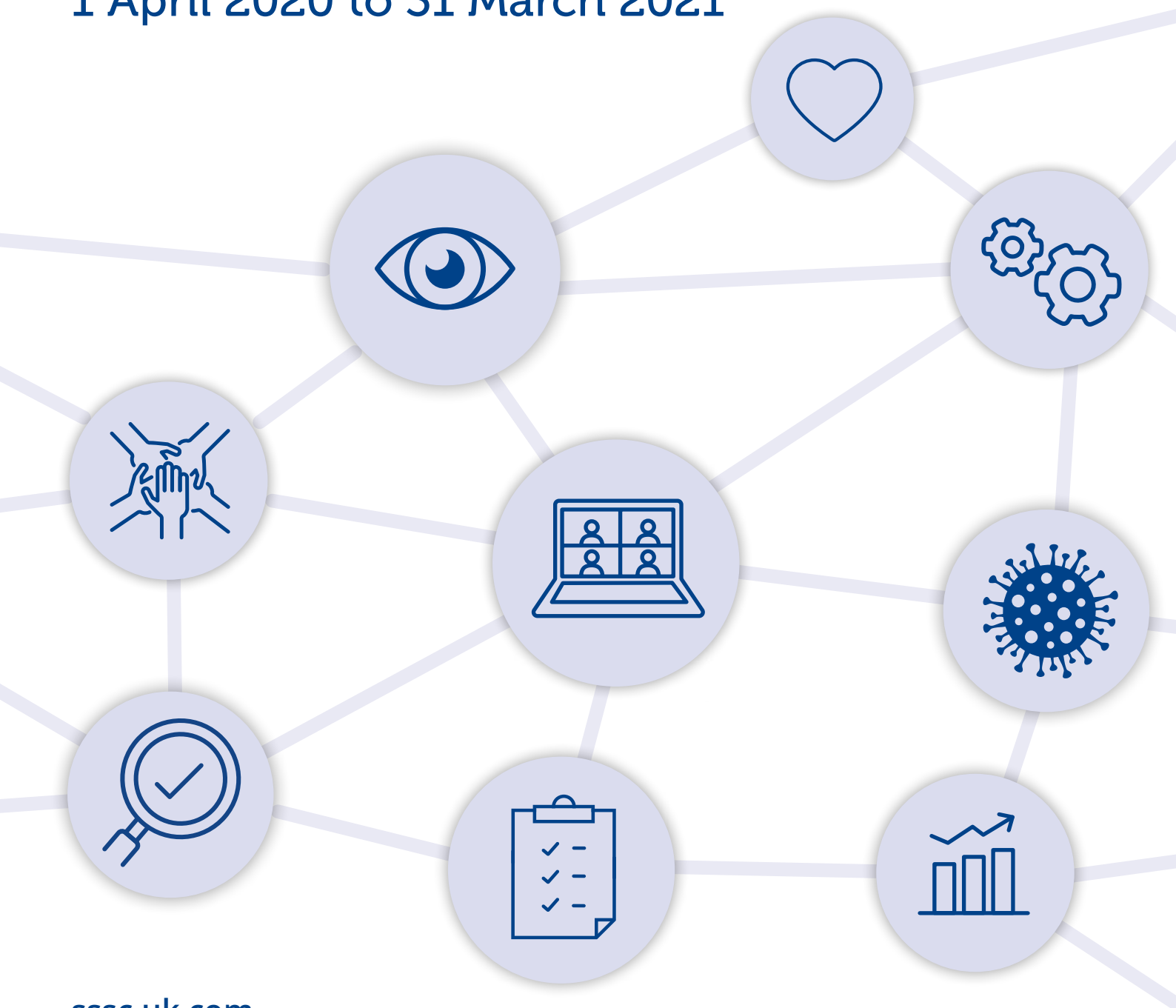


Annual Report and Accounts

1 April 2020 to 31 March 2021



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Annual Report and Accounts of the Scottish Social Services Council

This report is laid before the Scottish Parliament by the Scottish Ministers under Schedule 2, Section 10(1) of the Regulation of Care (Scotland) Act 2001 and Section 22(5) of the Public Finance and Accountability (Scotland) Act 2000.

1 April 2020 to 31 March 2021

SG/2021/300

Section A: Performance report



Performance overview

A young man with short dark hair, wearing a bright blue button-down shirt over a white t-shirt, is smiling and looking towards the camera. He is holding a black tablet computer in his hands. The background is a blurred indoor setting with warm lighting.

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'The unwavering commitment of the social work, social care and early years workforce to deliver safe and effective care during a global pandemic is a testament to the people who care for some of the most vulnerable in our society.'



Chief Executive's foreword

After a year like no other for both ourselves and the social service sector, I am pleased to present our 2020/21 Annual Report and Accounts.

Despite the requirement for keeping our distance, the last 12 months offered an opportunity to strengthen the relationship between the SSSC and the social service sector. The unwavering commitment of the social work, social care and early years workforce to deliver safe and effective care during a global pandemic is a testament to the people who care for some of the most vulnerable in our society. Our staff also more than met the challenge presented to them and rapidly generated initiatives designed to support the workforce to continue to do their jobs. The lasting, positive impact from reactive change only serves to demonstrate that together we can quickly embrace new and better ways of doing things.

As you read this report you will see, despite the challenges 2020 presented, we have made progress in delivering the three strategic outcomes we implemented when we launched our 2020-2023 strategic plan last May. We have transformed the way we work, made best use of technology and worked in partnership with the sector.

A particular highlight was September 2020. This month marked an organisational milestone as we completed registration of all register categories. Support workers in care at home and housing support were the final parts to join our Register and keen to be part of a bigger professional workforce.

Government policies continue to shape the regulatory landscape and support the social work, social care and early years workforce to deliver a more agile, responsive and innovative sector that is fit for the future. Publications including the Promise Action Plan and the Independent Review of Adult Social Care present a series of reforms aimed at rethinking the system of care, nurturing the workforce and introducing a new system of care delivery. We recognise our part in delivering the work required to support these aims and we look forward to collaborating with our stakeholders to do so.

As we plan our recovery from the last year and look ahead, there is still much to do. We achieved so much over 2020/21 that would not have been possible without the social work, social care and early years workforce, our partner organisations and our staff.

Thank you all for continuing to contribute so much during a time where demand could not have been higher or the challenge greater.

Lorraine Gray
Chief Executive

Our organisation

The Scottish Social Services Council (SSSC) is the regulator for the social work, social care and early years workforce in Scotland. We deliver our vision:

Our work means the people of Scotland can count on social work, social service and early years services being provided by a trusted, skilled and confident workforce through regulation, registration and development of their skills.

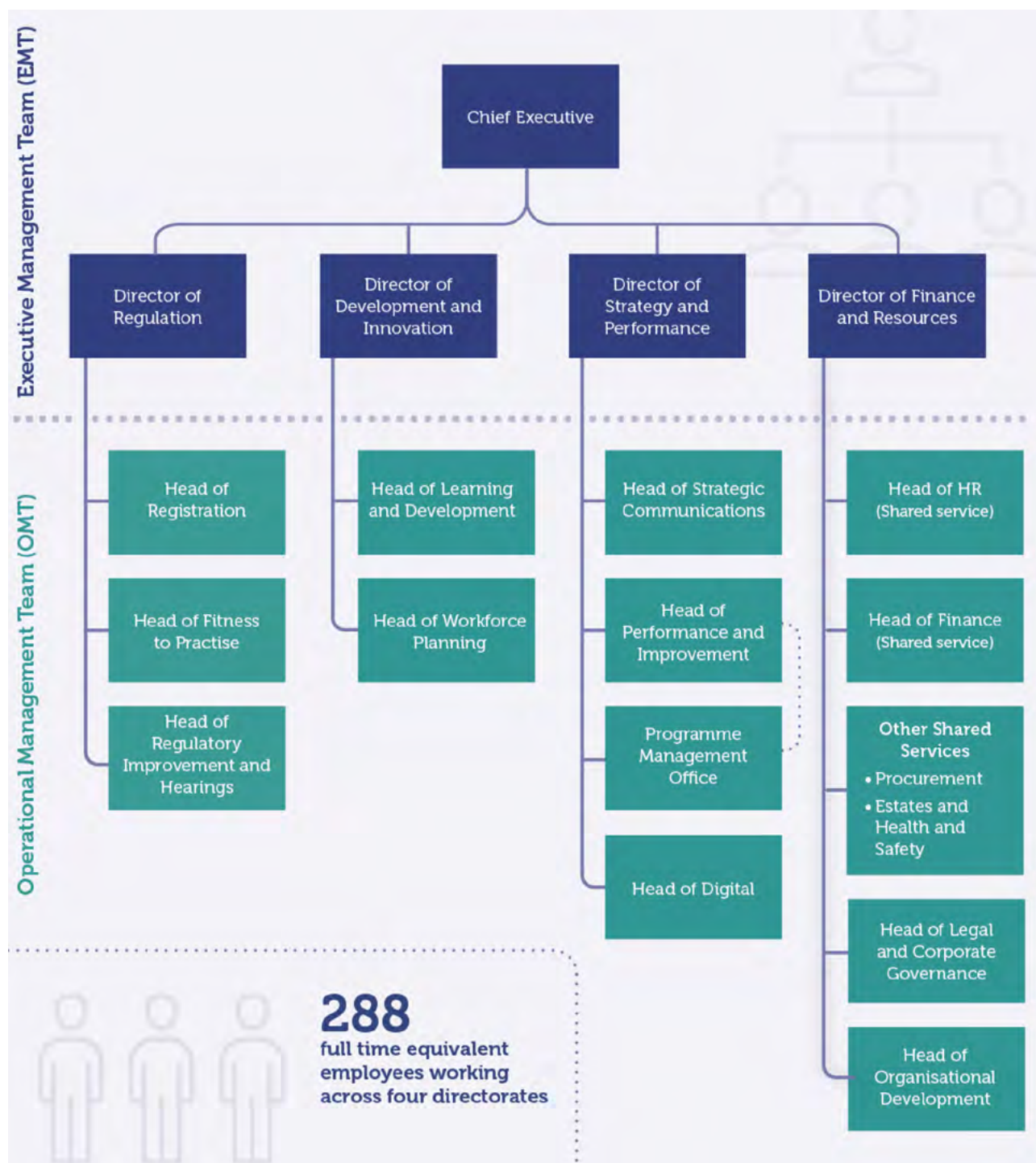
We are a non-departmental public body, sponsored by the Office of the Chief Social Work Adviser at the Directorate for Children and Families and set up under the Regulation of Care (Scotland) Act 2001.

We are governed by a Council of ten Members, including a Convener, who are appointed by Scottish Ministers. The Council delegates some responsibilities to the Audit and Assurance Committee.



Our Chief Executive and directors make up our Executive Management Team (EMT).
The heads of each department make up our Operational Management Team (OMT).

We have 288 full time equivalent employees working across four directorates. We share services with the Care Inspectorate including Finance, Human Resources, Procurement, Estates and Health and Safety.



Our work

The social service sector employs approximately 206,400 workers which represents almost 8% of all employment in Scotland, or 1 in 13 workers. This is the highest figure since we began publishing this data in 2008.

The workforce includes social service workers, social workers, social work students and early learning and childcare workers. They work across a range of services, in residential and day centres, community facilities and in people's homes. Our research into the value of the workforce indicates that adult social service alone contributes £3.4 billion to the Scottish economy.

We protect the public by registering social workers, social care and early years workers, setting standards for their practice, conduct, training and education and by supporting their professional development. Where people fall below the standards of practice and conduct we can investigate and take action.

We:

- publish the national codes of practice for people working in social work, social care and early years services and their employers
- register people working in social work, social care and early years and make sure they adhere to our codes of practice
- promote and regulate their learning and development
- are the national lead for workforce development and planning for the social work, social care and early years workforce in Scotland
- are the official and national statistics provider of social service workforce data in Scotland
- are the Sector Skills Council for social services in Scotland.



Here is how our work contributes to the Scottish Government's purpose and national outcomes:



Scottish Government purpose

To focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth.



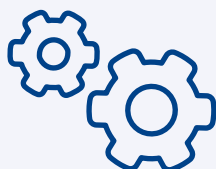
National Outcomes

- We live in communities that are inclusive, empowered, resilient and safe.
- We grow up loved, safe and respected so that we realise our full potential.
- We are well educated, skilled and able to contribute to society.
- We respect, protect and fulfil human rights and live free from discrimination.



SSSC vision

Our work means the people of Scotland can count on social work, social care and early years services being provided by a trusted, skilled and confident workforce.



SSSC strategic outcomes

People who use services are protected by ensuring the regulated workforce is fit to practise.

The SSSC supports and enhances the development of the regulated workforce to deliver high standards of practice and drive improvement.

Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.

The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives

Our business model



Our key partners and stakeholders

- Scottish Government sponsor – Office of the Chief Social Work Adviser and Scottish Government policy teams
- Social service employers' representative groups
- People with lived experience
- Learning providers and awarding bodies
- NHS Education Scotland
- Skills Development Scotland
- Care Inspectorate
- Other regulators within and out with social services and across the UK
- Skills for Care and Development
- Social Work Scotland
- Convention of Scottish Local Authorities



Key activities

- Maintain a register of eligible workers
- Publish the codes of practice for people working in social service and their employers
- Investigate concerns about the fitness to practise of registrants and applicants
- Sector skills council
- Support the professional development of workers
- National lead for workforce development and planning for social services in Scotland
- Engage stakeholders through our Involving People Plan
- Official and national statistics provider of social service workforce data in Scotland
- Collaboration with Scottish Government policy teams



Key resources

- Staff
- IT systems and hardware
- Office and hearing rooms
- Knowledge and experience



Value proposition

Our work means the people of Scotland can count on social work, social care and early years services being provided by a trusted, skilled and confident workforce.

We protect the public by registering social workers, social care and early years workers, setting standards for their practice, conduct, training and education and by supporting their professional development.

Where people fall below the standards of practice and conduct we can investigate and take action.



Who we reach

- Members of the public
- People who use services and their carers
- Social service user and carer representative groups
- Advocacy and campaigning groups



Our customers

- Scotland's social work, social service and early years workforce
- Workers applying for registration
- Registered workers
- Employers of registered workforce



Budget

Our budgeted expenditure is funded by grant in aid from Scottish Government and fees paid by those on the Register. Our budgeted funding for 2020/21 was £15.7m from grant in aid (outturn £16.0m) and £6.0m from fees paid by registrants (outturn £5.7m) and other income of £0.3m (outturn £0.3m). We also budgeted to use £0.6m of our general reserve balance to fund a marketing campaign for workers in the sector (outturn on general reserve £1.7m underspend).

Key issues and risk management

Our Council is accountable for overseeing risk management. The Council has delegated responsibility for managing our strategic risk to the Audit and Assurance Committee, who ensure we have effective risk management processes in place. To manage risk, we:

- review our risk policy annually
- agree a risk appetite statement annually
- review and update the strategic risk register quarterly
- review directorate risk registers monthly.

Our 2020/21 risk review identified the following strategic risks that could have prevented us from achieving our outcomes.

1. Failures in our system of regulation mean the needs of people who use services and workers are not met.
2. We fail to ensure that our workforce development function supports the workforce and employers to achieve the right standards and qualifications to gain and maintain registration.
3. We fail to meet corporate governance, external scrutiny and legal obligations.
4. We fail to plan and resource our activities to deliver our digital strategy.
5. We fail to provide value to our stakeholders and demonstrate our impact.
6. We fail to develop and support SSSC staff appropriately to ensure we have a motivated and skilled workforce to achieve our strategic outcomes.
7. We fail to secure sufficient budget resources to fulfil the financial plans required to deliver the strategic plan.
8. The Business Continuity plan in place is not up to date for the SSSC.
9. We are unable to operate effectively and efficiently due to effects of the global pandemic caused by COVID-19.

At each step in our risk management process we identify, review, record and assess risks to identify ways to mitigate their impacts. Risk management is embedded throughout the organisation with the OMT initiating the monthly risk management cycle by completing directorate risk registers for EMT to review and escalate as appropriate. Our processes allow us to escalate and de-escalate risks when required.



Risk moving forward

The COVID-19 pandemic has had an effect on every part of our business and influenced what we consider are risks. Changes required by Scottish Government and the requirement for pandemic specific sector support were ongoing throughout 2020/21.

We proactively identify risks around business continuity procedures, our ability to carry out planned business activities and our budget. We also monitor changes to the policy landscape including most recently the Independent Review of Adult Social Care and The Promise which provide many opportunities for change.

In the next year, we will continue to focus on these risks and take the following actions to reduce them.

| Description of risk | Key mitigating actions |
|--|---|
| Failures in our system of regulation mean the needs of people who use services and workers are not met. | Develop digital systems to manage casework progression. Review of Fitness to Practise thresholds. |
| Ensure that our workforce development function supports the workforce to achieve the right standards and qualifications to gain and maintain registration. | Review the Codes of Practice. Undertake a workforce skills survey to identify skills gaps, training and learning needs. Work with employers to implement the supported first year for newly qualified social workers. Develop new qualifications and a modern apprenticeship entry route to support workers within integrated health and social care settings. |
| Continue to meet corporate governance, external scrutiny and legal obligations. | Arrange governance mapping exercise. |
| Planning and resourcing our activities to deliver our digital strategy. | Work with Digital Sponsor to deliver our digital programme. |
| Providing value to our stakeholders and demonstrating our impact. | Implement impact measurement and management programme. |
| Developing and supporting SSSC staff appropriately to ensure we have a motivated and skilled workforce to achieve our strategic outcomes. | Embed Organisational Development department and supporting programme of work. |
| Securing sufficient budget resources to fulfil the financial plans required to deliver the strategic plan. | Audit and Assurance Committee consider assurance report quarterly setting out financial position, organisational performance and risks. |
| Pandemic impact on our ability to operate effectively. | Incorporate action plans into business as usual activity. |
| Continuing to monitor the impact of COVID-19 and the effects on the social service workforce. | Work with the sector to gauge ongoing effect through analysis of surveys, workforce planning data and information from our partner organisations. |

Our strategic outcomes

2020/21 marked year one of our [2020-2023 Strategic Plan](#). This Annual Report and Accounts provides a high-level assessment of our work during 2020/21 to deliver our strategic plan outcomes.

