

Scottish Social Services Council

Annual Report and Accounts

1 April 2015 to 31 March 2016



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Annual Report and Accounts of the Scottish
Social Services Council

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1 April 2015 to 31 March 2016
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ANNUAL REPORT



SECTION A:
PERFORMANCE REPORT



1. PERFORMANCE OVERVIEW

1.1 STATEMENT BY THE CHIEF EXECUTIVE ON PERFORMANCE

Over the past year, we have seen an increase in our work as the Register has grown. At March 2016, we have 93,129 people on the Register compared to 79,645 at March 2015. We have continued to develop our online system, MySSSC, and now 93% of new applications and 97% of renewals happen online. And 80% of employers are also using MySSSC.

As the Register grows, so does our fitness to practise casework. In the past year we had 2,866 referrals of concerns about registrants and applicants, an 11% increase on the previous year. We have closed 2,678 cases and 12.5% resulted in a sanction of some sort. We are also modernising how we work and have revised our Codes of Practice to make sure they are up to date and relevant. We are moving from a misconduct-based model of regulation to a fitness to practise approach. Both of these are significant projects and we have undertaken extensive formal and informal consultations around both. We expect the new Codes and regulatory approach to be in place in October 2016.

We have led the programme of work to deliver the workforce strand of the Scottish Government's Vision and Strategy for Social Services, including a comprehensive review of social work education and the introduction of a qualification for Chief Social Work Officers. We have also delivered a range of workforce development activity for social services in Scotland, for example learning technology, leadership capacity development, supporting the integration of health and social care and self-directed support. We increasingly work with partners such as the Care Inspectorate, NHS Education for Scotland (NES) and the Scottish Centre for Education Leadership to deliver workforce development projects.

We have quality assured 43 education programmes, assessed 92 international qualifications and certificated 1,803 modern apprenticeships.

We are increasingly shifting to digital approaches, in our registration processes, in how we work inside the organisation, how we approach learning and development for the sector and in our communications. Finally, we have continued to work positively in partnership with our UK counterparts, both in regulation and on workforce development, despite the increasing policy divergence across the four countries of the UK.

The coming year will bring a new group of workers onto our Register with support workers in care at home and housing support services coming on stream. That will inevitably increase our registration, fitness to practise and qualifications work. We will also be continuing our shift to a more digital way of working while embedding our new regulatory model and the revised Codes of Practice.

Anna Fowlie

Chief Executive and Accountable Officer

1.2 ABOUT THE SSSC (OUR PURPOSE AND ACTIVITIES)

The Scottish Social Services Council (SSSC) is the regulator for the social service workforce in Scotland. Our work means the people of Scotland can count on social services being provided by a trusted, skilled and confident workforce.

We protect the public by registering social service 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 services and their employers
- register people working in social services and make sure they adhere to our Codes of Practice
- promote and regulate the learning and development of the social service workforce
- are the national lead for workforce development and planning for social services in Scotland.

The SSSC is a Scottish Government 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. Through workforce registration and regulation we are helping to improve standards in social services and strengthen public protection.

We are one of a number of health and social care regulators in Scotland and across the UK established to make sure professionals are regulated against agreed standards. We work closely with other regulators and other bodies to ensure standards meet the needs of the social service sector.

There are over 199,000 people working in social services across Scotland. This workforce includes social care workers, social workers, social work students and early years workers. They work across a range of care services, in residential and day centres, community facilities and in people's homes. We are responsible for registering the workforce, making sure they meet the standards set out in the SSSC Code of Practice. Find out more about the groups of workers that register with us at **www.sssc.uk.com**.

We are responsible for standards of training and development for the social service workforce and we work with the other UK social service workforce regulators to develop and maintain these standards.

Our values are:

- integrity
- commitment
- accountability
- pride in what we do
- listening and engaging
- learning and creativity.

1.3 KEY ISSUES AND RISKS AFFECTING THE SSSC

As part of our strategic planning process we consider the major risks that might prevent us from achieving our outcomes and look at how we can reduce them. Every year Council Members and the Executive Management Team (EMT) compile a Strategic Risk Register to address the major risks to the SSSC, including likelihood and potential impact.

The EMT reviews the Risk Register monthly and it is a standing item at the Audit Committee.

We have reviewed and improved our Business Continuity and Disaster Recovery Plan and relevant staff have received in-depth training. The SSSC has a Strategic Risk Register which you can find [here](#).

1.4 GOING CONCERN

The Statement of Financial Position at 31 March 2016 shows net liabilities of £4.643m (2014/15: £4.679m). The net liabilities are mainly the result of actuarial assumptions adopted for the application of accounting standard IAS 19.

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

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

The SSSC has no reason to believe the Sponsor Department 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 2016/17. It is therefore considered appropriate to prepare the accounts on a going concern basis.

1.5 PERFORMANCE SUMMARY

1.5.1 STRATEGIC AND OPERATIONAL PERFORMANCE

In 2015/16, we registered approximately 13,500 people bringing the total number of registered workers to more than 90,000. Throughout the year we have seen the average time to register a worker decrease. We have invested in our online system, MySSSC and we now have over 90% of people registering or renewing their registration online.

