estimated irrecoverable amounts. There are no amounts receivable after more than one year.

9b	2012/13 £000	2011/12 £000
<b>Provision for impairment of receivables</b>		
As at 1 April	(17)	(43)
Charge for the year	(33)	(30)
Unused amounts reversed	3	7
Uncollectable amounts written off	39	49
As at 31 March	<u>(8)</u>	<u>(17)</u>

As at 31 March 2013, trade and other receivables of £8k (2011/12: £17k) were past due and impaired. The amount of the provision is £8k (2011/12: £17k). The ageing analysis of these receivables is as follows:

	2012/13 £000	2011/12 £000
0 to 3 months past due	5	1
3 to 6 months past due	1	0
Over 6 months past due	0	0
Over 12 months past due	2	16
	<u>8</u>	<u>17</u>

As at 31 March 2013, trade and other receivables of £336k (2011/12: £144k) were due but not impaired. The ageing analysis of these receivables is as follows:

	2012/13 £000	2011/12 £000
Not past due date	291	102
Up to 3 months past due	20	26
3 to 6 months past due	0	1
Over 6 months past due	4	5
Over 12 months past due	21	10
	<u>336</u>	<u>144</u>

9c **Analysis of trade & other receivables**

	2012/13 £000	2011/12 £000
Bodies external to Government	675	722
Other Government bodies	193	20
NHS bodies	21	0
	<b>889</b>	<b>742</b>

10 **Cash and cash equivalents**

	2012/13 £000	2011/12 £000
Balance as at 1 April	2,632	593
Net change in cash & cash equivalent balances	474	2,039
Balance as at 31 March	<b>3,106</b>	<b>2,632</b>

The following balances as at 31 March were held at:

Government banking service	3,097	2,486
Commercial banks and cash in hand	9	146
Balance as at 31 March	<b>3,106</b>	<b>2,632</b>

11 **Trade payables and other current liabilities**

	2012/13 £000	2011/12 £000
11a <b>Amounts falling due within one year:</b>		
Trade payables	2,203	2,209
Accruals and deferred income	777	644
Other payables	106	115
Provision for severance	15	0
Other taxation and social security	93	104
VAT	0	1
	<b>3,194</b>	<b>3,073</b>

11b **Analysis of trade and other payables:**

	2012/13 £000	2011/12 £000
Bodies external to government	1,230	1,418
Higher education institutes (HEIs)	1,252	1,316
Local authorities	596	216
Other Government bodies	90	119
NHS bodies	26	4
	<b>3,194</b>	<b>3,073</b>

## 12 Sources of financing

2011/12		Revenue	2012/13	Total
Total	General reserve	£000	Capital	Total
£000		£000	£000	£000
508	Opening balance	301	921	1,222
(12,827)	Surplus/(deficit) for the year	(8,775)	(284)	(9,059)
	Adjustment between accounting basis & funding basis for actuarial pension valuation	(1,051)		(1,051)
2,908	Grants and grant in aid	10,326	292	10,618
<u>10,633</u>	Closing Balance	<u>801</u>	<u>929</u>	<u>1,730</u>
<b>1,222</b>				

## 13 Grants and other income from Scottish Government

13a	Scottish Government grants & other income	2012/13 £000	2011/12 £000
	Grant in aid	9,601	9,725
	Workforce development grant	626	623
	Sector skills grant	135	124
	Promoting excellence: dementia strategy	133	124
	Development of level 9 childcare qualification	46	8
	Self-directed support grant	23	0
	NES match funding	29	29
	Integration grant	25	0
	<b>Total grants from Scottish Government</b>	<b>10,618</b>	<b>10,633</b>

13b	Grant in aid analysis	2012/13 £000	2011/12 £000
	Approved grant in aid from Scottish Government	8,884	9,725
	Grant drawdown during the year	9,601	9,725
	Additional grant in aid approved during the year	<b>717</b>	<b>0</b>

## 14 Capital commitments

There were no capital commitments as at 31 March 2013.

## 15 Commitments under leases

### 15a Operating leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.



<b>Obligations under operating leases comprise:</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>£000</b>	<b>£000</b>
Buildings:		
within 1 year	532	532
within 2 to 5 years	2,129	2,127
beyond 5 years	992	1,523
	<b>3,653</b>	<b>4,182</b>
Other:		
within 1 year	183	181
within 2 to 5 years	0	0
beyond 5 years	0	0
	<b>183</b>	<b>181</b>

Other leases comprise the charges from the Care Inspectorate for shared service Information and Communications Technology services.

- 15b Finance leases  
There are no obligations or commitments under finance leases.

## **16 Contingent liabilities**

There were no contingent liabilities as at 31 March 2013.

## **17 Related-party transactions**

The SSSC is a Non-Departmental Public Body (NDPB) sponsored by the Early Years and Social Services Workforce Division of the Children and Families Directorate of the Scottish Government. The Council has shared service arrangements with the Care Inspectorate 2012/13 £959k, (2011/12 £759k). Both Scottish Government and the Care Inspectorate are regarded as related parties with which the SSSC has had various material transactions during the year.

A Register of interests is maintained and updated annually. None of the Council Members, key managerial staff or other related parties has undertaken material transactions with the SSSC during the year.

## **18 Post statement of financial position events**

There were no events after the statement of financial position date relating to the 2012/13 financial year.

## **19 Losses statement**

There were no losses or special payments made in the year.

## Appendix 1

### SCOTTISH SOCIAL SERVICES COUNCIL

**Scottish Government Logo** –(to be inserted in printed version)

#### DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of paragraph 9(1) of Schedule 2 to the Regulation of Care (Scotland) Act 2001, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 25 November 2001 is hereby revoked.



Signed by the authority of the Scottish Ministers

Dated: 16 January 2006