1. People who use services are protected by ensuring the regulated workforce is fit to practise.
2. The SSSC supports and enhances the development of the regulated workforce to deliver high standards of practice and drive improvement.
3. Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.

To show our progress in fulfilling our outcomes, over the next three years we will measure:

- the percentage of people using services who experience high quality care from a qualified and registered workforce
- the percentage of the workforce who believe that the work of the SSSC improves their practice
- the percentage of those who use our resources that report positively on the effectiveness of workforce planning activities.

At the start of the 2020 report year the social service sector was at the forefront in responding to COVID-19. As this report shows, our priorities had to shift to enable ongoing support to the sector during this time. The reprioritisation also prompted us to reconsider our strategic priorities.

In February 2020 Council Members agreed to introduce a new strategic outcome four from April 2021, namely 'The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives'.

The pandemic also refocused a significant number of activities under outcome three to respond to changing priorities. It was agreed that we required new ways to measure outcome three. This work is in progress and we will report on it as part of the 2021/22 Annual Report and Accounts next year.



Performance analysis

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| Outcome 3: Our workforce planning | 34 |
| activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce. | |
| A high performing organisation | 35-43 |

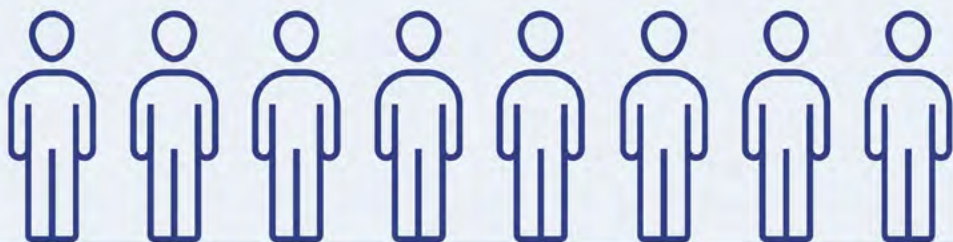


Our year at a glance

At its peak approximately

169,500

individuals were on the Register.



16,092

SSSC Open and Health and Social Care Standards badges awarded.*

* Open Badges are digital certificates recognising learning and achievements that are tied to assessment and evidence.



9,099

active users of MyLearning app



3,548

fitness to practise concerns received**

**includes cases about non-registered individuals.



3,818

concerns closed or resolved**



282

hearings held



of which **272** were held online



7 hearings were held as a hybrid



43,649

applications registered

Spotlight on COVID-19

As part of our 2020/21 survey cycle, we asked registrants whether there was anything more we could have done to support them during the pandemic and 89% of respondents stated 'no'. This positive feedback helps us understand registrants' views on our COVID-19 response over the past year, but we do recognise that our role is ongoing.

A summary of the actions we took to support the sector during the pandemic. These actions are further referenced within the performance analysis section.

Strategic outcome one initiatives

Temporary Social Work Register

Legislation was implemented creating a temporary Social Work Register to increase capacity in this workforce. Social workers who left the Register in the last five years and final year social work students were eligible to apply.

Increase in period for new workers to register

The legislation which sets the grace period within which new workers must register with the SSSC was increased from six months to 12 months, allowing the workforce and employers to concentrate on responding to the pandemic without requiring to register or pay application fees.

Social worker volunteer redeployment

Contacted 699 non-front line social workers to query redeployment to frontline.

Online hearings

Due to COVID-19 we had to revise how we held our hearings. From 17 March 2020 we began working entirely online. We have continued to hold all hearings requested by Fitness to Practise this financial year without unnecessary delay.

We started to hold physical hearings where it was essential to do so on a trial basis in May 2020 and formally from August 2020. We have so far concluded 12 physical or hybrid (partly online, partly in person) hearings this financial year. In total we have concluded over 282 for the financial year 2020/21. We hope this flexible approach improves future engagement with the hearings process.

Other activities included:

- Worked in partnership with NHS Education Scotland (NES) to create a social care recruitment hub.
- Focused on only investigating high risk fitness to practise referrals.
- Permitted registrants to remain on the Register if they failed to make a payment or submit a removal.



Strategic outcome two initiatives

- Extended qualification conditions for registrants to provide a further 12 months to gain qualification.
- Established a hardship fund for social work students. Students would usually complete placements as part of their course however the SSSC suspended social work student practice placements on 20 March 2020.
- Both independently and in partnership with NHS Education for Scotland (NES), we published guidance and resources to support employers and the sector during the pandemic.
- We supported work around contingency arrangements, tools and guidance for students and training providers delivering qualifications accepted for registration with the SSSC. This included the programmes we approve and quality assure and benchmark qualifications such as HNC programmes.
- We developed and published guidance and resources to support the workforce during the pandemic.

Strategic outcome three initiatives

- Published provisional workforce data ahead of schedule to support Scottish Government with COVID-19 workforce planning.
- Worked with the Care Inspectorate to support improvement activity and provide assurance to Scottish Government on staffing levels in care services.
- Responded to 69 requests for data from a range of key stakeholders including Scottish Government, which helped decisions around personal protective equipment (PPE) and vaccine roll-out across the workforce.
- In collaboration with NES, we helped to develop the health and social care recruitment portal. Social service workers engaged positively with the recruitment portal and working together with the Care Inspectorate, we used the data to determine, map and meet the demand for staff.



Initiatives in other key work areas

- We implemented an interim communication strategy in place of our planned three-year strategy to build on the positive response to COVID-19 by the SSSC and the national care sector.
- We made the move to 100% working from home within 24 hours.
- We provided the digital infrastructure required to quickly deliver COVID-19 support initiatives such as the Temporary Social Work Register.
- While working remotely, we recruited 44 new staff into the organisation. This involved redeveloping our procedures to make sure we could still operate effectively away from the office.
- We developed the first steps to Outcomes Based Budgets by linking all budgeted expenditure to our strategic and directorate outcomes.
- We managed the Bursaries Hardship Fund to support postgraduate social work students during the pandemic.



Customer perceptions

To support our work in identifying the needs of our customers, we completed a programme of engagement over 2020/21.

We carried out an external survey of registrants and commissioned external research to inform our digital strategy. Both focused on the views of registrants with the digital survey also including questions on our brand and use of our digital assets.

The surveys were designed to achieve different aims but through analysis we identified similar findings in some areas. Across both surveys we received 9,392 responses. The responses indicate strong positive feeling towards the SSSC, a good level of understanding of our role and remit and strong agreement that our work improves registrant practice.

Responses also showed consistency in the use of our learning resources, with both groups of survey respondents indicating similar levels of engagement with these. Most registrants who have used our learning resources gave positive feedback about how useful they find them and that they would recommend them to their colleagues, or that they already had done so. Registrants are also more likely to agree that our resources help to support their development.

Emerging themes that apply to all register parts included the need to focus on promotion and accessibility of learning and development resources both at the workplace and at home, as well as raising awareness of our digital content and our role in workforce planning.

Other emerging issues were highlighted for the following register parts:

Register part

- Managers in care home services for adults
- Managers in residential childcare services
- Managers of adult day care services
- Managers of care at home services
- Practitioners in day care of children services
- Students
- Supervisors in care home services for adults
- Supervisors in housing support services

Emerging issues

- Difficulty in accessing learning resources due to pressures on work/life balance.
- Lack of understanding of specific resources applicable to their role.
- A need for more online sessions relating to continuous professional development.



- Managers in care home services for adults
- Managers of care at home services
- Supervisors of care at home services

- Ability to attend learning sessions during working hours.

We will consider the areas identified by these groups of workers and identify where we can improve the service we provide to them through our engagement with the sector and through our delivery of learning resources and other products and services.

Financial performance

Our budget is funded mainly by a mixture of grant in aid, specific grants from the Scottish Government and fees paid by registrants. (Grant in aid means the Scottish Government provides funding but without imposing day-to-day control over how we spend it). In managing our finances, we are not allowed to use overdraft facilities or to borrow.

Under section 57 of the Regulation of Care (Scotland) Act 2001, the SSSC can set reasonable fees through changes to our registration rules. This requires Scottish Ministers consent. The last increase in fee rates was effective from 1 September 2017.

Our budgeted income and funding for 2020/21 was as follows:

| | 2020/21 Budgeted income £000 | 2020/21 Budgeted income £000 | 2020/21 Total income and funding £000 |
|---------------------------------|------------------------------------|------------------------------------|--|
| Grant in aid | | 15,724 | 15,724 |
| Specific grants | | 1,812 | 1,812 |
| Registration fees | 5,965 | | 5,965 |
| Other income | 268 | | 268 |
| Total income and funding | 6,233 | 17,536 | 23,769 |

Our expenditure budget was set with the aim of using all available income and funding to maximise the benefits the SSSC provides to people who use care, social work services, carers and SSSC registrants.

The 2020/21 expenditure budget was set at £24.408m. This is £0.639m more than the 2020/21 available funding of £23.769m. This was on the basis of our Sponsor agreeing that additional 2019/20 grant in aid of £0.639m was to be retained in our general reserve and used to fund digital and other development during 2020/21. This was not fully utilised in 2020/21 due to project delays resulting from the COVID-19 pandemic.

There was no capital expenditure during the 2020/21 financial year. The following table shows our revenue budget position.

| | 2020/21 Budget £000 | 2020/21 Actual £000 | 2020/21 Variance £000 |
|---|---------------------------|---------------------------|-----------------------------|
| Revenue expenditure | 24,408 | 22,631 | (1,777) |
| Fee income | (5,965) | (5,675) | 290 |
| Other income | (268) | (339) | (71) |
| Net expenditure | 18,175 | 16,617 | (1,558) |
| Grant in aid (revenue) | (15,724) | (16,035) | (311) |
| Specific grant funded projects | (1,812) | (1,812) | 0 |
| Total funding | (17,536) | (17,847) | (311) |
| (Surplus)/deficit for the year | 639 | (1,230) | (1,869) |
| Transfer to/(from) general reserve | (639) | 1,230 | 1,869 |

Our actual surplus for 2020/21 was £1.230m ie £1.869m more than the budgeted deficit position of £0.639m. The Scottish Government has agreed this can be carried forward for use during 2021/22.

Budget variances were as follows:

| | 2020/21 £000 | 2020/21 £000 |
|---|-----------------|-----------------|
| COVID-19 related revenue expenditure variances | | |
| Practice learning fees | (918) | |
| Digital development | (387) | |
| Workforce development activity | (327) | |
| Postgraduate bursary payments | (213) | |
| Total COVID-19 related revenue expenditure variances | | (1,845) |
| Other revenue expenditure variances | | (398) |
| Total revenue expenditure variances | | (2,243) |
| Provision for dilapidations | | 466 |
| Income | | 219 |
| Grant in aid funding | | (311) |
| Total budget variance | | (1,869) |

Underspends totalling £1.845m arose due to the COVID-19 pandemic. Practice learning opportunities for social work students were suspended so practice learning fees and postgraduate bursary payments were not incurred giving a combined underspend of £1.131m in 2020/21. It is expected that this funding will be required in 2021/22 when practice learning opportunities are reinstated.

Workforce development activity and digital developments were delayed as the SSSC redirected its activity to support the COVID-19 pandemic response.

The Scottish Government Sponsor provided £0.3m additional grant in aid during the year to assist the SSSC in completing the work delayed by the COVID-19 pandemic.

The Sponsor has agreed the underspends and additional grant in aid can be carried forward to 2021/22 in our general reserve balance to be used to complete the delayed work impacted by COVID-19. This means our general reserve will not reduce as much as anticipated when the 2020/21 budget was set. The closing balance of £3.279m (note 11) is 13.4% of gross expenditure. The SSSC's target range for the revenue element of the general reserve is 2.0% (£0.488m) to 2.5% (£0.610m) of our gross expenditure budget.

Reconciliation to Statement of Comprehensive Net Expenditure

We prepare our annual accounts in accordance with the Accounts Direction issued by Scottish Ministers. The Accounts Direction (reproduced at Appendix 1) requires compliance with the Government Financial Reporting Manual (FReM). Our funding and budgeting position is different from the accounting financial position as shown in the Statement of Comprehensive Net Expenditure (SCNE) for three reasons.

- (i) For budgeting purposes, we consider grants and grant in aid to be income. The accounting position must present grants and grant in aid as sources of funds and they are credited to the general reserve on the Statement of Financial Position (SOFp).
- (ii) Post-employment benefits (pensions) must be accounted for using International Accounting Standard 19 'Employee Benefits'. 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.
- (iii) 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 2020/21 depreciation charge is £2k.

The table below reconciles the deficit shown on the Statement of Comprehensive Net Expenditure (SCNE) to the planned deficit for funding and budgeting purposes. This deficit is funded from the general reserve.

| | Ref/note | 2020/21 £000 |
|---|------------|-----------------|
| Deficit per the SCNE | SCNE | 20,846 |
| Funding from grants and grant in aid | 13a | (17,847) |
| Reverse IAS 19 pension accounting adjustments | 5b table 2 | (4,227) |
| To fund depreciation of assets | 6a | (2) |
| Surplus on funding and budgeting basis | | (1,230) |

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. In 2020/21 we paid 99.14% (2019/20: 99.48%) of invoices within 10 days.

Going concern

The SSSC has no reason to believe the Scottish Government and Scottish Ministers have any intention to withdraw or reduce support to the organisation. In addition, the Sponsor has confirmed grant in aid figures for 2021/22. It is therefore considered appropriate to prepare the accounts on a going concern basis.

The Statement of Financial Position at 31 March 2021 shows net liabilities of £8.310m (2019/20: £5.777m). The net liabilities are mainly the result of actuarial assumptions adopted for the application of accounting standard IAS 19.

IAS 19 requires the liabilities and assets of the pension scheme to be valued. The pension liability represents the best estimate of the current value of pension benefits that will have to be funded by the SSSC. The liability relates to benefits earned by existing or previous SSSC employees up to 31 March 2021.

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 our Sponsor Department.

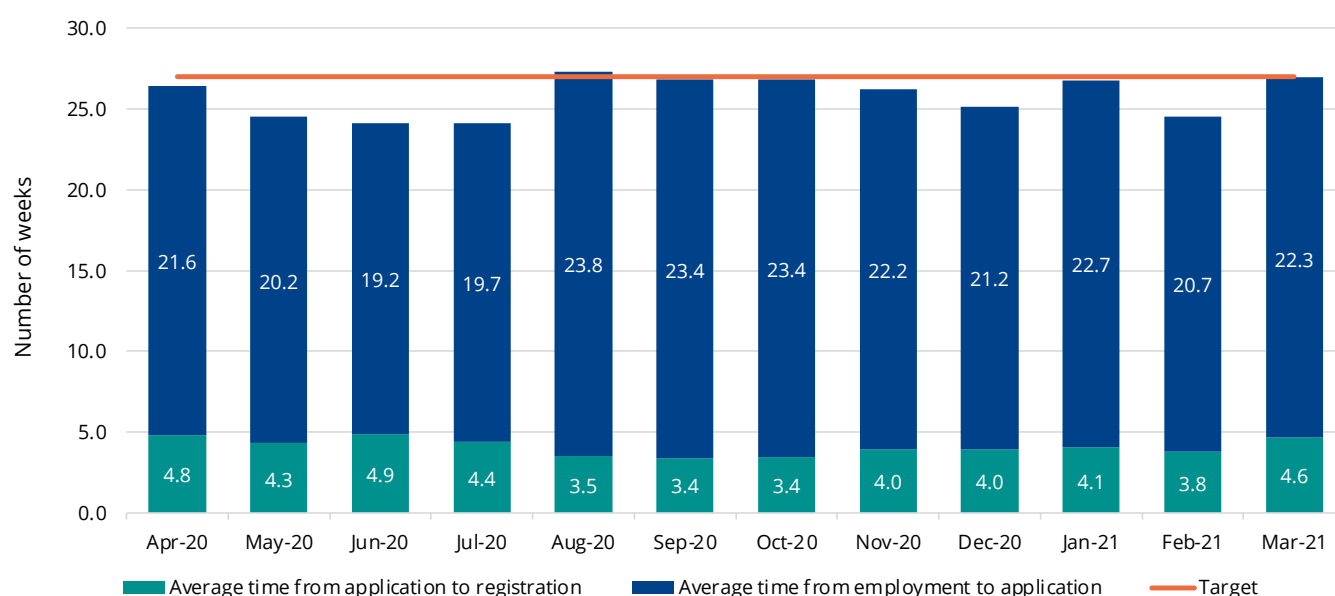
Outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise.

During 2020/21, we have completed the following activities under this outcome.