The increase in registrants has brought with it an increase in the number of fitness to practise concerns about registrants and people applying to register we need to look into. It is vital that our resources are used to investigate appropriate cases. Our Fitness to Practise staff have looked at all our processes for areas of improvement. We have also run events and hosted webinars to increase understanding among employers about issues that should be referred to us.

We have seen significant progress in our digital work, such as the development of learning technologies, Open Badges (a digital record of learning, achievements and skills), our online registration system and the use of social media. This is an area we will develop further in 2016/17 with a new digital strategy.

Protecting people who use social services is more than regulating the workforce. Education and learning play a significant part in public protection and improving quality of care. This year we have developed frameworks for new qualifications for foster carers and residential child care workers. We are currently working closely with our stakeholders to review the social work degree.

Social work and social care in Scotland benefit from workers from a range of countries, including those from Europe. This year we assessed 92 international qualifications to see if they were suitable to be recognised for registration. The outcomes of the assessments are: 35 are on-going, 26 compensatory measures, 11 withdrawn, 10 refused and 10 accepted.

We are making progress towards developing a quality framework across the organisation and continue to use improvement methodology to improve our effectiveness and achieve efficiencies throughout the SSSC.

All our processes operated within expected timescales and managed the increasing numbers of applicants and registrants. However, we are monitoring the time we take to schedule a hearing after investigating a case and how we manage the increasing number of hearings.

In September 2017 we will open the Register to approximately 54,000 workers in care at home and housing support services. We will complete this final stage of scheduled registration by 2020. By this time we expect to have over 140,000 registrants.

In 2016/17 we plan to consult on our registration fees as the fees have not increased since we first opened the Register in 2003. Currently, Scottish Government funding accounts for 87% of our budgeted income, with 13% coming from fees.

We are entering the last year of our current strategic plan and are consulting with stakeholders to help Council Members decide our strategic priorities for 2017-20 and how we continue to work with our partners to ensure a safe, skilled and valued workforce.

1.5.2 FINANCIAL PERFORMANCE

Our budget is funded mainly by a mixture of grant in aid and 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 the consent of Scottish Ministers.

Our budgeted funding for 2015/16 was as follows:

	Budget 2015/16 £000
Grant in aid	11,952
Specific grants	1,480
Registration fees	1,686
Practice learning funding	2,477
Other income	0,152
Total funding	17,747

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

The SSSC Register expands each year to encompass different types of social care. The growing Register not only impacts on our registration section who have to process applications to register and then maintain increasing numbers on the Register, but this also means there are more fitness to practise cases to deal with, more demands are placed on workforce development and there are consequential effects on our support services. We are working with our Sponsor Department to deal with the impact of a growing Register. Short term measures include providing transitional funding whilst a permanent, long-term solution is identified.

Transitional funding was provided to the SSSC in 2014/15. The Sponsor has permitted this funding to be retained in our General Reserve to assist with the 2015/16 funding position. On this basis the 2015/16 expenditure budget was set at £18.747m. This is £1.000m more than the 2015/16 funding available. It was intended to fund this budget deficit by using the transitional funding retained in the General Reserve. During the 2015/16 financial year the Sponsor agreed a further £0.251m transitional funding. The SSSC Risk Register includes reference to the longer term funding issues faced by the organisation.

Our actual deficit for 2015/16 is £0.463m £0.537m less than the budgeted position.

This means our General Reserve will not reduce as much as anticipated, with a closing balance of £0.783m (note 12) which is 4.2% of gross expenditure. The SSSC's target balance for reserves is 2% (£0.375m) to 2.5% (£0.469m) of gross expenditure. The General Reserve balance can be used to support 2016/17 expenditure and funding pressures.

Practice learning funding is claimed from the Scottish Government to exactly match what we have paid to universities in practice learning fees and administration fees. Therefore there is no impact on our net expenditure position.

We used £0.026m of our grant in aid to fund capital expenditure. The table below shows our revenue budget position.

	2015/16 Budget £000	2015/16 Actual £000	Variance £000
Revenue expenditure	18,747	18,357	(390)
Fee income	(1,686)	(1,919)	(233)
Practice learning funding	(2,477)	(2,226)	251
Other income	(152)	(287)	(135)
Net expenditure	14,432	13,925	(507)
Grant in aid (revenue)	(11,952)	(12,177)	(225)
Specific grant funded projects	(1,480)	(1,285)	195
Total funding	(13,432)	(13,462)	(30)
Deficit for year	1,000	463	(537)
Required transfer from General Reserve	(1,000)	(463)	537

Reconciliation to Statement of Comprehensive Net Expenditure (SCNE)

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.

1. 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 are credited to the General Reserve on the Statement of Financial Position.
2. 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.
3. 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 2015/16 depreciation charge is £226k.