- In September 2020, we concluded the registration of the last and largest categories of workers. This is a significant milestone in the regulation of the social service workforce and in the last three years we have registered over 62,000 workers.
- Successfully moved to and conducted an online system of hearings ensuring continued public protection during the pandemic.
- Introduced a new method of communication with a webchat function allowing us to reach more registrants in a different way.

Strategic performance indicator results

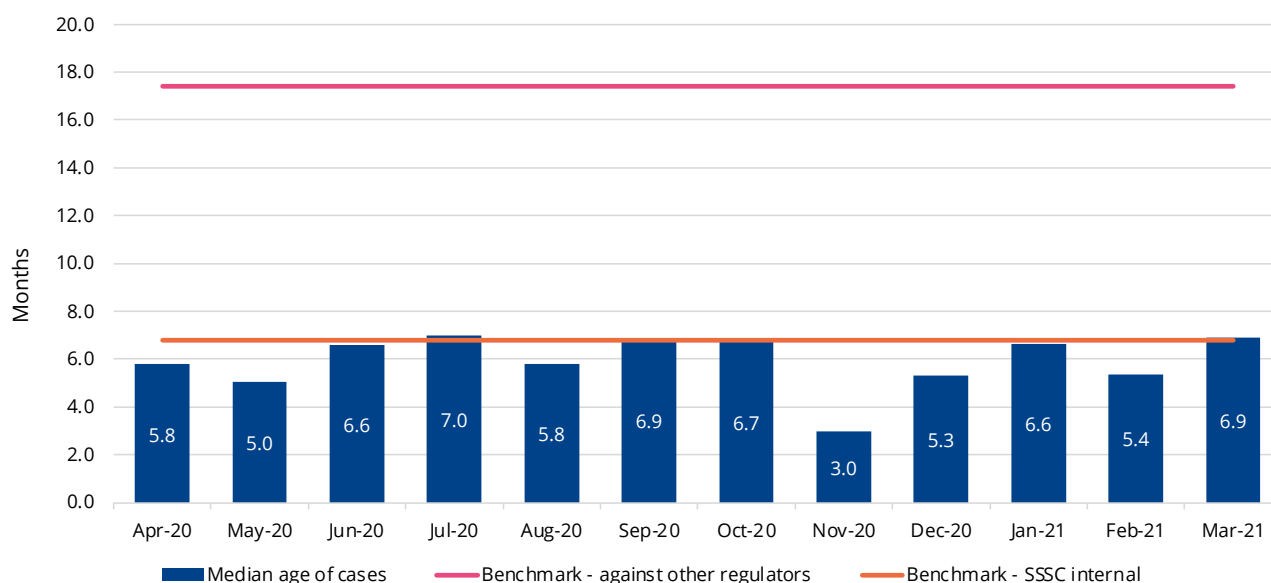
Figure 1: Strategic performance indicator 1 - reduce the average time taken from a person starting their employment to being registered with the SSSC.



This strategic performance indicator (SPI) helps measure how quickly we process applications, that the right people are registered and makes sure new staff are registered quickly. As part of our COVID-19 response, the grace period for workers to gain registration was extended from six to twelve months. This meant that we maintained our 2019/20 performance target of 27 weeks during 2020/21.

The extension to the time permitted for workers to become registered is not permanent and by March 2023 we hope to register workers within 12 weeks of employment. When the grace period moves back to six months, we will launch a 'Get Registered' campaign to promote the change.

Figure 2: Strategic performance indicator 2 - the average time taken to process a fitness to practise case is maintained at less time than organisations we benchmark against.



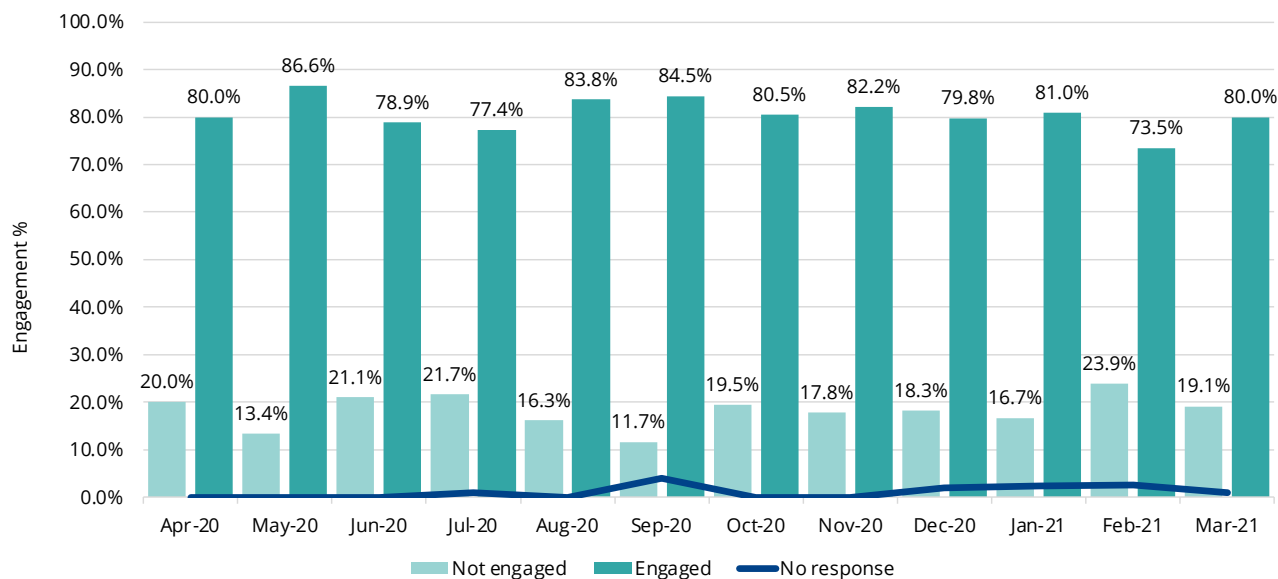
This SPI measures the time taken to process a Fitness to Practise (FtP) case.

We are consistently below the 17.4 months external benchmark target and have developed our own internal benchmark of 6.8 months. The external target is based on available data for similar regulatory bodies, such as the General Dental Council and General Medical Council.

Although we have performed well against this measure, COVID-19 created challenges for us. We experienced issues with case progression, staff capacity, delayed recruitment and a lengthier staff training process that was more resource intensive.

Some Fitness to Practise case matters are the subject of third party investigations that are ongoing at the time we open a case. We need to wait for the external investigations to conclude before we can finish ours. This means our performance over the next year will be affected by the time taken for other organisations to complete their investigations.

Figure 3: Strategic performance indicator 3 - increase the percentage of the workforce who are engaged when they are involved with the fitness to practise process.



1,306 workers had FtP cases which concluded over the 2020/21 financial year. This measure shows the percentage of these workers who did and did not engage with the FtP process. If a worker subject to FtP proceedings provides a response to allegations this is likely to result in meaningful engagement with the FtP process. When workers engage with the FtP process this often results in better outcomes for the worker involved as it helps us understand the worker's insight and learning, which is important when assessing fitness to practise.

Over the year, engagement has been 80.4% (1050 out of 1,306 cases) against a target of 80%. We had anticipated that cases delayed due to COVID-19 would result in disengagement, however we have no evidence which supports this initial prediction.

We continue work to improve access to representation and support services for workers, which helps them to meaningfully engage. The percentage of workers attending hearings in 2020/21 was 42% (118 out of 282). This is an increase on 2019/20 attendance which was 30% (97 out of 321). The introduction and successful implementation of online hearings is linked to this increase. We will explore how we can maintain these higher levels of engagement post-pandemic.

Witness engagement is of equal importance and in the last year, the Registration Department has started providing support to witnesses attending hearings.

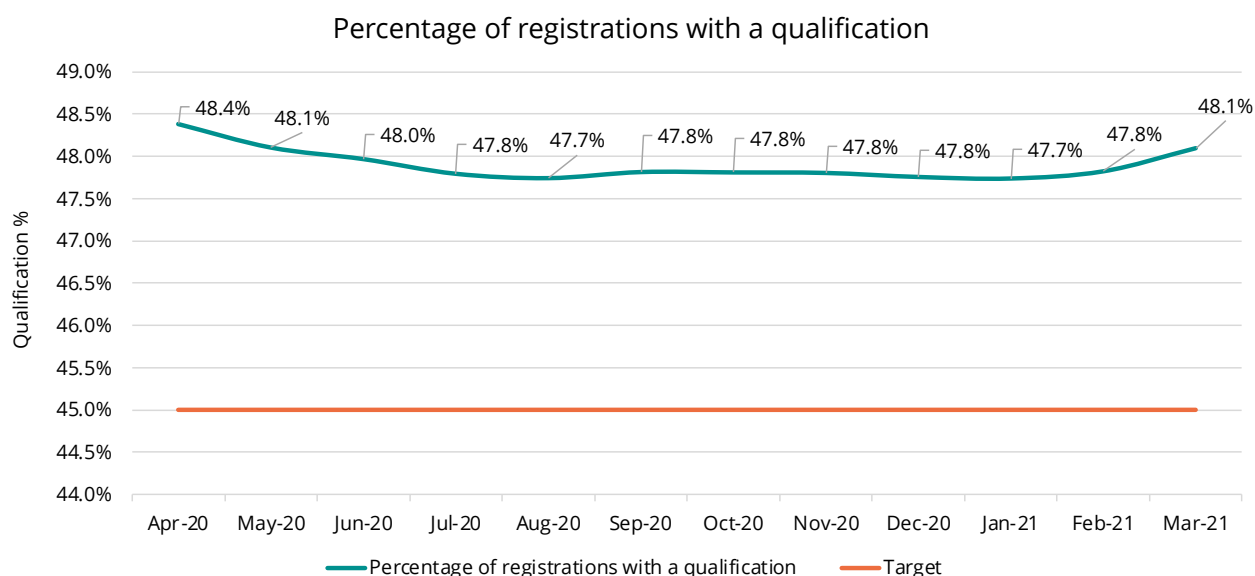
Outcome 2: The SSSC supports and enhances the development of the regulated workforce to deliver high standards of practice and drive improvement.

Despite the impact of COVID-19 affecting our staff and limiting some of the work that we do, we have achieved some key objectives to support and develop the workforce.

- We have implemented a new approach to Continuous Professional Learning (CPL) and launched a brand-new MyLearning app to support this. The MyLearning app is designed to help registrants keep a record of and evidence their CPL. The CPL open badge has increased the number of registered users using our wider resources and led to an increase in SSSC resources used by registrants to meet their CPL requirements.
- We worked closely with the higher education institutions (HEIs) and employers to agree alternative methods of assessment and contingency arrangements to support final year social work students to qualify in the summer of 2020 and join the workforce.
- We continued to engage with partners to raise awareness of quality improvement in social services and support access to learning resources. This included liaising with the Care Inspectorate, Health Improvement Scotland, NHS Education Scotland, Scottish Government Leading Improvement Team, Children and Young People Improvement Collaboration and the Health and Social Care Alliance.

Strategic performance indicator results

Figure 4: Strategic performance indicator 4 - Development and Innovation: increase the percentage of the registered workforce with the correct qualification.



This SPI measures the proportion of the registered workforce who have achieved a qualification that meets the requirements of registration.

Throughout the year we have seen the proportion of SSSC registrations with a qualification reduce from 48.4% (112,825 out of 218,599 registrations) in April 2020 to 47.7% (117,751 out of 224,267 registrations) in September 2020. At the end of the year this figure did rise again to 48.1% (118,821 out of 228,747 registrations) in March 2021.

The average across the whole year was 47.9% and has remained consistent throughout 2020/21. This average is above our initial target of 45% and a positive indicator of performance but we have looked beyond this result. Work we completed as part of the **SSSC qualified status of our registered workforce report** identified some key long-term risks which we need to monitor.

The **SSSC qualified status of our registered workforce report** estimates that within the next five years there will be approximately 84,000 individuals who need to gain a social service qualification. To address these findings, as a priority we will work with partners to address the shortfall of training provision needed to meet the demand for social service qualifications over the next five years.

Figure 5: Strategic performance indicator 5 - Development and Innovation: increase the percentage of the workforce using our learning resources to achieve continuous professional learning.

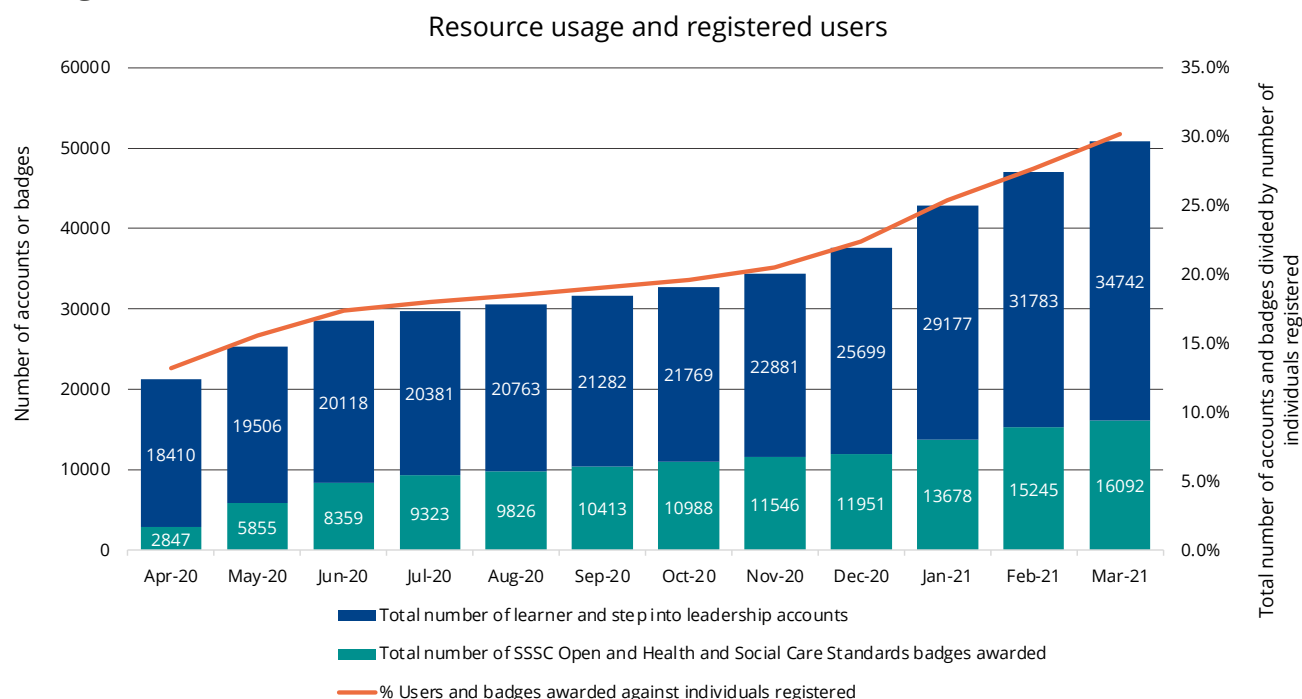


Figure 5 shows the number of learners registered to use our learning resources and the number of SSSC open badges awarded.

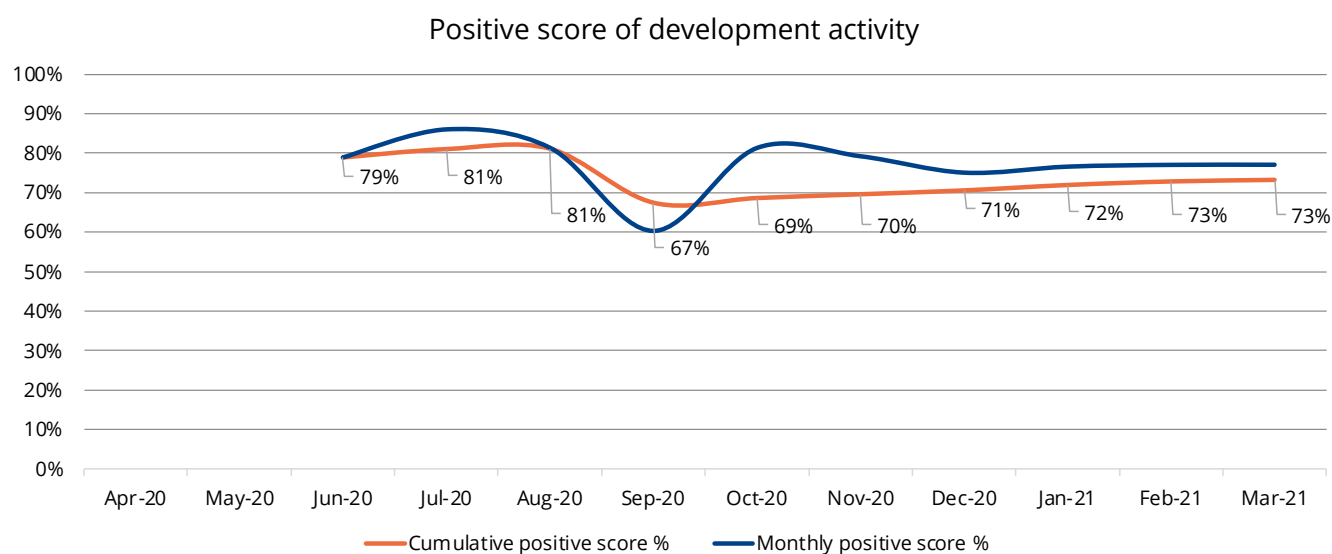
At the start of this financial year use of our resources increased. A proportion of early learning and childcare staff were furloughed and employers asked them to focus on their continuous professional learning (CPL). Open badges were referenced within guidance produced in partnership with NHS Education Scotland (NES) to support workers who were new to the sector, redeployed or volunteers. This increase in new users provides us with an opportunity to keep registrants engaged and signpost to our other resources.