The table below reconciles the deficit shown on the Statement of Comprehensive Net Expenditure (SCNE) to the surplus recognised for funding and budgeting purposes. This surplus is to be used for transitional funding as described above.

	Ref/note	£000
Deficit per the SCNE	SCNE	13,452
Funding from grants and grant in aid	12	(13,462)
Reverse IAS 19 pension accounting adjustments	5b	699
To fund depreciation and asset disposals	6	(226)
(Surplus)/deficit on funding and budgeting basis		463

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 ten days. In 2015/16 we paid 99.2% (2014/15: 97.2%) of invoices within ten days.

2. PERFORMANCE ANALYSIS

2.1 HOW DO WE MEASURE PERFORMANCE?

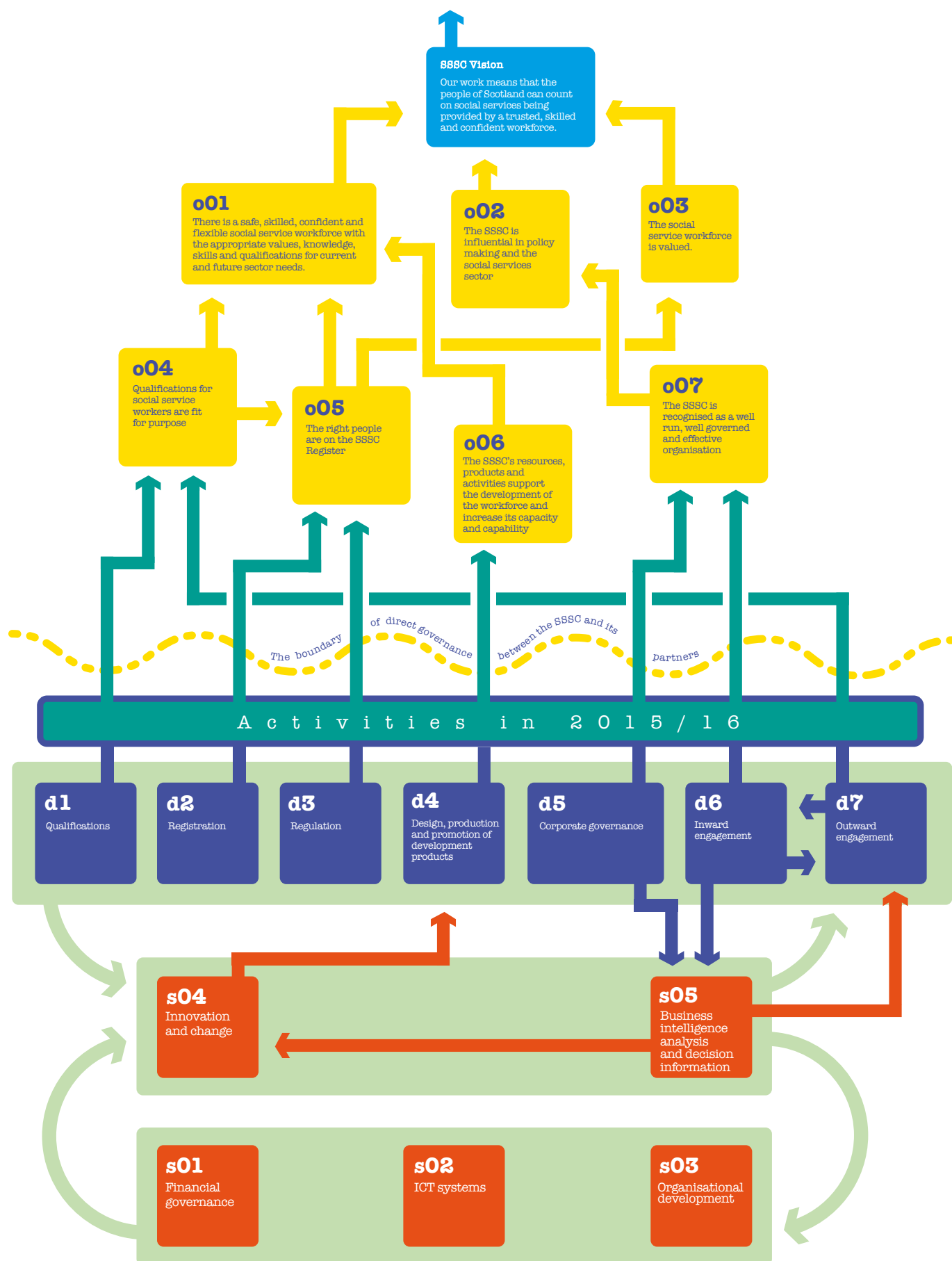
The strategy map for 2014-17 identifies our strategic outcomes (page 16) and shows the most important chains of cause and effect, ie the difference we expect our activities to make. The arrows connecting the boxes represent the most important cause and effect relationships between each element.

The map identifies the systems we must have in place and what we will deliver to achieve our outcomes. It also highlights the outcomes where our work has most direct impact, ie the early outcomes. In achieving our medium and long term outcomes, we must work closely with our partners to bring about the changes needed to achieve our vision.

We want to clearly identify the change we aim to bring about and how we will measure and identify that change. To do this we asked ourselves: 'what are the questions our stakeholders want answered to assure them we are making a difference?'

Over the life of this strategy we will use our performance measures and other information to check our understanding of the effectiveness of our work in achieving our outcomes.

Every month we report on our performance to the Executive Management Team (EMT) and a quarterly report goes to the Council to monitor progress and take action where necessary.



2.2 DETAILED ANALYSIS OF DEVELOPMENT AND PERFORMANCE

Outcome 1: There is a safe, skilled, confident and flexible social service workforce with the appropriate values, knowledge, skills and qualifications to meet current and future sector needs.

Strategic measures to 2017

- An increase in the number of workers who are meeting or exceeding minimum qualification requirements.
- Meet the targets in the development of learning pathways.
- The outcome of the review of our current model of regulation will reflect the views of our stakeholders and the evidence collected.
- More employers and social service workers are aware of and understand their responsibilities to work according to the SSSC Codes of Practice.
- An increase in the number of social service workers receiving induction in values, behaviour and practices which are informed by the SSSC Codes of Practice.

Achievements in 2015/16

- We carried out a comprehensive review of the Codes of Practice for Social Service Workers and Employers. We will launch the revised Codes in October 2016.
- We carried out a stakeholder survey of over 2,000 people to help identify our priorities for 2017-20 and to establish a baseline for future years. The survey reported that 62% of people agreed that the SSSC is effective in protecting people who use social services.
- We developed a framework for Foundation Apprenticeships (vocational programme in social care for senior pupils at school).
- We approved the Chief Social Work Officer qualification.
- We completed a bespoke Open Badge system to support organisations recognise informal learning.
- We worked with the fire and rescue service, health, community justice and social services to develop the Common Core for Adult Services which outlines the skills, knowledge and values for everyone working with adults.

Outcome 2: The SSSC is influential in policy-making and the social service sector.

Strategic measures to 2017

- SSSC consultation responses and advice is included in Scottish Government policy.
- Employers, representative bodies and social service workers believe that the SSSC plays an important role in influencing policy and social service workers.
- MSPs and other local and national politicians understand the work of the SSSC.

Achievements in 2015/16

- In this period we responded to 30 consultations. These include the Carers (Scotland) Act 2016 and the Community Justice (Scotland) Act 2016. Our responses are on our website.
- We were part of the 2015 survey of Members of the Scottish Parliament (MSPs) carried out by Ipsos Mori to establish a baseline of MSPs' awareness of the SSSC.
- Our workforce data was used as the basis for determining the living wage for social care workers in Scottish Government guidance.

Outcome 3: The social service workforce is valued.

Strategic measures to 2017

- Positive perceptions of social service career options among potential recruits and key agencies such as career services.
- Positive public perception of the value of the social service workforce.
- Positive media coverage of the social service workforce and the difference it makes.
- Positive views of the workforce among people who use social services and carers.
- Employers recognise the value of the social service workforce through changing key organisational performance questions to reflect and measure the value of social work.

Achievements in 2015/16

- We launched a successful social media campaign *#lifechangingwork* and we now have 35 social service worker stories on our website. And we had 81 posts from other organisations along with 71 tweets and 80 likes. On Instagram we had 27 posts and 101 likes.

Outcome 4: Qualifications for social service workers are fit for purpose.

Strategic measures to 2017

- Employer satisfaction with the quality of newly qualified social workers.
- Worker satisfaction with how their qualification has prepared them for work or improved existing practice.
- National Occupational Standards meet the needs of the sector.
- Changes made to the qualifications for which we are responsible reflect the views and needs of the sector.

Achievements in 2015/16

- We commissioned a five-year longitudinal study into the experiences of employers and newly qualified social workers.
- We approved the Chief Social Work Officer programme run by Glasgow Caledonian University and the University of Dundee.
- We completed phase two of the review of social work education.

Outcome 5: The right people are on the SSSC Register.

Strategic measures to 2017

- Stakeholders, including the public, believe that regulation of the social service workforce is effective in keeping people who use social services safe.
- Increased awareness amongst relevant groups of their obligation to apply to register with the SSSC.
- Increase in the percentage of referrals from employers that meet the threshold for a complaint.
- The effectiveness of our collaborative partnerships, particularly in relation to information sharing, with other regulatory bodies and Disclosure Scotland.

Achievements in 2015/16

- We have seen a rate of 7% (57 out of 829) of cases which do not meet the standard for investigation. This is an increase from last year's figure of 2%. However, we believe this is an improvement as we have a better focus on screening out cases which are not misconduct.
- We met all targets in processing registration applications.
- We are working on formalising information sharing with the Scottish Court Tribunal Service and have continued the positive relationship with the Crown Office Procurator Fiscal Service and Police Scotland.
- Our engagement with employers has increased to support the registration of new categories of workers.
- We are working closely with the Care Inspectorate to more accurately identify the numbers who should be registered with the SSSC.
- We now have a joint non executive board with NHS Education Scotland (NES) in place and have completed a successful joint work plan.