We started the year with 17,819 new learner accounts and by the end of March 2021, we had 33,733. This represents an increase of 89% across this time. We have also seen the number of Step into Leadership users increase from 591 users in April 2020 to 1,009 by the end of March 2021, which is an increase of 71%.

During the last year Open Badges were frequently accessed as a learning resource. Open Badges give users a digital record of achievements and skills in areas of their choosing such as working with families and safeguarding. In April and May 2020, we registered 1,855 and 1,067 new learner accounts and awarded 5,855 open badges during that time. In June 2020 we started to see the number of new learner accounts reduce to 643 but badges remained high at 2,504. From July we saw this decrease again throughout the summer and returned to pre-pandemic levels. However, we saw a further increase again in new users in December with 2,833 and badges submitted for review increased in January 2021 to 1,727. The major driver behind this was the introduction of the new MyLearning app. Since its introduction, the MyLearning app has had 9,099 users who have actively used the app and have created, updated or shared information. These users have also generated 62,139 learning logs.

We have assessed 16,092 badges throughout the full financial year. This is much higher than the 5,342 badges awarded in the financial year 2019/20 and allowed us to reach our assessment target of 30%. We intend to increase this target for the remaining financial years of the strategic plan.

Figure 6: Strategic performance indicator 6 - percentage of those reporting positively that our development activity is delivering the support required by the workforce.



This indicator shows the feedback from individuals who have been using SSSC learning resources to support their continuous professional development. We gather this feedback via surveys linked to the resources we have on our websites.

We started to record information under this measure from June 2020 and by the end of the financial year we had received 6,500 responses regarding our learning resources.

Throughout the year we have combined the responses of people who have used our resources and who have answered the following survey questions:

- 'on a scale of 1 to 5, with 5 the highest possible score, how much do the SSSC's learning resources support your development?'
- 'on a scale of 1 to 5, with 5 being the highest possible score, how much do you believe the work of the SSSC improves your practice?'

A response of a four or five is considered positive. Over 2020/21, we recorded that 73% (4,769 out of 6,500) of responses have been positive. We also combined results from the annual registrant survey concerning learning resources into this measure, and this is reflected within Figure 6 at September 2020's monthly performance percentage.

Our internal target for the year was 80% positive responses. We understand how important it is to know our customers and although we did not meet this target, our focus is on meeting it in the next year. Over the 2021/22 period when registered workers log their learning through the new MyLearning app we will know what resources they are using for CPL. This information will inform resource design and marketing to ensure we match the needs of registered workers and employers and help us meet our target.

Outcome 3: Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.

The 2020/21 activities planned under this outcome were designed to progress pre-pandemic national agendas and initiatives. The pandemic required a national redirection of priorities and resources which in turn created delays to outcome three work streams. Many of the postponed work streams are now being re-established.

Not all planned work under this outcome stopped. Our workforce intelligence team responded to multiple data requests and our workforce planning team published a range of guidance documents which we shared on our website as well as on the NES Turas platform supporting both the health and social care workforces. We also supported the delivery of the Social Work Scotland (SWS) self-directed support standards and became part of the Young Person's Guarantee. We received permission from the Office of the Chief Statistician to publish our official data from 2019 and 2020 early in mid-May 2020 which ensured that correct information and advice was readily available at a time of peak demand.

We contributed to a paper which agreed proposals in support of Fair Work in Social Care and was considered as part of the Independent Review of Adult Social Care.

As a result of COVID-19 we reprioritised our work and took part in national activities to support the sector.

Our workforce planning and support activities were refocused to support the sector's response to COVID-19. We engaged with national working groups to offer guidance, expertise and respond to data requests about the workforce.

We experienced an increase in requests for detailed breakdowns of data. In most cases the requests for data were to support the different groups of staff within the workforce during the pandemic. For example, key datasets were used to support the sector in the roll out of the vaccination programme, PPE and the payment of £500 to the social service workforce.

We also provided information to support workforce modelling and participated in the development of infection prevention and control guidance.

A high performing organisation

Our values and our organisational characteristics underpin the delivery of our strategic plan.

Opportunities to come together and share information between colleagues allows us to further build our organisational characteristics and promote our values. In February 2021, we successfully held our annual staff conference. As this was virtual it consisted of short sessions over several days. The majority of staff attended a session about putting our values into practice. We were delighted to have speakers from Who Cares Scotland and the Promise. The Minister for Children and Families (Maree Todd) joined virtually to thank staff for all their hard work during the pandemic.

Our values

We listen, learn and do the right thing



Work together

At the SSSC we treat each other with kindness and respect and value the contribution every member of staff makes.



Accept responsibility and accountability

We recognise the trust placed in us to ensure the safety and wellbeing of people who use social services and that is our guiding mission.



Recognition and respect for others

We value the social service workforce and the life changing work they do. Our work increases recognition of their role and further develops that role.

Digital

Our digital infrastructure provides us with modern, user-focused systems and software applications as well as the appropriate equipment to effectively deliver services. As a forward-looking organisation, we completed a digital transformation programme in 2019 which focused on 'cloud' technology and enhanced technical mobility, moving to portable rather than fixed hardware and devices. Our staff readily adopted the changes the transformation introduced and benefits were quickly realised and our workforce prepared for a different way of working.

From the point the pandemic took hold, the digital transformation and developments previously implemented allowed us to respond positively to the global COVID-19 pandemic. Staff responded seamlessly to working from home using mobile and cloud technologies, securely accessing systems and data, providing an uninterrupted service to our customers.

Despite the challenges of the pandemic, we continued to advance our digital projects. Over 2020/21 following a benefits realisation exercise we identified significant benefits including savings of £110,000 across our key projects.

A summary of the projects and main benefits:

Telephony upgrade

Benefit: We migrated our main telephony system and contact centre software to a cloud hosted platform providing additional functionality and, vitally, location-independent access supporting off-site working.

MySSSC and website development

Benefit: We updated the main corporate website to deliver an improved user experience.

We further developed our online portal (MySSSC) to deliver process improvement, additional functionality and an improved customer experience.

Case management system development

Benefit: We upgraded our legal case management system (MatterSphere) to improve productivity and to digitise the process of sharing information.

Planning system development

Benefit: We scoped out our data and reporting requirements to inform the deliverables for a new intelligence and insights system.

Paperless hearings

Benefit: We implemented digital technologies to support paperless hearings, delivering process improvements and enhanced service provision.

Communicating and collaborating using SharePoint

Benefit: We migrated our core data files from traditional file servers to Teams/SharePoint, delivering new functionality to improve communication and collaboration.

We know that technology does not stand still and that it is important we learn from the COVID-19 pandemic experience, in particular the importance of modern, fully supported and secure digital technologies and having the flexibility to adapt to change.

Always focused on needs of our customers

We are committed to meeting our customers' expectations and during the last year the requirement to do this was more pressing than ever before.

As highlighted in the section on customer perceptions on [page 21](#), we actively engaged and acted on the needs of the sector and our stakeholders to provide effective regulatory support.

The needs of our customers are always changing. Each year we survey our registrants to gather information on the impact of our work. In 2020 we also commissioned research to help with the creation of our digital strategy.

Analysis of both surveys together has identified that the research and annual registrant survey have yielded consistent findings. These are that our registrants:

- feel positive about the SSSC and agree that registration is beneficial
- understand the work of the SSSC and agree that our work helps improve practice
- rated our learning resources as good and agreed that they support development.

'We provide workforce data, information and intelligence for Scottish Ministers, employers and other stakeholders that supports the development of the sector.'

Produce evidence and intelligence that helps us, and others, make the right decisions

We have a responsibility for workforce data and intelligence. We provide workforce data, information and intelligence for Scottish Ministers, employers and other stakeholders that supports the development of the sector.

Throughout this report, particularly under outcome three, we have demonstrated the ways we have shared information with partners and stakeholders to support the response to COVID-19. Despite the pandemic increasing the demand for data requests and data sharing in the past year, we continued to deliver projects related to workforce data and intelligence including publishing all reports and data tables on time. We engaged with a range of national working groups and continue to strengthen the way we provide key information to stakeholders based on demand.

We actively monitor the regulatory landscape and consider how we, as a regulator, can influence policy decisions. In the last year we responded to 16 consultations across a range of themes including Fair Work First in Public Bodies, Independent Review of Adult Social Care and the Shortage Occupation List.



Work to improve every area of our organisation

As a public body, it is important to deliver a service which not just meets the needs of our customers now but in the future. We must also demonstrate value for money.

We have grown as an organisation and maturity has brought with it increasingly complex challenges and work streams. To effectively structure a wide variety of projects, we established a programme management office to provide guidance, oversight and drive forward our progress across a suite of project areas. The development of our digital programme board contributes towards our robust governance structure, transparent approach to accountability and gives a clear record of decision making around high-risk digital areas.

Quality assurance continues to play a key role in our day-to-day operations. In 2020/21 we concluded our first cycle of assessment using the European Foundation for Quality Management (EFQM model). In applying the EFQM model, we identified long, medium and short-term improvements which we implemented across the business.

We anticipated improvements from the introduction of new technology, such as cloud-based working and use of up-to-date hardware to support this. The impact of COVID-19 accelerated these improvements.

We have also improved our understanding of the experiences workers and other stakeholders have when they are in contact with us. Our Hearings department introduced a new feedback questionnaire for workers who attend hearings, and for witnesses who attend hearings. Our Registration department introduced a short post-call survey via our new telephony system for customers who call our main phone line.

'In 2020/21 we concluded our first cycle of assessment using the European Foundation for Quality Management (EFQM model). In applying the EFQM model, we identified long, medium and short-term improvements which we implemented across the business.'

We are a respected and valued organisation and work with others to deliver our outcomes

We work collaboratively with our partner organisations. Over 2020/21 we worked with NHS Education for Scotland (NES) and Royal College of General Practitioners Scotland to deliver 12 Collaborative Wellbeing Coaching conversations events as part of the Leadership for Integration project. We received positive feedback from participants who reported that they valued the time and space to reflect on their and others' wellbeing and their roles in collaborating with others.

With Health Improvement Scotland and the Care Inspectorate, we supported the development and delivery of a series of webinars.

People want to work at the SSSC

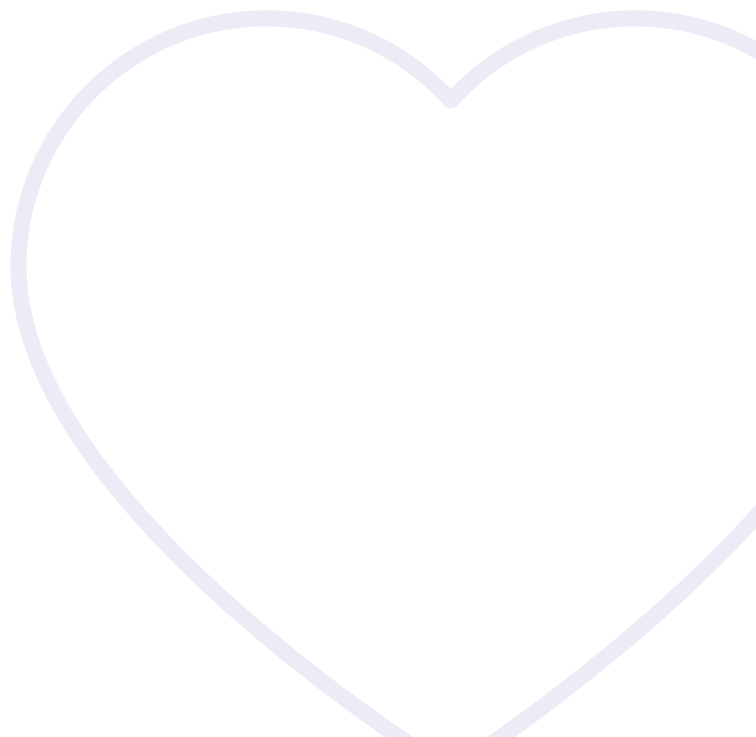
We want to maintain an up-to-date understanding of the profile of our current staff and determine what factors attract people to work for the SSSC.

Following a review of our organisational development processes, we created a dedicated Organisational Development department in 2020. This department will make improvements, enhance quality and provide development opportunities with a focus on the needs of our employees. The department is responsible for a programme titled **evolve** that will develop staff and managers throughout their SSSC work journey.

Here are some of the key deliverables under our **evolve** programme so far.

- We delivered our first leadership and management development programme to around 45 managers over February and March 2021.
- We moved our agile working consultation activity from survey stage to focus group stage with sessions taking place to inform next steps.
- We agreed a cycle of work for undertaking full organisational training needs analysis and decision-making timetable for priority training areas. The first part of that cycle is currently underway.
- We agreed a process and timetable which will see departments develop detailed people plans (workforce plans) to consider skills, competencies, risks and opportunities. These will be reviewed and updated annually and will also inform training and development decision making.
- We appointed a supplier to carry out a scoping exercise on our overall reward strategy, including pay and grading. This work is underway and reported to Council in May 2021.

During 2020/21 we also maintained our Investors in People accreditation. Our scores put us in the top quartile of similar organisations. Our latest assessment for IIP started on 26 October 2020 with a staff survey.



Communications

In the last year, we focused our external communication and engagement activities on our response to the COVID -19 pandemic which included:

- promoting the value of the social service workforce in light of the awareness created by the pandemic and recognition of their effort and commitment
- making sure that employers and people on our Register had the most up to date information on changes to our regulatory approach and developments that affected them
- working with our partners including Scottish Government to provide information and point to resources designed by the SSSC and others to support the workforce during the pandemic.

Other highlights included partnering with the Scottish Government for the second wave of **'There's more to care than caring'**, the national adult social care recruitment marketing campaign in March 2021, including holding a national workshop run by our staff and our Career Ambassadors. 147 people signed up, 80% said the workshop was extremely helpful or very useful and 78% said their perception of the industry improved after attending.

We also launched our most successful 'SSSC Codes in Practice' video yet, developed in collaboration with Capability Scotland. We reached over 5,000 people helping them share, develop and promote good practice through learning from each other.

'Highlights included partnering with the Scottish Government for the second wave of 'There's more to care than caring', the national adult social care recruitment marketing campaign in March 2021, including holding a national workshop run by our staff and our Career Ambassadors. 147 people signed up, 80% said the workshop was extremely helpful.'



Complaints

Our complaints handling procedure complies with the Scottish Public Services Ombudsman guidance. We record all complaints and monitor areas of improvement and opportunities for shared learning. We report our complaints performance annually to Council and publish quarterly updates on our website.

Our average response time for stage one complaints is three working days, which is within the five-day timescale. The average for stage two responses is 40 working days, which is above the 20-day timescale. This average is skewed by one complaint which took 235 days to respond to due to an ongoing third-party investigation.

| Indicator | 2020/21* | 2019/20 | 2018/19 | 2017/18 | 2016/17 |
|---|----------|---------|--------------|--------------|--------------|
| Stage 1 complaints received | 90 | 186 | 222 | 292 | 379 |
| Percent stage 1 responded to in 5 working days | 92% | 95% | 93% | 93% | 94% |
| Stage 2 complaints received | 8 | 15 | 15 | 24 | 19 |
| Percent stage 2 responded to in 20 working days | 89% | 71% | 91% | 96% | 89% |
| Percent upheld (all complaints) | 18% | 23% | Not recorded | Not recorded | Not recorded |
| Percent partially upheld (all complaints) | 25% | 17% | Not recorded | Not recorded | Not recorded |

Legal and corporate governance

This year we have dealt with 109 requests for information from other regulatory bodies. This is a significant increase in comparison to 2019/20 during which time we received 49 requests from regulatory bodies.

We facilitated the move to virtual and publicly broadcast Council meetings and virtual Committee meetings. Due to our quick response, user testing and digital infrastructure, we were able to hold our virtual Council meeting in the week immediately following the move to working from home in March 2020.

* The 2020/21 data presented in this table differ slightly to the results we reported in our annual complaints performance report. This is as a result of data integrity work and improved data analysis.

Whistleblowing

The SSSC has a dual role in responding to whistleblowing, as an employer and as a prescribed person in the sector.

A social service worker can whistleblow to someone in their own organisation or to a third party known as a 'prescribed person'. The SSSC is a prescribed person listed in Prescribed Persons (Reports on Disclosures of Information) Regulations 2017. As a prescribed person, we are required to publish annually the details of referrals that qualify as whistleblowing and the actions we took.

In 2020/21 we received nine whistleblowing referrals. In seven of these cases, we opened a fitness to practise case. By opening a case we investigate whether the fitness to practise of the worker is impaired or not.

We did not open a case for two of the referrals. We assessed them as having no real prospect of finding current impairment.

For the seven cases we did open, we can report the following.

- Four cases are ongoing at the time of writing.
- Three cases have concluded as follows:
 - one case resulted in no action taken as we found the worker's fitness to practise was not currently impaired
 - two cases resulted in no action taken as there was insufficient evidence to prove any allegations.

We have two whistleblowing cases referred before this financial year that remain open. The investigations are complete, and we are in the process of making a decision.

These referrals contribute to our ability to carry out our statutory function of maintaining our register. They do this by providing information about registered workers whose suitability to be on the register may be in question.

Our Whistleblowing Policy informs and encourages staff to raise serious concerns about wrongdoing or alleged impropriety. The policy is consistent with, and makes explicit references to, the Public Interest Disclosure Act 1998. There were no internal whistleblowing referrals in 2020/21.

Anti-corruption and bribery

Our Counter Fraud and Corruption Framework, along with other controlled documents including HR policies, codes of conduct, financial and contract procedure rules, whistleblowing and complaints policy ensure legislative compliance and management of fraud and corruption.

We present a fraud and corruption report to the Audit and Assurance Committee annually.

Zero incidences of fraud or corruption were detected during the 2020/21 financial year.

During financial year 2020/21 we strengthened our counter fraud arrangements by contracting with NHS Counter Fraud Services. The Audit and Assurance Committee tracked progress of this piece of work regularly. It is now a standing item on their agenda.

Equality

We are committed to promoting equality and diversity. This commitment is underpinned by statutory duties placed upon us by the Regulation of Care (Scotland) Act 2001 and the Equality Act 2010.

We have developed our new mainstreaming and outcomes report. The report sets out our equality outcomes for the next four years.

We have also relaunched our Equality, Diversity and Inclusion Group. We extended the remit to include developing our approaches to promoting care experience and supporting children's rights. In January 2021 we published our new corporate parenting plan and our first report setting out how we will promote children's rights throughout our work.

We continue to develop and publish equality impact assessments on our website.

Social and environmental impacts

We support staff to contribute to public and community activities through our Special Leave Policy and in response to the COVID-19 pandemic we relaxed our policy further to allow staff to provide care or volunteer in their communities.

We started working towards Investors in Young People (IiYP) in 2018 and achieved a standard (good practice award) in 2019.

We recruited nine employees below the age of 25 during 2020/21 and we employed 17 young people as at 31 March 2021. We have several programmes that are attractive to young people including internships, modern apprenticeship and trainee solicitor roles.

We have also successfully maintained our Healthy Working Lives Silver Award in September 2020.

Environment

In 2020/21 the impact of COVID-19 meant that the way we worked led to us using our facilities less. This helped us to make our biggest positive contribution towards the environment to date.

We manage our carbon emissions in partnership with the Care Inspectorate as part of our shared services provision.

During 2020/21 we have:

- submitted our annual Public Sector Climate Change Report
- included environmental considerations in all procurement activities
- considerably reduced staff travel due to COVID-19 regulations and legislation
- made full use of Microsoft Office 365 to work exclusively from home since 17 March 2020 to date.

Our 2018-23 Carbon Management Plan sets out how we will deliver our Climate Change (Scotland) Act 2009 duties. Through this plan we aim to reduce our carbon emissions by 25% by 2023 (from a 2015/16 baseline).

SSSC Carbon footprint

| | 2020/21 | 2019/20 | 2018/19 | 2017/18 |
|---|---------|---------|---------|---------|
| Total CO2 produced (tonnes CO2 equivalent) | 79.9 | 184.2 | 204.1 | 237.8 |
| Total CO2 produced (tonnes CO2 equivalent) | | | | |
| Travel | 1.9 | 56.5 | 73.9 | 85.2 |
| Gas and electricity | 77.6 | 126.1 | 128.6 | 151.3 |
| Water | 0.2 | 0.7 | 0.7 | 0.7 |
| Waste and recycling | 0.2 | 0.9 | 0.9 | 0.6 |

Section B: Accountability report



Corporate governance report



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Directors' report

SSSC Council

Members sitting on the SSSC Council during 2020/21 were:

- Sandra Campbell (Convener) (from 1 September 2019)
- Theresa Allison (from 1 September 2018)
- Professor Alan Baird (from 1 September 2018)
- Paul Edie (Chair of the Care Inspectorate)
- Julie Grace (from 1 September 2019)
- Lynne Huckerby (from 1 September 2019)
- Rona King (from 1 September 2019)
- Linda Lennie (from 1 November 2017)
- Peter Murray (from 1 September 2019)
- Russell Pettigrew (from 1 September 2019)



Executive Management Team

The EMT are employees of the SSSC. The following individuals served on the EMT during 2020/21:

- Lorraine Gray, Chief Executive
- Maree Allison, Director of Regulation
- Gordon Weir, Executive Director of Corporate and Customer Services (shared post with Care Inspectorate) (to 9 August 2020)
- Lynn Murray, Interim Director of Finance and Resources (from 1 June 2020)
- Phillip Gillespie, Director of Development and Innovation (on secondment to Scottish Government from 5 January 2021)
- Cheryl Glen, Acting Director of Development and Innovation (Workforce Planning) (from 1 February 2021)
- Laura Lamb, Acting Director of Development and Innovation (Learning and Development) (from 1 February 2021)
- Laura Shepherd, Director of Strategy and Performance



Register of Interests

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.

Personal data related incidents

We self-reported one incident to the Information Commissioner's Office (ICO) during 2020/21. The ICO concluded their investigation and has taken no further action.

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 state of affairs of the SSSC and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accountable Officer 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 responsibilities of the Chief Executive as Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping of proper records and for safeguarding the SSSC's assets, 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.

The Accountable Officer has confirmed that the Annual Report and Accounts as a whole is fair, balanced and understandable and that she takes personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

For the purposes of the audit, so far as the Accountable Officer is aware, there is no relevant audit information of which the auditors are unaware and all necessary steps have been taken by the Accountable Officer to ensure awareness of relevant audit information and to establish that the SSSC's auditors are aware of that information.

Governance statement

Introduction

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the SSSC's policies, aims and objectives. I am also responsible for safeguarding the public funds and assets assigned to the SSSC, in accordance with the responsibilities set out in the [Memorandum to Accountable Officers for Other Public Bodies](#).

This annual governance statement explains the SSSC's governance and risk management framework.

The governance framework

The SSSC is a non-departmental public body. We work within a broad [framework](#) agreed with the Scottish Government. The Council is the governing body responsible for ensuring that the SSSC fulfils its aims and objectives, for promoting the efficient and effective use of staff and other resources and for identifying and managing risk. Members come from a variety of areas including health, charities, education, social work and social service sector and users of services as well as the Chair of the Care Inspectorate Board.

The Council comprises the Convener and nine non-executive members. Appointments are made by Scottish Ministers and are normally for a three-year term with the possibility of a further term, subject to evidence of effective performance and satisfying the skills, knowledge and experience required on the Council at time of re-appointment.

We maintain a register of interests of the Council members which is available from our website [Register of Members' Interests](#)

The SSSC Code of Corporate [Governance](#) sets out the full details of the Council's role, the responsibilities of each Committee and key roles in the organisation. The Council reviews its effectiveness every year and the Code is subject to ongoing revisions as necessary and reviewed in detail every three years. Changes had been made to our governance structure in October 2019 and it was agreed that these would be reviewed after 12 months. Our internal auditors, Henderson Loggie carried out the effectiveness review and their opinion is that we can take a good level of assurance from these arrangements. They made some minor recommendations which have been actioned. We held a development session in March 2021 to look at ways to further strengthen our governance arrangements.

Council Members and attendance

Council Members must comply with the SSSC's Code of Conduct for Members as well as the guidance set out in appointment letters and in On Board – A Guide for Board Members of Statutory Boards. Members are appraised on an annual basis.

Council meetings are held in public and the minutes of each meeting are available on our website www.sssc.uk.com. In addition, 11 development sessions have taken place over the year. The following table details SSSC Committee membership and Council Member attendance.

| | Council | Audit and Assurance Committee |
|--------------------------------------|----------|-------------------------------|
| Number of meetings: | 8 | 5 |
| Council Member | Attended | Attended |
| Sandra Campbell (Convener) | 8 | 2 (as observer) |
| Theresa Allison* | 8 | 5 |
| Professor Alan Baird* | 8 | 5 |
| Paul Edie (Chair, Care Inspectorate) | 7 | 0 |
| Julie Grace | 5 | 1 (as observer) |
| Lynne Huckerby | 4 | 0 |
| Rona King* | 8 | 5 |
| Linda Lennie | 5 | 3 (as observer) |
| Peter Murray* | 8 | 5 |
| Russell Pettigrew* | 6 | 5 |

Audit and Assurance Committee

The Audit and Assurance Committee makes recommendations to the Council and Accountable Officer on risk, control and corporate governance including the mechanisms for measuring performance towards achieving strategic goals. An assurance report is submitted to each committee meeting which provides performance, financial and risk information which assesses delivery of our strategy, highlights areas of concern and identifies required corrective action. It also receives reports from internal and external audit and the auditors can contact the Chair directly about any concerns they have during their audit work. A draft Annual Report summarising the work of the Committee over the year 2020/21 and giving its opinion on the assurance that this work provides was submitted to Council for approval in May 2021. Our internal auditors carried out an effectiveness review of corporate governance arrangements in December 2020. The report included a self-assessment. Members and the Executive Management Team attended On Board training on 'An effective Audit and Assurance Committee' in early 2021. The Committee has agreed to add counter fraud services activity as a standing item to the agenda.

Accountable Officer

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 where required.

* Denotes member of the Audit and Assurance Committee

Executive Management Team (EMT)

The EMT supports the Chief Executive in her Accountable Officer role through the formal Scheme of Delegation. The EMT comprises the Director of Regulation, the Director of Development and Innovation, Director of Strategy and Performance and Interim Director of Finance and Resources. A new Finance and Resources Directorate was created and incorporates the departments of Legal and Corporate Governance and Organisational Development. The Interim Director of Finance and Resources also has responsibility for overseeing the operation of shared services with the Care Inspectorate. The Director of Development and Innovation took up a secondment post with Scottish Government in January 2021. The Head of Learning and Development and the Head of Workforce Development have been appointed as joint acting Director of Development and Innovation for the period of secondment. Each of the directors has responsibility for the development and maintenance of the governance environment within their own areas of control.

External audit appointment

The Auditor General appoints our independent auditors under the Public Finance and Accountability (Scotland) Act 2000. Audit Scotland appointed Grant Thornton UK LLP as our independent external auditors for a five-year period from 1 April 2016. Scottish Government has decided that the contract will extend for a further year due to the impact of COVID-19.

Internal audit

Our internal audit function is contracted out to Henderson Loggie for a three-year period to 31 March 2023. Internal audit forms an integral part of our internal control and governance arrangements. The internal audit service operates in accordance with Public Sector Internal Audit Standards and undertakes an annual programme of work approved by the Audit and Assurance Committee. This annual programme is based on a formal risk assessment process which we update on an on-going basis to reflect evolving risks and changes. The Audit and Assurance Committee reviews and approves the three-year Strategic Internal Audit Plan on an annual basis. We have an effective and productive relationship with our internal auditors.

Each year our internal auditors provide the Audit and Assurance Committee with assurance on the whole system of internal control. In assessing the level of assurance to be given for 2020/21, our internal auditors take into account:

- all reviews undertaken as part of the 2020/21 internal audit plan
- any scope limitations imposed by management
- matters arising from previous reviews and the extent of follow-up action taken, including in year audits
- expectations of senior management, the Council and other stakeholders
- the extent to which internal controls address the SSSC's risk management/control framework
- the effect of any significant changes in the SSSC's objectives or systems
- the proportion of the SSSC's internal audit coverage achieved to date.

The internal auditor's overall opinion for 2020/21 was: 'the SSSC has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money.'

Risk management

The SSSC has a [Risk 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 shows clear links between risks identified on the Risk Register and our strategic objectives. As a result, the risks identified become embedded in managers' work plans for the year. We also have a [risk appetite statement](#) to underpin our approach to risk management and control.

Information governance

We have information governance policies and procedures in place to ensure we handle data responsibly and comply with data protection and freedom of information laws. We self-reported one incident to the ICO during 2020/21. The ICO has concluded their investigation and has taken no further action.

System of internal financial control

Within our 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. The system includes:

- Financial Regulations and Standing Orders
- comprehensive budgeting systems
- regular reviews of periodic and annual financial reports which indicate financial performance against forecast
- a comprehensive set of control reconciliations performed regularly
- regular compliance testing
- setting targets to measure financial and other performance
- clearly defined capital expenditure guidelines.

Review

We review the effectiveness of our Code of Corporate Governance annually. 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 and Assurance 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 to the Accountable Officer 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 we have met in-year budgets and other performance targets.

Significant issues

There are no significant issues to report.

Corporate governance

Our strategy is set out in a three-year strategic plan supported by annual business plans. Since October 2019, we report on our financial position, strategic performance and key risks in our assurance report which is scrutinised every quarter by the Audit and Assurance Committee and recommendations made to the Council from the Committee on the assurances that the Council can take.

We review the effectiveness of those arrangements on an annual basis with the last review taking place in December 2020. Other planned corporate governance work includes:

Quality assurance

We continue to use the EFQM model to drive improvement within SSSC. In 2020, our previous partner, Quality Scotland, went into administration. A new EFQM in Scotland group will be introduced in summer 2021 and we are exploring membership to support our plans to embed EFQM within the organisation.

Risk management

Work is continuing to embed risk management throughout the organisation by developing operational risk registers and understanding the links between strategic and operational risk. We reviewed the risk management framework during 2020/21.

Shared services

In collaboration with the Care Inspectorate we are reviewing our joint shared services strategy and revising governance arrangements, management agreement and service specifications. We made progress during 2020/21 and the SSSC Council and Care Inspectorate Board approved the proposals in May 2021. This year we appointed a new SSSC Interim Director of Finance and Resources to replace the shared SSSC/Care Inspectorate post.

Areas identified by the Directors' review

As part of the directors' annual review and the Certificate of Assurance process the areas below were identified for further development or attention.

- Further work to bring the Business Continuity Management System up to date and full effectiveness.
- A need to develop a corporate workforce plan to assist with matching resources to priorities and to support increased diversity.
- Clearly demonstrate that our risk appetite statement informs our decision making.
- Continue to improve on our approach to equality and diversity.

Response to COVID-19

In line with Scottish Government guidance, the directors' annual review asked them about arrangements put in place in response to COVID-19. The directors were able to provide the necessary assurances. We have provided information regularly to Council Members. Further detail on our response to COVID-19 and our arrangements are provided in our 'Spotlight on COVID-19' section on [pages 18-20](#) of this report.

Certification

Our governance framework has been in place for the year ended 31 March 2021 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.

Remuneration and staff report



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Remuneration report, **UNAUDITED INFORMATION**

Introduction

This report provides information on the remuneration of SSSC Council Members and senior managers in 2020/21. Senior managers are members of the Executive Management Team (EMT).

The EMT is the Chief Executive, the Director of Finance and Resources, the Director of Strategy and Performance, the Director of Regulation, and the Director of Development and Innovation. The Director of Development and Innovation is currently seconded to Scottish Government (5 January 2021 to 4 January 2022) and his duties are being shared between an Acting Director of Development and Innovation (Learning and Development) and an Acting Director of Development and Innovation (Workforce Planning). The Director of Finance and Resources is filled on an interim basis from 1 June 2020 to 31 March 2022.

The remuneration report contains both audited information and information which is not specifically subject to audit.

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

Our permanent directors are on a salary scale of £65.6k to £74.0k. The Interim Director of Finance and Resources is on a salary scale of £75.4k to £82.9k. The Acting Directors of Development and Innovation (50:50 shared post) are receiving additional responsibility payments with salaries being £59.2k and £59.9k.

Incremental progression to the maximum of the scale is determined by performance. Performance is assessed by development discussions and progression is subject to agreement by the Chief Executive. 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 union. When the pay award package has been agreed, it is applied to the remuneration of senior managers and the main body of SSSC staff.

Notice periods - Members

Council Members are appointed for a period determined by Scottish Ministers. Council Members are eligible to be re-appointed following the end of a period of Council membership. Either party may terminate early by giving notice.

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:

| Council Member | Current term | Date of initial appointment | Date of re-appointment | Date appointment terminates |
|----------------------------|-----------------|-----------------------------|------------------------|-----------------------------|
| Sandra Campbell - Convener | 1 st | 01 Sept 2019 | - | 31 Aug 2022 |
| Theresa Allison | 1 st | 01 Sept 2018 | - | 31 Aug 2021 |
| Professor Alan Baird | 1 st | 01 Sept 2018 | - | 31 Aug 2021 |
| Paul Edie* | 4 th | 15 April 2013 | 14 Oct 2020 | 31 Aug 2021 |
| Julie Grace | 1 st | 01 Sept 2019 | - | 31 Aug 2022 |
| Lynne Huckerby | 1 st | 01 Sept 2019 | - | 31 Aug 2022 |
| Rona King | 1 st | 01 Sept 2019 | - | 31 Aug 2022 |
| Linda Lennie | 2 nd | 01 Nov 2017 | 01 Nov 2020 | 31 Oct 2023 |
| Peter Murray | 1 st | 01 Sept 2019 | - | 31 Aug 2022 |
| Russell Pettigrew | 1 st | 01 Sept 2019 | - | 31 Aug 2022 |

* Paul Edie is the 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 SSSC Council Member.

Chief Executive

Lorraine Gray was appointed Chief Executive on 20 August 2018. Termination of the contract requires a notice period of six months by either party.

There are no compensation payments specified in the Chief Executive's contract in the event of early termination.

Senior managers

The SSSC has four permanent director posts.

- Director of Regulation
- Director of Development and Innovation (currently on secondment)
- Director of Strategy and Performance
- Director of Finance and Resources.