Outcome 6: The SSSC's resources, activities and products support the development of the workforce and increase its capacity and capability.

Strategic measures to 2017

- Increased awareness of our products and resources.
- Employers believe that the workforce data produced by the SSSC helps them to make more effective workplans.
- Employers and social service workers who have attended our events and used our resources report that practice has improved.
- We are increasingly asked to develop workforce resources and support national workforce development initiatives.

Achievements in 2015/16

- We recruited 349 new Dementia Ambassadors, which means there are now 850 Dementia Ambassadors in Scotland.
- Working with the Care Inspectorate, we delivered six learning sets to pilot the enhanced dementia practice resource.
- Over 300 learners attended our leadership events.
- We have seen a 179% increase in the visits to our online learning zone. In 2015/16 we had 41,009 compared to 14,689 the previous year.
- Visits to SSSC Open Badges increased by 919% with 6,796 visits in this period compared to 667 in 2014/15.
- Our workforce data was used as the basis for determining the living wage for social care workers in Scottish Government guidance.
- Evaluation of our work in relation to self-directed support workforce development found that our approaches and resources have supported improvement in practice.

Outcome 7: The SSSC is recognised as a well-run, well-governed and effective organisation.

Strategic measures to 2017

- We receive unqualified external audit reports.
- External evidence of what works most effectively and efficiently.
- Stakeholders believe we are making a difference.
- Stakeholders believe they are able to influence our work.
- The SSSC manages its information and records in compliance with legislation.
- Our Records Management Plan is approved by the Keeper of the Records of Scotland.
- Meeting Scottish Government's Corporate Expectations.
- Achieve the Silver Award in Investors in People.
- We meet the standards in Audit Scotland's Best Value toolkit on governance and accountability and compare our performance by benchmarking against other organisations.
- All internal and external audit recommendations, agreed by Audit Committee, were implemented.

Achievements in 2015/16

- Our Records Management Plan was approved and we are now implementing the actions.
- We met all statutory timescales for Freedom of Information requests.
- We achieved the Silver Award in Investors in People.
- We produced a report on our progress in relation to **Best Value**.
- We received an unqualified external audit report on the 2014/15 annual report and accounts.
- Of the total internal audit actions to follow up in 2015/16 (there were 32), we closed 18 and carried forward 14. Four were not due during that period.
- A number of Council Member development sessions have taken place around integration and self-directed support.

2.3 SUSTAINABILITY REPORT 2015/16 - EXTRACT

Area	Performance 2015/16	Status
Total CO ₂ e	Carbon emissions have increased by 29% from the 2011/12 baseline	red
Travel	Carbon emissions have increased by 115% from the 2011/12 baseline	red
Gas, water and electricity	Carbon emissions have decreased by 1% from the 2011/12 baseline	green
Waste and recycling	Carbon emissions have increased by 0.1 tCO ₂ e from 2011/12	red

- Car use has gone down this year despite an increase in staff numbers. There has been an increase in the use of public transport linked to the increase in staff. The SSSC is a growing organisation and this is likely to continue.
- We have a cycle to work scheme to reduce the number of staff driving to work.
- There is a reduction in electricity consumption with a slight increase in gas and water consumption. Considering the increased occupancy for the SSSC, the small overall increase in consumption demonstrates the positive effect of the LED lighting replacement.
- Waste paper has reduced while refuse levels have remained consistently low.
- When preparing and evaluating tenders we consider sustainability which is relevant and proportionate to the procurement process.

Read the full **SSSC Sustainability Report** for 2015/16 on our website.

Anna Fowlie

Chief Executive and Accountable Officer

25 October 2016

SECTION B:
ACCOUNTABILITY REPORT

B



3. CORPORATE GOVERNANCE REPORT

3.1 DIRECTORS' REPORT

SSSC Council

Members sitting on the SSSC Council during 2015/16 were:

- Professor James McGoldrick (Convener)
- Dame Anne Begg (from 1 January 2016)
- Lorraine Brown
- Audrey Cowie
- Paul Dumbleton
- Julia Edey (to 30 September 2015)
- Paul Edie (Chair of the Care Inspectorate)
- Professor Joyce Lishman
- Forbes Mitchell
- Andrew Rome
- Harry Stevenson.

Executive Management Team

The Executive Management Team (EMT) are employees of the SSSC. The following individuals served on the EMT during 2015/16:

- Anna Fowlie, Chief Executive
- Maree Allison, Director of Fitness to Practise
- Mairi Anne Macdonald, Director of Sector Development
- Lorraine Gray, Head of Strategic Performance and Engagement
- Gordon Weir, Director of Corporate Services (shared post with Care Inspectorate).

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

There was one data protection breach reported to the Information Commissioner's Office for the year to 31 March 2016. Further detail is available in the Governance Statement (Section 3.3).

There were no data losses to report for the year to 31 March 2016.