All directors have permanent contracts, except the Interim Director of Finance and Resources, whose temporary contract is scheduled to expire on 31 March 2022. The outward secondment of the Director of Development and Innovation is covered by a temporary arrangement where his duties are allocated between two Acting Directors of Development and Innovation who receive a temporary additional responsibility allowance in addition to the salary of their substantive posts. This temporary arrangement is expected to continue until 4 January 2022 (the end of the Director of Development and Innovation's secondment period).

Termination of the contract requires a notice period of three months by either party.

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

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 10 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.

Remuneration report, **AUDITED INFORMATION**

Remuneration – SSSC Council Members

| Salary 2019/20 £000 | | Salary 2020/21 £000 |
|------------------------|----------------------------|------------------------|
| 20 - 25 | Sandra Campbell – Convener | 20 – 25 |
| 5 – 10 | Theresa Allison | 5 – 10 |
| 0 – 5 | Professor Alan Baird | 0 – 5 |
| 0 – 5 | Julie Grace | 0 – 5 |
| 0 – 5 | Lynne Huckerby | 0 – 5 |
| 0 – 5 | Rona King | 0 – 5 |
| 5 – 10 | Linda Lennie | 0 – 5 |
| 0 – 5 | Peter Murray | 0 – 5 |
| 0 – 5 | Russell Pettigrew | 0 – 5 |

Paul Edie, Chair of the Care Inspectorate Board 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.

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

Remuneration – Executive Management Team

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

| | Single total figure of remuneration | | | | | | | |
|--|-------------------------------------|---------|------------------------------------|---------|-------------------|---------|---------|---------|
| | Salary | | Benefits in kind (to nearest £100) | | Pension benefits* | | Total | |
| | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 | 2020/21 | 2019/20 |
| | £000 | £000 | £00 | £00 | £000 | £000 | £000 | £000 |
| Lorraine Gray Chief Executive | 85-90 | 85-90 | 0 | 0 | 27 | 33 | 115-120 | 115-120 |
| Maree Allison Director of Regulation | 70-75 | 70-75 | 0 | 0 | 15 | 34 | 85-90 | 105-110 |
| Phillip Gillespie Director of Development and Innovation (seconded out from 5 Jan 2021) | 65-70 | 60-65 | 0 | 0 | 29 | 30 | 95-100 | 95-100 |
| Laura Shepherd Director of Strategy and Performance | 65-70 | 50-55 | 0 | 0 | 26 | n/a | 90-95 | 50-55 |
| Lynn Murray ** Interim Director of Finance and Resources (from 1 June 2020) | 60-65 | n/a | 0 | n/a | 20 | n/a | 80-85 | n/a |
| Laura Lamb ** Acting Director of Development and Innovation (Learning and Development) (from 1 Feb 2021) | 55-60 | n/a | 0 | n/a | n/a | n/a | 55-60 | n/a |
| Cheryl Glen ** Acting Director of Development and Innovation (Workforce Planning) (from 1 Feb 2021) | 50-55 | n/a | 0 | n/a | n/a | n/a | 50-55 | n/a |

* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to transfer of pension rights.

** There are no 2019/20 comparative figures for the Director of Finance and Resources or the Acting Directors of Development and Innovation as they all joined the EMT during 2020/21.

Salary

Salary includes gross salary, overtime, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the SSSC as recorded in the Annual Accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the SSSC and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were paid during 2020/21.

Fair pay disclosure

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 2020/21 and 2019/20. The full time annual salary for the Chief Executive is in the salary band £90,000 to £95,000. The mid-point of this band is £92,500 which is 2.80 times greater than the median remuneration of the workforce. One agency employee received remuneration in excess of the Chief Executive during 2019/20.

| | 2020/21 £ | 2019/20 £ |
|---|--------------|--------------|
| Highest paid employee (mid-point) | 92,500 | 87,500 |
| Median salary | 33,041 | 28,707 |
| Remuneration ratio | 2.80 | 3.05 |
| Staff minimum FTE remuneration | 18,795 | 18,158 |
| Staff maximum FTE remuneration (*agency worker) | 90,290 | *112,485 |

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. Salaries are grossed up for employees who have not worked full time or for the full financial year.

Local Government Pension Scheme (LGPS)

Details of the LGPS and the SSSC's status as an admitted body to Tayside Superannuation Fund are contained in note 5 of the Annual Accounts. The Chief Executive and Directors are all members of the LGPS.

| | As at 31 March 2021 | | | | Cash Equivalent Transfer Values (CETVs) | | |
|--|---------------------------|------------------|------------------------------------|---|---|---------------------|---------------|
| | Accrued pension at age 65 | Related lump sum | Real increase in pension at age 65 | Real increase in related lump sum at age 65 | As at 31 March 2021 | As at 31 March 2020 | Real increase |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Lorraine Gray Chief Executive | 30 – 35 | 0 – 5 | 0 – 2.5 | 0 – 2.5 | 308 | 281 | 19 |
| Maree Allison Director of Regulation | 40 – 45 | - | 0 – (2.5) | - | 160 | 148 | 8 |
| Phillip Gillespie Director of Development and Innovation (seconded out from 5 Jan 2021) | 40 – 45 | 25 – 30 | 0 – 2.5 | 0 – 2.5 | 274 | 293 | (27) |
| Laura Shepherd Director of Strategy and Performance | 40 – 45 | - | 2.5 – 5.0 | - | 108 | 93 | 13 |
| Lynn Murray ** Interim Director of Finance and Resources (from 1 June 2020) | 15 – 20 | - | 15 – 20 | - | 16 | - | 16 |
| Laura Lamb ** Acting Director of Development and Innovation (Learning and Development) (From 1 Feb 2021) | 35 – 40 | 0 – 5 | 35 – 40 | 0 – 2.5 | 121 | - | - |
| Cheryl Glen ** Acting Director of Development and Innovation (Workforce Planning) (from 1 Feb 2021) | 25 – 30 | - | 25 – 30 | - | 22 | - | - |

** There are no 2019/20 comparative figures for the Interim Director of Finance and Resources or the two Acting Directors of Development and Innovation as they all joined the EMT during 2020/21.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the LGPS. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Payment of compensation for loss of office

No Council Members, senior managers or other employees received any payment or other compensation for loss of office.

Staff report, AUDITED INFORMATION

Staff numbers, permanent and other

The tables below provide analysis of permanent and non-permanent staff engaged to work for the SSSC during 2020/21 and related costs. Staff numbers are expressed as average full-time equivalents (FTE) employed in the year.

| | 2020/21 | | |
|---|----------------------|-----------|------------|
| | Permanently employed | Others | Total |
| | FTE | FTE | FTE |
| Senior managers | 4 | 1 | 5 |
| Other employees | 254 | 27 | 281 |
| Agency workers | 0 | 2 | 2 |
| Secondments inward | 0 | 1 | 1 |
| Total staff engaged | 258 | 31 | 289 |
| Secondments outward | (1) | 0 | (1) |
| Net staff engaged on SSSC activity | 257 | 31 | 288 |

| | 2020/21 | | |
|---|----------------------|--------------|---------------|
| | Permanently employed | Others | Total |
| | £000 | £000 | £000 |
| Senior manager salaries | 298 | 64 | 362 |
| Other employee salaries | 8,383 | 789 | 9,172 |
| Social security costs | 900 | 83 | 983 |
| Pension service costs | 2,725 | 142 | 2,867 |
| Total cost directly employed staff | 12,306 | 1,078 | 13,384 |
| Council Members (i) | 0 | 49 | 49 |
| Fitness to Practise Panel Members (ii) | 0 | 692 | 692 |
| External Assessors (ii) | 0 | 4 | 4 |
| Agency workers | 0 | 86 | 86 |
| Secondments inward | 0 | 45 | 45 |
| Total cost of people engaged | 12,306 | 1,954 | 14,260 |
| Severance costs | 0 | 8 | 8 |
| Other staff costs | 128 | 0 | 128 |
| Staff costs (SCNE) | 12,434 | 1,962 | 14,396 |
| Secondments outward | (98) | 0 | (98) |
| Net staff costs | 12,336 | 1,962 | 14,298 |

- (i) There was a Convener and nine Council Members during the year. Council Members are office holders and are not included in the staff numbers.
- (ii) Other staff costs include the cost of Fitness to Practise Panel Members who take part in hearings and make decisions about workers' fitness to practise. We engaged 64 panel members in 2020/21 for an average of 22.5 days. External Assessors review overseas qualifications for registration purposes. We engaged four external assessors during 2020/21.

2019/20 Comparative information

| | 2019/20 | | |
|---|----------------------|-----------|------------|
| | Permanently employed | Others | Total |
| | FTE | FTE | FTE |
| Senior managers | 4 | 0 | 4 |
| Other employees | 235 | 28 | 263 |
| Agency workers | 0 | 4 | 4 |
| Secondments inward | 0 | 0 | 0 |
| Total staff engaged | 239 | 32 | 271 |
| Secondments outward | (2) | 0 | (2) |
| Net staff engaged on SSSC activity | 237 | 32 | 269 |

| | 2019/20 | | |
|---|----------------------|--------------|---------------|
| | Permanently employed | Others | Total |
| | £000 | £000 | £000 |
| Senior manager salaries | 299 | 0 | 299 |
| Other employee salaries | 7,245 | 752 | 7,997 |
| Social security costs | 768 | 64 | 832 |
| Pension service costs | 2,667 | 121 | 2,788 |
| Total cost directly employed staff | 10,979 | 937 | 11,916 |
| Council Members (i) | 0 | 59 | 59 |
| Fitness to Practise Panel Members (ii) | 0 | 697 | 697 |
| External Assessors (ii) | 0 | 5 | 5 |
| Agency workers | 0 | 319 | 319 |
| Secondments inward | 0 | 13 | 13 |
| Total cost of people engaged | 10,979 | 2,030 | 13,009 |
| Severance costs | 6 | 0 | 6 |
| Other staff costs | 144 | 0 | 144 |
| Staff costs (SCNE) | 11,129 | 2,030 | 13,159 |
| Secondments outward | (136) | 0 | (136) |
| Net staff costs | 10,993 | 2,030 | 13,023 |

- (i) There was a Convener and nine Council Members during the 2019/20 financial year. Council Members are office holders and are not included in the staff numbers.
- (ii) Other staff costs include the cost of Fitness to Practise Panel Members who take part in hearings and make decisions about workers' fitness to practise. We engaged 85 panel members in 2019/20 for an average of 21 days. External Assessors review overseas qualifications for registration purposes. We engaged three external assessors during 2019/20.

Details of the pension arrangements for the SSSC are contained in note 5 of the accounts. It should be noted that the pension service costs in the table above include adjustments for International Accounting Standard 19 (IAS19) 'Employee Benefits' pension valuations. The difference between the employer contributions actually paid and the pension cost figure adjusted for IAS19 is detailed in note 3b of the accounts.

Exit packages – (voluntary early severance/voluntary early retirement scheme/settlement agreements)

During 2020/21 two staff members left the SSSC with an agreed voluntary severance payment. (One staff member 2019/20).

Exit costs include:

- compensation for reduced notice
- redundancy payments
- employer costs of providing early unreduced access to pension (strain on fund).

The table below shows the number of departures and associated costs:

| | 2020/21 | | 2019/20 | |
|------------------------|----------------------|-----------------|----------------------|-----------------|
| Exit package cost band | Number of departures | Total cost £000 | Number of departures | Total cost £000 |
| Up to £25,000 | 2 | 8 | 1 | 6 |

No settlement agreements were paid during 2020/21 or 2019/20.

Exit costs are accounted for in full when the decision to grant compensation cannot be withdrawn. Redundancy and other departure costs have been paid in accordance with the SSSC's Retirement and Redundancy Policy and the Local Government Pension Scheme Regulations for Scotland. Where the SSSC has agreed early retirements, the strain on fund costs are met by the SSSC and not the Local Government Pension Scheme.

Staff report, UNAUDITED INFORMATION

Staff composition by gender

The table below provides a gender breakdown of directly employed staff at 31 March 2021. Staff numbers are provided on a head count basis.

| Role | Permanent | | Other staff | | Total | |
|---------------------------|-----------|------------|-------------|-----------|-----------|------------|
| | male | female | male | female | male | female |
| Executive Management Team | 1 | 5 | 0 | 1 | 1 | 6 |
| Other staff | 73 | 205 | 5 | 20 | 78 | 225 |
| Total | 74 | 210 | 5 | 21 | 79 | 231 |

Sickness absence

We lost 2.7% of working time to sickness absence during 2020/21 which is a reduction on last year's figure of 5.1%. The most up to date information from the Chartered Institute of Personnel and Development cites the public sector average at 3.6%. XpertHR cite the public sector average as 3.8% (2019).

| | 2020/21 % | 2019/20 % | 2018/19 % |
|---|--------------|--------------|--------------|
| Percentage of working time lost to sickness absence | 2.7 | 5.1 | 4.9 |

Staff turnover data

The SSSC's voluntary staff turnover was 4.3% in 2020/21. This compares to 8.8% in 2019/20. XpertHR (2019) median rate for voluntary turnover for all employers was 10.2%.

Policies in relation to disabled people

The SSSC is committed to mainstreaming all three strands of the general equality duty throughout our organisation - eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010. We seek to make sure that the duty is implemented as part of our human resources policy and practice. For example, we make adjustments for people with disabilities, regularly review our human resources policies, and deliver training and workshops to raise awareness of issues affecting people with protected characteristics. We also have an equality working group. There are plans to provide further training for staff on how to undertake equality impact assessments.

The SSSC operates a Guaranteed Job Interview Scheme as part of our selection process. The scheme guarantees candidates who consider themselves to have a disability, to be shortlisted for posts they meet the essential criteria for.

The SSSC's Maximising Attendance Policy provides guidance and advice on how to support an employee who becomes disabled while employed by the SSSC.

Expenditure on consultancy

| | 2020/21 £000 | 2019/20 £000 |
|--|-----------------|-----------------|
| Establishing programme management office framework | 0 | 39 |
| Shared service future strategy development | 0 | 33 |
| Newly qualified social workers research study | 17 | 17 |
| COVID-19 Research | 15 | 0 |
| Scoping a pay and grading review | 9 | 0 |
| Evaluation post registration training & learning pilot sites | 0 | 10 |
| Shared services future strategy – implementation assistance | 5 | 0 |
| Evaluation advanced placement skills education modules | 4 | 0 |
| Tax services | 2 | 2 |
| Leadership development | 0 | 1 |
| | 52 | 102 |

Facility Time Statement

The value of facility time

Facility time generates benefits for employees, managers and the wider community from effective joint working between union representatives and employers.

A number of studies have shown that union workplaces tend to be safer and that trade unions help to promote skills and training in the workplace. The Scottish Government recognises this through our support for trade union learning and equality initiatives, including: Scottish Union Learning, Close the Gap, Fair Work Convention, Partnership Working in the NHS and revised governance arrangements for Higher Education.

The NatCen study¹ highlighted four main benefits from the use of facility time:

- Provision of a ready-made structure for meaningful consultation and negotiation saves money and reassures members that their views are valued in decision-making.
- Facilitation of partnership working with trade unions improves workplace relations and the reputation of an employer as 'a good place to work'.
- Earlier intervention in relation to complaints, grievances and disciplinary action prevents escalation into more serious problems and saves organisations (and taxpayers) money by reducing the impact on staff time and possible legal costs.
- Better communication during restructuring and redundancy processes improves understanding of decisions, minimises negative impacts and reduces the number of working days lost through industrial action.

The Fair Work Convention² highlights these points through its 'Effective voice' principle. As they state: "It is clear from international evidence that employees and workers want a voice, not only to resolve problems and conflicts (which is important) but also to engage and participate constructively in organisations."

On organisational change, they say: "There are many examples in Scotland and elsewhere of how collective voice through trade unions working with employers has addressed a wide range of organisational challenges and contributed to organisational improvements."

It is the view of the Scottish Social Services Council that facility time data legally required by the Trade Union (Facility Time Publication Requirements) Regulations 2017, should be set in the context of the vast benefits that facility time bring to the workforce and to the employer, as set out above. This is supported by the Scottish Government, the STUC and our affiliated trade unions.

Lorraine Gray
Chief Executive

Fiona Birkin
Branch Secretary
UNISON src branch Joint Chair (Staffside) SSSC Partnership Forum

¹ <https://www.natcen.ac.uk/our-research/research/the-value-of-trade-union-facility-time/>

² <https://www.fairworkconvention.scot/>

Trade Union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations require public sector employers to publish specific information related to facility time provided to trade union officials. The information for 2020/21 follows.

Relevant union officials

The table below details number of employees who were relevant union officials during 2020/21.

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 4 | 4 |

Percentage of time spent on facility time

The table below provides details of the facility time spent by employees who were relevant union officials during 2020/21.

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 0 |
| 1-50% | 4 |
| 51%-99% | 0 |
| 100% | 0 |

Percentage of pay bill spent on facility time

The tables below give details of the percentage of time spent on facility time as a percentage of our pay bill.

| | |
|---|-------------|
| Total cost of facility time | £5,044 |
| Total pay bill | £13,384,624 |
| Percentage of the total pay bill spent on facility time | 0.038% |

Paid trade union activities

The table below provides hours spent by employees who were relevant union officials during the 2020/21 financial year as a percentage of total paid facility time hours.

| | |
|--|-------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours. | 11.4% |
|--|-------|

Parliamentary accountability report



Losses and special payments

There were no reportable losses or special payments in the year to 31 March 2021 (nil for the year to 31 March 2020).

Fees and charges

The SSSC charges fees to individual social service workers applying to join the Register. Once registered an annual continuation of registration fee is charged and following a set number of years (currently either three, or five-years dependent on the part of the Register) a renewal of registration fee is charged.

Under section 57 of the Regulation of Care (Scotland) Act 2001, the SSSC can set reasonable fees through changes to our registration rules. This requires the consent of Scottish Ministers. A review of fees and consultation with stakeholders was carried out during 2016/17 and a fee increase applied from 1 September 2017.

Our budget is funded mainly by a mixture of grant in aid from the Scottish Government, specific grants (mainly from the Scottish Government) and fees paid by registrants. The 2020/21 budget was based on funding of 67% from grant in aid, 26% from fees charged to applicants and registrants and 7% from specific grants (2019/20; 68% grant in aid, 24% fees and 8% specific grants).

Income collected from fees charged to applicants to register and registrants is shown in the table below:

| | 2020/21 | | | 2019/20 | | |
|-------------------|----------------|----------------|------------------|----------------|----------------|------------------|
| | Budget £000 | Actual £000 | Variance £000 | Budget £000 | Actual £000 | Variance £000 |
| Registration fees | 5,965 | 5,675 | 290 | 5,314 | 5,387 | (73) |

Lorraine Gray

Chief Executive and Accountable Officer
26 October 2021

Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

Independent Auditor's report



Independent auditor's report to the members of the Scottish Social Services Council, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of the Scottish Social Services Council for the year ended 31 March 2021 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 notes to the financial statements, including a summary of significant accounting policies. 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 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In our opinion the accompanying 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 2021 and of its 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 2020/21 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.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is five years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

We report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our 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.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities to detect material misstatements in the financial statements in respect of irregularities, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited part of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers.

Statutory other information

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

Our responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this statutory other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the statutory other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been 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 Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

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 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Boyd, for and on behalf of Grant Thornton UK LLP

Date: 26 October 2021

110 Queen Street

Glasgow

G1 3BX

Annual Accounts

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| | Ref/ note | 2020/21 £000 | 2019/20 £000 |
|---|--------------|-----------------|-----------------|
| Income | | | |
| Registration fees | 2a | (5,675) | (5,387) |
| Other operating income | 2b | (339) | (418) |
| | | (6,014) | (5,805) |
| Expenditure | | | |
| Staff costs | 3a | 14,396 | 13,159 |
| Operating expenditure | 6a | 4,191 | 4,522 |
| Disbursements | 6b | 5,329 | 6,321 |
| | | 23,916 | 24,002 |
| | | | |
| <i>Net operating cost on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities</i> | | 17,902 | 18,197 |
| | | | |
| Bank charges | | 34 | 27 |
| Net interest on defined pension (asset)/liability | 5b | 156 | 177 |
| | | | |
| <i>Net operating cost on ordinary activities after interest and net interest on pension scheme net liabilities</i> | | 18,092 | 18,401 |
| | | | |
| Total actuarial re-measurements on defined pensions (asset)/liability | 5b | 2,754 | (2,110) |
| | | | |
| Total comprehensive net expenditure before Government funding | | 20,846 | 16,291 |

All operations are continuing

The notes on pages [82](#) to 104 form an integral part of these accounts

Statement of Financial Position as at 31 March 2021

| | Ref/ note | 2020/21 £000 | 2019/20 £000 |
|--|--------------|-----------------|-----------------|
| Non-current assets | | | |
| Property, plant and equipment | 7 | 15 | 17 |
| Prepayments - greater than one year | 8 | 3 | 2 |
| Total non-current assets | | 18 | 19 |
| Current assets | | | |
| Trade and other receivables | 8 | 1,968 | 1,385 |
| Cash and cash equivalents | 9 | 5,960 | 5,956 |
| Total current assets | | 7,928 | 7,341 |
| Total assets | | 7,946 | 7,360 |
| Current liabilities | | | |
| Trade and other payables | 10 | (4,652) | (5,760) |
| Total current liabilities | | (4,652) | (5,760) |
| Assets plus current liabilities | | 3,294 | 1,600 |
| Non-current liabilities | | | |
| Pension (liabilities)/assets | 5a | (11,604) | (7,377) |
| Other provisions | 15 | (466) | (0) |
| Total non-current liabilities | | (12,070) | (7,377) |
| Net (liabilities)/assets | | (8,776) | (5,777) |
| Taxpayers' equity | | | |
| Pensions reserve | SCTE | (11,604) | (7,377) |
| General reserve | 11 | 2,828 | 1,600 |
| | | (8,776) | (5,777) |

All operations are continuing

The notes on pages [82](#) to 104 form an integral part of these accounts

Lorraine Gray

Chief Executive and Accountable Officer

The Accountable Officer authorised these financial statements for issue on 26 October 2021

Statement of Cash Flows for the year ended 31 March 2021

| | Ref/ note | 2020/21 £000 | 2019/20 £000 |
|---|--------------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Net operating cost before Government funding | SCNE | (20,846) | (16,291) |
| Adjustments for non-cash items: | | | |
| Pension adjustments and re-measurements | 5b, table 2 | 4,227 | (514) |
| Depreciation and amortisation | 7 | 2 | 10 |
| (Increase)/decrease in trade and other receivables | 8a | (584) | 31 |
| Increase/(decrease) in trade and other payables | 10a | (1,108) | 700 |
| Increase/(decrease) in provisions | 15 | 466 | 0 |
| Net cash outflow from operating activities | | (17,843) | (16,064) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 7 | 0 | 0 |
| Net cash outflow from investing activities | | 0 | 0 |
| Cash flows from financing activities | | | |
| Funding from Government | 12a | 17,847 | 17,456 |
| Net financing | | 17,847 | 17,456 |
| Net increase/(decrease) in cash and cash equivalents in the period | 9 | 4 | 1,392 |
| Cash and cash equivalents at the beginning of the period | 9 | 5,956 | 4,564 |
| Cash and cash equivalents at the end of the period | 9 | 5,960 | 5,956 |
| | | 4 | 1,392 |

The notes on pages [82](#) to 104 form an integral part of these accounts

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

| | Ref/ note | Pension reserve £000 | General reserve £000 | Total reserves £000 |
|---------------------------------|--------------|----------------------------|----------------------------|---------------------------|
| Balance at 31 March 2019 | | (7,891) | 949 | (6,942) |

Changes in Taxpayers' Equity for 2019/20

| | | | | |
|--|------------|----------------|-----------------|-----------------|
| Pensions adjustment and re-measurement | 5b table 2 | 514 | (514) | 0 |
| Total comprehensive net expenditure | SCNE | 0 | (16,291) | (16,291) |
| Total recognised income and expense for 2019/20 | | 514 | (16,805) | (16,291) |
| Funding from Government | 12a | 0 | 17,456 | 17,456 |
| Balance at 31 March 2020 | | (7,377) | 1,600 | (5,777) |

Changes in Taxpayers' Equity for 2020/21

| | | | | |
|--|------------|-----------------|-----------------|-----------------|
| Pensions adjustment and re-measurement | 5b table 2 | (4,227) | 4,227 | 0 |
| Total comprehensive net expenditure | SCNE | 0 | (20,846) | (20,846) |
| Total recognised income and expense for 2020/21 | | (4,227) | (16,619) | (20,846) |
| Funding from Government | 12a | 0 | 17,847 | 17,847 |
| Balance at 31 March 2021 | | (11,604) | 2,828 | (8,776) |

The notes on pages [82](#) to 104 form an integral part of these accounts

Notes to the Accounts

1 Statement of accounting policies

1.1 Basis of accounting

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 (FReM) 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 SSSC 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 but not yet effective

In accordance with IAS 8, 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.

The effective date of IFRS 16 Leases in the public sector has been delayed until 1 April 2022. This is to recognise that bodies' preparations are being adversely affected by dealing with the COVID-19 crisis. The SSSC has leases relating to office space. These leases will require an adjustment to the Statement of Financial Position for the recognition of a right of use asset and a liability for future lease commitments. SSSC disclose its share of future minimum lease costs in Note 14 based on its share of the Scottish Ministers lease.

1.3 Accounting convention

The accounts 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 Performance section \(pages 22 to 26\)](#).

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 SSSC 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 four to six years and are determined on an individual basis.

1.7 Impairment of tangible and intangible assets

All tangible and intangible non-current assets are reviewed for impairment 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.

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 and 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 SSSC currently only holds operating leases.

The SSSC as a lessee

Costs in respect of operating leases are charged to the operating cost statement 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. Costs for operating leases to the value of £0.792m have been recognised in the SCNE.

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 SSSC accounts for pensions under the IAS 19 'Employee Benefits' standard as adapted to the public sector.

The SSSC is an admitted body to the Local Government Pension Scheme (LGPS) 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 require 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 reverse the impact of the IAS 19 entries included in the Statement of Comprehensive Net Expenditure to ensure the general reserve balance is charged with the amount payable by the SSSC.

1.13 Short term employee benefits

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

1.15 Value Added Tax (VAT)

The SSSC 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 recognised in accordance with IFRS 15, so they are recorded in the accounts on an income and expenditure basis ie 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 SSSC as at 31 March 2021 have been brought into account.

1.17 Financial instruments

The SSSC does not hold any complex financial instruments. As the cash requirements of the SSSC 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. Most financial instruments relate to contracts to buy non-financial items in line with our expected purchase and usage requirements and the SSSC 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 SSSC 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 Changes in accounting policy

There have been no changes in accounting policy during the year.

1.19 Operating segments

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

1.20 Contingent assets and liabilities

Contingent assets and liabilities are disclosed in accordance with IAS 37. There are two contingent liabilities as at 31 March 2021.

2 Operating income

| | 2020/21 £000 | 2019/20 £000 |
|--|-----------------|-----------------|
| 2a Registration fees | 5,675 | 5,387 |
| 2b Other operating income: | | |
| Modern apprenticeship fees | 197 | 234 |
| Recharges for seconded staff | 98 | 136 |
| Protection of Vulnerable Groups (PVG) fee recovery | 4 | 5 |
| Other income | 40 | 43 |
| | 339 | 418 |

3 Staff numbers and costs

- 3a** An analysis of staff numbers and costs is disclosed on [pages 63 to 66](#) (staff numbers by permanent and other) of this report. A summary of cost is provided in the table below:

| Staff cost summary | 2020/21 £000 | 2019/20 £000 |
|--------------------------|-----------------|-----------------|
| Directly employed staff | 13,384 | 11,916 |
| Other people engaged | 876 | 1,093 |
| Other staff costs | 136 | 150 |
| Total staff costs | 14,396 | 13,159 |

3b Analysis of impact of actuarial pension valuation adjustments (note 5)

The table below provides details of the difference between the employer contributions we actually paid to the pension scheme administrator and the service cost disclosed in the Annual Report and Accounts. Our budget is based on employer contributions payable. Service cost is a figure derived from actuarial analysis in accordance with IAS19.

| Analysis of impact of actuarial pension valuation adjustments - staff costs (note 5) | 2020/21 £000 | 2019/20 £000 |
|--|-----------------|-----------------|
| Actual payments | | |
| Employer pension contributions actually paid | 1,541 | 1,360 |
| Unfunded pension payments actually paid | 22 | 21 |
| Total pension related payments actually paid | 1,563 | 1,381 |
| | | |
| Accounting entries (IAS 19 note 5) | | |
| Service costs included in staff costs (SCNE) | 2,867 | 2,788 |
| | | |
| Variance between actual costs and accounting basis | 1,304 | 1,407 |

4 Severance and settlement costs

The total cost of exit packages and settlement agreements in 2020/21 was £8k (2019/20: £6k). Details of exit packages are disclosed on [page 65](#) (exit packages) of this report.

5 Post-employment benefits: pensions

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 Tayside Superannuation Fund is a multi-employer scheme which includes local authorities and admitted bodies.

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

The employer contribution rate for 2020/21 was 17% based on the actuarial valuation for financial years 2018/19 to 2020/21. Employer contributions are set every three years as a result of an actuarial valuation of the fund required by the Regulations. The most recent actuarial valuation of the fund was carried out as at 31 March 2020. This set the contribution rate at 17% for 2021/22 to 2023/24. The next valuation of the fund will be carried out as at 31 March 2023. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The contributions paid by the SSSC for the year to 31 March 2021 were £1,541k representing 17.0% of pensionable pay (2019/20: £1,360k representing 17.0% of pensionable pay). Employee contribution rates were in the range 5.5% to 9.4% based on earnings bands. The employer's contribution rate for the year to 31 March 2021 is 17%.

Participating in a defined benefit pension scheme exposes the SSSC to the following risks.

- **Investment risk:** The fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- **Interest rate risk:** The fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
- **Inflation risk:** All the benefits under the fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- **Longevity risk:** If the members live longer than assumed a deficit will emerge in the fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Tayside Pension Fund, there is an orphan liability risk where employers leave the fund but with insufficient assets to cover their pension obligations so that the difference may fall on remaining employers.

All of the risks above may also benefit the employer eg higher than expected investment returns or employers leaving the fund with excess assets which will eventually get inherited by the remaining employers.

The Court of Appeal ruled transactional protections granted to older members of the Judicial Pension Scheme and the Firefighters Pension Scheme give rise to unlawful discrimination. As the Local Government Pension Scheme (Scotland) (LGPSS) has similar transitional protection arrangements there is likely to be a read across and the implications of remedying the unlawful discrimination will be similar. The implications are it is likely to result in increases to scheme liabilities and service costs. Ultimately this may lead to future increases in employer contribution rates.

The pension disclosure notes include the actuarial assessment of the impact on the SSSC's share of the fund.

The SSSC's share of the underlying assets and liabilities have been separately identified on the following basis:

5a Employee benefits – Statement of Financial Position

| | As at 31 March 2021 £000 | As at 31 March 2020 £000 |
|---|--------------------------------|--------------------------------|
| Present value of funded obligation | (64,455) | (42,631) |
| Fair value of scheme assets (bid value) | 53,257 | 35,596 |
| Net liability | (11,198) | (7,035) |
| Present value of unfunded obligation | (406) | (342) |
| Net liability in Statement of Financial Position | (11,604) | (7,377) |

5b Statement of Comprehensive Net Expenditure costs for the year to 31 March 2021

The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:

| Table 1: | Year to 31 March 2021 | | Year to 31 March 2020 | |
|---|--------------------------|-----------------|--------------------------|--------------|
| | £000 | £000 | £000 | £000 |
| Service costs | | 2,867 | | 2,788 |
| Administration expenses | | 13 | | 12 |
| Net interest on defined liability/(asset) | | 156 | | 177 |
| Difference between actual employer's contributions plus unfunded payments and actuarial assumptions | 21 | | 23 | |
| Return on assets less interest | (10,915) | | 2,927 | |
| Other actuarial (gains)/losses on assets | (5,012) | | 0 | |
| Change in financial assumptions | 17,223 | | (5,060) | |
| Change in demographic assumptions | (968) | | 0 | |
| Experience loss/(gain) on defined benefit obligation | 2,405 | | 0 | |
| Total re-measurements | | 2,754 | | (2,110) |
| Total | | 5,790 | | 867 |
| Actual return on scheme assets | | (11,762) | | 2,017 |

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.

The following transactions have been applied to the Statement of Comprehensive Net Expenditure and the general reserve via the Statement of Changes in Taxpayers' Equity during the year.

| Table 2: | | 2020/21 | 2019/20 |
|---|------------|--------------|--------------|
| Actuarial adjustments are made for: | note | £000 | £000 |
| Staff costs | 3b | 1,304 | 1,407 |
| Administration expenses | 5b table 1 | 13 | 12 |
| Net interest on defined liability/(asset) | 5b table 1 | 156 | 177 |
| Total re-measurements | 5b table 1 | 2,754 | (2,110) |
| Total actuarial adjustments | | 4,227 | (514) |

5c Asset and benefit obligation reconciliation - year to 31 March 2021

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

| | Year to 31 March 2021 | | Year to 31 March 2020 | |
|--|--------------------------|---------------|--------------------------|----------------|
| | £000 | £000 | £000 | £000 |
| Opening defined benefit obligation | | 42,973 | | 44,574 |
| Current service costs | | 2,867 | | 2,788 |
| Interest costs | | 1,003 | | 1,087 |
| | | | | |
| Estimated benefits paid net of transfers in | (1,190) | | (885) | |
| Contributions by scheme participants | 572 | | 490 | |
| Unfunded pension payments | (24) | | (21) | |
| Total scheme transactions | | (642) | | (416) |
| | | | | |
| Change in financial assumptions | 17,223 | | (5,060) | |
| Experience loss/(gain) on defined benefit obligation | 2,405 | | 0 | |
| Change in demographic assumptions | (968) | | 0 | |
| Total actuarial (gains)/losses | | 18,660 | | (5,060) |
| | | | | |
| Closing defined benefit obligation | | 64,861 | | 42,973 |

5d Fair value of fund assets reconciliation for the year to 31 March 2021

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

| | Year to 31 March 2021 | | Year to 31 March 2020 | |
|---|--------------------------|---------------|--------------------------|---------------|
| | £000 | £000 | £000 | £000 |
| Opening fair value of fund assets | | 35,596 | | 36,683 |
| Interest on assets | | 847 | | 910 |
| Estimated benefits paid plus unfunded net of transfers in | (1,214) | | (906) | |
| Contributions by employer including unfunded | 1,542 | | 1,358 | |
| Contributions by scheme participants | 572 | | 490 | |
| Total scheme transactions | | 900 | | 942 |
| Return on assets less interest | | 10,915 | | (2,927) |
| Other actuarial gains/(losses) | | 5,012 | | 0 |
| Administration expenses | | (13) | | (12) |
| Closing fair value of fund assets | | 53,257 | | 35,596 |

5e Projected pension expense for the year to 31 March 2022

| Projected pension expense | Year to 31 March 2022 £000 |
|---------------------------------------|-------------------------------|
| Service cost | 4,449 |
| Net interest on the defined liability | 217 |
| Administration expenses | 20 |
| Total | 4,686 |
| Employer contributions | 1,506 |

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2021.