Non audit fees

Audit Scotland provided services solely relating to the statutory audit and Scott Moncrieff provided internal audit services during 2015/16. No further assurance, tax or other services were provided by either organisation in the year.

Disclosure of Information to auditors

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

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

Pension liabilities

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

The local government pension scheme is a defined benefit scheme that provides pension benefits based on final pensionable remuneration.

Information on how pension liabilities are treated in the SSSC's accounts can be found in the Notes to the Accounts and the Remuneration and Staff Report.

National Fraud Initiative

The SSSC participated in the National Fraud Initiative for the first time in 2015/16. This is a data matching exercise which assists in the prevention and detection of fraud. No issues were identified.

3.2 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.

3.3 GOVERNANCE STATEMENT

Introduction

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

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

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

The Governance Framework

Organisational structure

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

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

The Council must approve the making, revision or revocation of Standing Orders, Scheme of Delegation, Annual Report and Accounts, Budget, Strategic Plan, Risk Register and Risk Management Strategy for each financial year.

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

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

Audit Committee

Established to:

- scrutinise and develop the external audit arrangements and also to ensure that there is sufficient and systemic review of the internal control arrangements of the organisation, including arrangements for risk management
- review the comprehensiveness of assurances and the reliability and integrity of these assurances.

Resources Committee

Established to:

- develop and scrutinise strategy, budgets and plans ensuring efficient, effective and economical use of the Council's resources, and to report and make recommendations to Council on its findings
- consider the organisational structure and human resources policies, processes and procedures to facilitate the discharge of business by the SSSC and to agree modifications as appropriate.

Remuneration Committee

Established to deal with the remuneration of the SSSC excluding the Chief Executive and Council Members, whose remuneration is determined by Scottish Government.

Registration Committee

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

Conduct Committee

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

The SSSC has a number of sub-committees that meet as required.

Council Members

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

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

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

- focusing on the organisation's purpose and on outcomes for citizens and service users
- performing effectively in clearly defined functions and roles
- promoting values for the whole organisation and demonstrating the values of good governance through behaviour
- taking informed transparent decisions and managing risk
- developing the capacity and capability of the governing body to be effective
- engaging stakeholders and making accountability real.

The quarterly Council meetings are held in public and the minutes of each meeting are available on our website (www.sssc.uk.com). SSSC Committee membership and Council Member attendance is detailed in the table below.

SSSC COMMITTEE MEMBERSHIP AND ATTENDANCE – 1 April 2015 and 31 March 2016 (inclusive)

Council Member	Council	Resources Committee		Audit Committee		Registration Committee		Conduct Committee		*Remuneration Committee	
	Attended	Member Yes/No	Attended	Member Yes/No	Attended	Member Yes/No	Attended	Member Yes/No	Attended	Member Yes/No	Attended
Professor James McGoldrick (Convener)	4									Y	
Dame Anne Begg (From 1 January 2016)	2	N	1	Y	1						
Lorraine Brown	4	Y	4			Y	1	N	1	Y	
Audrey Cowie	4	Y	5			N	1	Y	1		
Paul Dumbleton	4	Y	5							Y	
Julia Edey (to 30 September 2015)	1			Y	3						
Paul Edie (Chair of the Care Inspectorate)	4										
Professor Joyce Lishman	3			Y	5						
Forbes Mitchell	4	Y	4	Y	5						
Andrew Rome	3			Y	5						
Harry Stevenson	2										

*Remuneration Committee did not meet in the year to 31 March 2016.

Accountable Officer

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

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

Executive Management Team (EMT)

The EMT supports the Chief Executive in her Accountable Officer role through the formal Scheme of Delegation. The EMT comprised the Director of Sector Development, the Director of Fitness to Practise, Director of Corporate Services and the Head of Strategic Performance and Engagement. Each of these officers has responsibility for the development and maintenance of the governance environment within their own areas of control.

Internal audit

The SSSC's internal audit function is contracted out. Internal audit forms an integral part of the SSSC's internal control and governance arrangements. The internal audit service operates in accordance with Public Sector Internal Audit Standards and undertakes an annual programme of work approved by the Audit Committee. This annual programme is based on a formal risk assessment process which is updated on an on-going basis to reflect evolving risks and changes. It also takes account of the three year Strategic Internal Audit Plan and the Annual Internal Audit Plan.

Code of Corporate Governance

There is an annual review of our Code of Corporate Governance and the associated Register of Policies. We have determined to hold a three yearly review of our Standing Orders and Scheme of Delegation. Revisions are made within the three year cycle if required.

Whistleblowing

Our employee Staff Code of Conduct Policy and associated Whistleblowing Guidance 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.

Risk management

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

Risks identified are maintained on a Strategic Risk Register and addressed in the preparation of the Strategic Plan. The Strategic Plan has been developed to show clear links between risks identified on the Risk Register and the SSSC's strategic objectives. As a result, the risks identified become embedded in managers' work plans for the year. The Council has agreed a risk appetite statement to underpin the SSSC's approach to risk management and control. The Strategic Risk Register is available on the SSSC website (www.sssc.uk.com).

Information governance

The SSSC has procedures for dealing with requests for information in terms of the Freedom of Information (Scotland) Act 2002 and the Data Protection Act 1998. We also have a procedure to respond to suspected data breaches and operate a Records Management Policy and a Data Protection Policy with complementary procedures and oversight arrangements. These policies, procedures and processes provide a consistent, organised and systematic approach to responding to requests for information and managing the information that we hold. To support this work we have an annual information governance training strategy.

There are no significant data losses to report for the year to 31 March 2016.

There was one significant data protection breach for the year to 31 March 2016 which we reported to the Information Commissioner. A Notice of Decision (NoD) was published on our website following a Conduct Sub-committee hearing. Certain health information relating to a Registrant should have been redacted from the NoD but was not. The Registrant contacted the SSSC to advise that information relating to his health was included on the NoD and had been published in an article by a local newspaper.

There was guidance and controls in place to reduce the risk of this happening. We have a Publicity Policy and process guidance that emphasises to staff that personal information must be redacted prior to publication. Prior to publishing the NoD on our website the Fitness to Practise Assistant that prepared the NoD for publication signed a website upload request to confirm the NoD was ready for publication. A Solicitor checked the NoD and signed the website upload request to confirm checks had been performed. It was not noticed by either individual that there was health information to redact. This breach has been shared with relevant teams to highlight the importance of accuracy and attention to detail when preparing notices for publication. The issue was also addressed in a supervision session with the Solicitor responsible for checking.

System of internal financial control

Within the SSSC's overall governance framework specific arrangements are in place as part of the system of internal financial control. This system is intended to ensure that reasonable assurance can be given that assets are safeguarded, transactions are authorised and properly recorded and material errors or irregularities are either prevented or would be detected within a timely period.

The SSSC's system of internal financial control is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is the responsibility of managers within the SSSC. In particular, the system includes:

- Financial Regulations 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
- the preparation of regular financial reports which indicate actual expenditure against the forecasts
- clearly defined capital expenditure guidelines.

Review

The effectiveness of our Code of Corporate Governance is reviewed 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 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
- the annual review of the Code of Corporate Governance
- feedback from managers and staff within the SSSC on our performance, use of resources, responses to risks, and the extent to which in-year budgets and other performance targets have been met.

Significant issues and areas where the governance framework can be developed have been identified as a result of this review process. They are detailed in the section below.

Significant issues

No significant governance issues have been identified.

Developing the governance framework

Committee structure review

It is planned to review the Committee structure in October 2016 to reflect the move to fitness to practise.

Review of the SSSC Code of Corporate Governance

The annual review of the SSSC's Code of Corporate Governance and Register of Policies is scheduled for October 2016.

Quality assurance

We want to maintain and enhance the high quality service we provide to our stakeholders and intend to introduce quality assurance models such as EFQM where appropriate.

Risk management

Work is continuing on embedding risk management throughout the organisation through developing operational risk registers and understanding the links between strategic and operational risk.

Workforce development and specific grants

The SSSC has received significant specific grant funding in the last three years. The grant funding tends to be confirmed late or after our main operational planning and budgeting has been completed for the year ahead. This has led to issues with the planning, coordination, authorisation and monitoring of grant related work. An initial review of the governance of specific grant funding and the management of the associated workstreams for grants and core workforce development activities has been conducted. An action plan will be agreed at EMT to improve governance and management of this area of our work.

Certification

The SSSC's governance framework has been in place for the year ended 31 March 2016 and up to the date of signing of the Accounts.

It is my opinion as Accountable Officer, 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, particularly with respect to the governance of grants, the annual review has provided sufficient evidence that the SSSC's governance arrangements have operated effectively and that the SSSC complies with all relevant laws, regulations, guidance and generally accepted best practice in all significant respects.

4. REMUNERATION AND STAFF REPORT

UNAUDITED INFORMATION

4.1 REMUNERATION REPORT

Introduction

This report provides information on the remuneration of SSSC Council Members and senior managers in 2015/16. Senior managers are members of the Executive Management Team (EMT). The EMT is the Chief Executive, Director of Sector Development, Director of Fitness to Practise, Director of Corporate Services and the Head of Strategic Performance and Engagement. The report contains both audited information and information which is not specifically subject to audit.

Remuneration Committee

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

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

- Professor James McGoldrick (Convener)
- Lorraine Brown (Chair of Resources Committee)
- Paul Dumbleton (Vice Chair of Resources Committee).

The Committee is advised by the following officers:

- Chief Executive
- Human Resources Manager.

Remuneration Policy

Members

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

Executive Management Team

Chief Executive

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

Senior managers

The three senior managers employed by the SSSC (Director of Fitness to Practise, Director of Sector Development and the Head of Strategic Performance and Engagement) during 2015/16 are on a salary scale of £60k to £66k. Incremental progression to the maximum of the scale is determined by performance. Performance is assessed by the SSSC's Performance Development Review System and progression is subject to agreement by the Remuneration Committee. The SSSC's pay strategy must be approved by the Scottish Government. Subject to that approval, a pay award package is negotiated with the trade 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.