5f SSSC fund assets

The table below provides details of the estimated asset allocation of the fund for the SSSC.

| Asset share – bid value | 31 March 2021 | | 31 March 2020 | |
|-------------------------|---------------|-------------|---------------|-------------|
| | £000 | % | £000 | % |
| Equities | 38,134 | 72% | 23,533 | 66% |
| Gilts | 2,106 | 4% | 494 | 1% |
| Other bonds | 6,951 | 13% | 6,290 | 18% |
| Property | 4,868 | 9% | 4,378 | 12% |
| Cash | 1,122 | 2% | 1,077 | 3% |
| Alternatives | 76 | 0% | (176) | 0% |
| Total | 53,257 | 100% | 35,596 | 100% |

The SSSC's share of the assets of the fund is approximately 1.1%.

5g Financial assumptions as at 31 March 2021

The financial assumptions used for IAS 19 calculations are below.

| Assumptions at: | 31 March 2021 % pa | 31 March 2020 % pa | 31 March 2019 % pa |
|--------------------|-----------------------|-----------------------|-----------------------|
| Discount rates | 2.00% | 2.35% | 2.45% |
| Pensions increases | 2.80% | 1.85% | 2.40% |
| Salary increases | 3.80% | 2.85% | 3.40% |

These assumptions are set with reference to market conditions at 31 March 2021. The estimate of the duration of the SSSC's past service liabilities is 24 years. Estimated cashflows (based on this duration) are used to derive a Single Equivalent Discount Rate (SEDR). The discount rate is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30-year point). This is consistent with the approach used at the last accounting date.

Similarly, the approach used to derive the discount rate, the Retail Price Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the estimated cashflows described above. The SEIR derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30-year point and the Bank of England (BoE) implied inflation spot curve is assumed to be flat beyond the 40-year point. This is consistent with the approach used at the previous accounting date.

As future pension increases are expected to be based on Consumer Price Index (CPI) rather than RPI, the actuary has made a further assumption about CPI which is that it will be 0.35% below RPI ie 2.80% per annum. The actuary believes this is a reasonable estimate for the future differences in the indices, based on the different calculation methods, recent independent forecasts and the duration of the employer's liabilities. The difference between RPI and CPI is less than assumed at the previous accounting date. This reflects the anticipated reform of RPI inflation following the UK Statistics Authority's proposal to change how RPI is calculated and subsequent announcements from the Chancellor suggesting this reform is now likely to take effect from 2030.

Salary increases are assumed to be 1.0% per annum above CPI. This is consistent with the approach at the previous accounting date. However, in line with the latest fund valuations at 31 March 2020 any allowance for promotional salary increases has been removed.

5h Demographic/statistical assumptions

The following previous accounting disclosures as at 31 March 2020 used the following post retirement mortality assumptions.

- The S2PA tables with a multiplier of 130%.
- The CMI_2018 model to project these tables forward, allowing for a long-term rate of improvement of 1.5%, a smoothing parameter of 7.0 and an initial addition to improvements of 0.0%.

These assumptions were updated as part of the most recent fund valuation as at 31 March 2020. The post-retirement mortality assumptions at the 2020 valuation were as follows.

- The S3PA heavy tables with a multiplier of 110%.
- The CMI_2019 model to project these tables forward, allowing for a long-term rate of improvement of 1.25%, a smoothing parameter of 7.5 and an initial addition parameter of 0.0%.

For the accounting disclosure as at 31 March 2021, the actuary updated these assumptions again using the CMI_2020 model, allowing for a long term rate of improvement of 1.25%, a smoothing parameter of 7.5, an initial addition parameter of 0.0% and a 2020 weighting of 25%.

This update has been made in light of the coronavirus pandemic and reflects the latest information available from the CMI. The exceptional mortality experienced due to the coronavirus pandemic has been incorporated without having a disproportionate impact on results.

The assumed life expectations from age 65 are shown below:

| Life expectancy from age 65 | | 31 March 2021 years (after CMI_2020 update) | 31 March 2021 years (consistent with 2020 valuation and before CMI_2020 update) | 31 March 2020 years |
|-----------------------------|---------|--|--|---------------------|
| Retiring today | Males | 18.9 | 19.2 | 19.7 |
| | Females | 22.2 | 22.5 | 21.7 |
| | | | | |
| Retiring in 20 years | Males | 20.2 | 20.7 | 21.4 |
| | Females | 23.8 | 24.0 | 23.5 |

The following assumptions have also been made.

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the regulations.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

5i Sensitivity analysis

The following table sets out the impact of a 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 | 63,339 | 64,861 | 66,421 |
| Projected service cost | 4,283 | 4,449 | 4,620 |
| | | | |
| Adjustment to long term salary increase | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 65,030 | 64,861 | 64,694 |
| Projected service cost | 4,451 | 4,449 | 4,446 |
| | | | |
| Adjustment to pension increases and deferred revaluation | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 66,238 | 64,861 | 63,516 |
| Projected service cost | 4,619 | 4,449 | 4,285 |
| | | | |
| Adjustment to life expectancy assumptions | +1 year | None | -1 year |
| Present value of total obligation | 67,791 | 64,861 | 62,060 |
| Projected service cost | 4,657 | 4,449 | 4,249 |

5j Remeasurements in other comprehensive income

The following table sets out the remeasurement of the net assets /(defined liability).

| | As at 31 March 2021 £000 | As at 31 March 2020 £000 |
|--|--------------------------------|--------------------------------|
| Return on fund assets in excess of interest | 10,915 | (2,927) |
| Other actuarial gains/(losses) on assets | 5,012 | 0 |
| Change in financial assumptions | (17,223) | 5,060 |
| Change in demographic assumptions | 968 | 0 |
| Experience loss on defined benefit obligation | (2,405) | 0 |
| Remeasurement of net assets/(defined liability) | (2,733) | 2,133 |

6a Operating expenditure

| | 2020/21 £000 | 2019/20 £000 |
|---------------------------------------|-----------------|-----------------|
| Supplies and services | 1,569 | 1,718 |
| Administration costs | 1,390 | 1,849 |
| Property costs | 739 | 760 |
| Provision for dilapidations | 466 | 0 |
| Transport costs | 9 | 191 |
| Pension administration costs (IAS 19) | 13 | 12 |
| Depreciation of assets | 2 | 10 |
| Changes in debt impairment allowance | 3 | (18) |
| | 4,191 | 4,522 |

The above total includes £20.7k (2019/20: £19.8k) for external auditor's remuneration paid to Audit Scotland. Grant Thornton UK LLP (appointed auditors) did not receive any fees in relation to non-audit work.

6b Analysis of disbursements

| | 2020/21 £000 | 2019/20 £000 |
|--|-----------------|-----------------|
| Postgraduate bursaries: | | |
| Tuition fees paid to universities | 1,000 | 954 |
| Bursaries paid to students | 1,570 | 1,582 |
| Total bursary disbursement | 2,570 | 2,536 |
| Other disbursements: | | |
| Practice learning fees | 1,434 | 2,508 |
| Voluntary Sector Development Fund - training support | 1,148 | 999 |
| Workforce planning and development | 177 | 278 |
| Total disbursements | 5,329 | 6,321 |

7 Property, plant and equipment

| | Plant and equipment £000 | Furniture and fittings £000 | Total £000 |
|--|-----------------------------|-----------------------------------|---------------|
|--|-----------------------------|-----------------------------------|---------------|

Cost or valuation:

| | | | |
|-------------------------|----------|-----------|-----------|
| At 1 April 2020 | 0 | 154 | 154 |
| Additions | 0 | 0 | 0 |
| Disposal/de-recognition | 0 | (127) | (127) |
| At 31 March 2021 | 0 | 27 | 27 |

Depreciation:

| | | | |
|-------------------------|----------|-----------|-----------|
| At 1 April 2020 | 0 | 137 | 137 |
| Charged in year | 0 | 2 | 2 |
| Disposal/de-recognition | 0 | (127) | (127) |
| At 31 March 2021 | 0 | 12 | 12 |

Net book value:

| | | | |
|-------------------------|----------|-----------|-----------|
| At 31 March 2021 | 0 | 15 | 15 |
| At 31 March 2020 | 0 | 17 | 17 |

| | Plant and equipment £000 | Furniture and fittings £000 | Total £000 |
|--|-----------------------------|-----------------------------------|---------------|
|--|-----------------------------|-----------------------------------|---------------|

Cost or valuation:

| | | | |
|-------------------------|----------|------------|------------|
| At 1 April 2019 | 145 | 154 | 299 |
| Additions | 0 | 0 | 0 |
| Disposal/de-recognition | (145) | 0 | (145) |
| At 31 March 2020 | 0 | 154 | 154 |

Depreciation:

| | | | |
|-------------------------|----------|------------|------------|
| At 1 April 2019 | 145 | 127 | 272 |
| Charged in year | 0 | 10 | 10 |
| Disposal/de-recognition | (145) | 0 | (145) |
| At 31 March 2020 | 0 | 137 | 137 |

Net book value:

| | | | |
|-------------------------|----------|-----------|-----------|
| At 31 March 2020 | 0 | 17 | 17 |
| At 31 March 2019 | 0 | 27 | 27 |

8 Trade and other receivables

8a Summary of trade and other receivables

| | 2020/21 | | 2019/20 | |
|---|---------|--------------|---------|--------------|
| | £000 | £000 | £000 | £000 |
| Amounts falling due within one year | | | | |
| Prepayments and accrued income | | 1,478 | | 807 |
| Trade receivables | 465 | | 546 | |
| Other receivables | 25 | | 32 | |
| Total trade and other receivables | | 490 | | 578 |
| | | 1,968 | | 1,385 |
| Amounts falling due after more than one year | | | | |
| Prepayments | | 3 | | 2 |
| Total trade and other receivables | | 1,971 | | 1,387 |

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.

Prepayments for 2021/22 include a sum of £531k paid to universities to fund practice learning opportunities for social work students. Due to the COVID-19 pandemic, practice placements were suspended. With agreement from our Scottish Government Sponsor this funding will be used by the universities during 2021/22 to fund resumed placements.

8b Provision for impairment of receivables

| | 2020/21 £000 | 2019/20 £000 |
|-----------------------------------|-----------------|-----------------|
| As at 1 April | (35) | (53) |
| Charge for the year | (467) | (315) |
| Unused amounts reversed | 2 | 20 |
| Uncollectable amounts written off | 462 | 313 |
| As at 31 March | (38) | (35) |

As at 31 March 2021, trade and other receivables of £38k (2019/20: £35k) were past due and impaired. The amount of the provision is £38k (2019/20: £35k).

The ageing analysis of these receivables is as follows:

| Aged analysis of past due and impaired receivables | 2020/21 £000 | 2019/20 £000 |
|--|-----------------|-----------------|
| Up to 3 months past due | 6 | 10 |
| 3 to 6 months past due | 10 | 6 |
| 6 to 12 months past due | 7 | 6 |
| Over 12 months past due | 15 | 13 |
| | 38 | 35 |

As at 31 March 2021, trade and other receivables of £490k (2019/20: £578k) were due but not impaired. The ageing analysis of these receivables is as follows:

| Aged analysis of unimpaired receivables due | 2020/21 £000 | 2019/20 £000 |
|---|-----------------|-----------------|
| Not yet due | 338 | 340 |
| Up to 3 months past due | 80 | 171 |
| 3 to 6 months past due | 21 | 23 |
| 6 to 12 months past due | 23 | 35 |
| Over 12 months past due | 28 | 9 |
| | 490 | 578 |

8c Analysis of trade and other receivables

| | 2020/21 £000 | 2019/20 £000 |
|---|-----------------|-----------------|
| Amounts falling due within one year | | |
| Bodies external to Government | 1,819 | 1,254 |
| Other Government bodies | 141 | 122 |
| Local authorities | 5 | 9 |
| NHS bodies | 3 | 0 |
| | 1,968 | 1,385 |
| Amounts falling due after more than one year | | |
| Bodies external to Government | 3 | 2 |
| Total trade and other receivables | 1,971 | 1,387 |

9 Cash and cash equivalents

| | 2020/21 £000 | 2019/20 £000 |
|--|-----------------|-----------------|
| Balance as at 1 April | 5,956 | 4,564 |
| Net change in cash and cash equivalent balances | 4 | 1,392 |
| Balance as at 31 March | 5,960 | 5,956 |
| The following balances as at 31 March were held at: | | |
| Government banking service | 5,752 | 5,955 |
| Commercial banks and cash in hand | 208 | 1 |
| Balance as at 31 March | 5,960 | 5,956 |

10 Trade and other payables

10a Summary of trade and other payables

| | 2020/21 £000 | 2019/20 £000 |
|--|-----------------|-----------------|
| Amounts falling due within one year | | |
| Trade payables | 248 | 331 |
| Accruals and deferred income | 3,950 | 5,047 |
| Other payables | 190 | 168 |
| Other taxation and social security | 253 | 211 |
| VAT | 11 | 3 |
| Total trade and other payables | 4,652 | 5,760 |

10b Analysis of trade and other payables

| | 2020/21 £000 | 2019/20 £000 |
|--|-----------------|-----------------|
| Amounts falling due within one year | | |
| Bodies external to Government | 4,035 | 3,975 |
| Higher education institutes (HEIs) | 78 | 1,347 |
| Other Government bodies | 307 | 272 |
| Local authorities | 232 | 166 |
| Total trade and other payables | 4,652 | 5,760 |

11 Sources of financing

| 2019/20 Total £000 | General reserve | 2020/21 | | | |
|--------------------------|--|--------------|-----------------|-----------------|---------------|
| | | Ref/ note | Revenue £000 | Capital £000 | Total £000 |
| 949 | Opening balance | | 1,583 | 17 | 1,600 |
| (16,291) | (Deficit) for the year | SCNE | (20,844) | (2) | (20,846) |
| (514) | Pension adjustments and re-measurements | 5b | 4,227 | 0 | 4,227 |
| 17,456 | Grants and grant in aid | 12a | 17,847 | 0 | 17,847 |
| 1,600 | Closing balance | | 2,813 | 15 | 2,828 |

12 Government funding

12a Grants and grant in aid

| | 2020/21 £000 | 2019/20 £000 |
|---|-----------------|-----------------|
| Grant in aid | 16,035 | 15,519 |
| Voluntary Sector Development Fund | 1,117 | 1,031 |
| Workforce development grant | 486 | 623 |
| Recruitment marketing campaign | 120 | 145 |
| Cyber resilience | 56 | 16 |
| Self-directed support grant | 33 | 30 |
| Social Services Expo | 0 | 30 |
| Workforce requirements for the Carers Act | 0 | 57 |
| Promoting excellence: dementia strategy | 0 | 5 |
| Total funding from Government | 17,847 | 17,456 |

All grant conditions have been met. The amounts in the table reflect grants drawn down, net of any repayments. Therefore, as at 31 March 2021 no grants are due for repayment.

12b Grand in aid analysis

| | 2020/21 £000 | 2019/20 £000 |
|--|-----------------|-----------------|
| Approved grant in aid from Scottish Government | 15,724 | 15,519 |
| Grant in aid approved during the year | 311 | 0 |
| Total approved grant in aid | 16,035 | 15,519 |
| Grant drawdown during the year | 16,035 | 15,519 |
| | 0 | 0 |

13 Capital commitments

13a There were no capital commitments as at 31 March 2021.

14 Commitments under leases

14a 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.

| Obligations under operating leases comprise: | 2020/21 £000 | 2019/20 £000 |
|--|-----------------|-----------------|
| Buildings: | | |
| within 1 year | 792 | 790 |
| within 2 to 5 years | 833 | 1,621 |
| beyond 5 years | 0 | 0 |
| | 1,625 | 2,411 |

14b Finance leases

There are no obligations or commitments under finance leases.

15 Other provisions

Other provisions comprise property dilapidations in respect of lease obligations.

| | £000 |
|---------------------------------|------------|
| Balance at 1 April 2020 | 0 |
| Provided in year | 466 |
| Balance at 31 March 2021 | 466 |

16 Contingent liabilities

There is one contingent liability at 31 March 2021.

A recent Employment Appeal Tribunal decision may have an impact on financial liabilities regarding Fitness to Practise Panel Members if they are considered to have worker rather than self-employed status. We are obtaining legal advice on the implications of this decision for Panel Members and any other individuals.

17 Related party transactions

The SSSC is a Non-Departmental Public Body (NDPB) sponsored by the Scottish Government Office of the Chief Social Work Adviser of the Children and Families Directorate. The SSSC has shared service arrangements with the Care Inspectorate in 2020/21 totalling £676k (2019/20 £900k). 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. No Council Members, key managerial staff or other related parties have 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 2020/21 financial year.

Appendix 1

Scottish Social Services Council



Scottish Government
Riaghaltas na h-Alba
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Direction by The Scottish Government

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

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