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

Notice periods – Members

Council Members are appointed for a period determined by Scottish Ministers. Council Members are eligible to be re-appointed following the end of their first 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:

Name	Current term	Date of initial appointment	Date of re-appointment	Date of termination of appointment
Professor James McGoldrick (Convener)	1 st	01 Sept 2013	n/a	31 Aug 2016
Dame Anne Begg	1 st	01 Jan 2016	n/a	31 Dec 2018
Lorraine Brown	2 nd	01 Sept 2012	01 Sept 2015	31 Aug 2018
Audrey Cowie	1 st	01 Sept 2013	n/a	31 Aug 2016
Paul Dumbleton	1 st	01 Sept 2013	n/a	31 Aug 2016
Julia Edey	1 st	01 Oct 2012	n/a	30 Sept 2015
Paul Edie*	2 nd	15 April 2013	15 April 2015	14 April 2017
Professor Joyce Lishman	2 nd	01 Oct 2012	01 Oct 2015	30 Sept 2018
Forbes Mitchell	1 st	01 Sept 2013	n/a	31 Aug 2016
Andrew Rome	1 st	01 Sept 2013	n/a	31 Aug 2016
Harry Stevenson	2 nd	01 Sept 2012	01 Sept 2015	31 Aug 2018

* Paul Edie is Chair of the Care Inspectorate. There is a reciprocal arrangement where the Convener of the SSSC is a Board Member of the Care Inspectorate and the Chair of the Care Inspectorate is a Council Member.

Chief Executive

Anna Fowlie was appointed as the SSSC's Chief Executive on 2nd November 2009. The normal retirement age for this post is 65 and the current post holder will attain normal retirement age in 13.4 years. Termination of the contract requires a notice period of six months by either party.

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

Senior managers

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

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

Name	Title	Date of appointment	Years to normal retirement age
Mairi Anne Macdonald	Director of Sector Development	16 April 2012	13.6
Maree Allison	Director of Fitness to Practise	1 March 2010	25.0
Lorraine Gray	Head of Strategic Performance and Engagement	18 Feb 2008	13.4

Services from other organisations

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

	2015/16 £000	2014/15 £000
Gordon Weir, Director of Corporate Services	25.7	23.0

Discretionary benefits policy

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

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

AUDITED INFORMATION

Remuneration - SSSC Council Members

Salary 2014/15 £000		Salary 2015/16 £000
25 – 30	Professor James McGoldrick (Convener)	25 – 30
n/a	Dame Anne Begg (from 01/01/2016)	0 – 5
5 – 10	Lorraine Brown	5 – 10
0 – 5	Audrey Cowie	0 – 5
5 – 10	Paul Dumbleton	0 – 5
5 – 10	Julia Edey (to 30/09/2015)	0 – 5
0 – 5	Professor Joyce Lishman	0 – 5
5 – 10	Forbes Mitchell	0 – 5
0 – 5	Andrew Rome	0 – 5
0 – 5	Harry Stevenson	0 – 5

Paul Edie, Chair of the Care Inspectorate is a member of the Council but receives no remuneration from the SSSC. There is a reciprocal arrangement in place whereby the Convener of the SSSC, is a member of the Board of the Care Inspectorate and receives no remuneration from the Care Inspectorate.

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

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

Remuneration – Executive Management Team

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

	Single Total Figure of Remuneration							
	Salary		Benefits in Kind (to nearest £100)		Pension Benefits*		Total	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
	£000	£000	£	£	£000	£000	£000	£000
Anna Fowlie, Chief Executive	80-85	80-85	0	0	16	32	95-100	110-115
Mairi Anne Macdonald, Director of Sector Development	65-70	60-65	0	0	22	16	85-90	80-85
Maree Allison** Director of Fitness to Practise	55-60	n/a	0	0	n/a	n/a	55-60	n/a
Lorraine Gray,*** Head of Strategic Performance and Engagement	80-85	50-55	0	0	86	14	165-170	65-70

* 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.

** Maree Allison commenced her Director of Fitness to Practise role on 7 April 2015.

*** The Head of Strategic Performance and Engagement post was regraded following a job evaluation exercise. Lorraine Gray's 2015/16 remuneration contains arrears of pay relating to previous years. The payment of arrears of pay in 2015/16 has increased both remuneration and pension entitlements to values that are higher than would normally be expected.

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 2015/16.

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 2015/16 and 2014/15. The full time annual salary for the Chief Executive is in the salary band £80,000 to £85,000. The mid-point of this band is £82,500 which is 3.83 times greater than the median remuneration of the workforce. No employee received remuneration in excess of the Chief Executive in 2015/16 or 2014/15.

	2015/16 £	2014/15 £
Highest paid employee band	80,000 - 85,000	80,000 - 85,000
Staff median remuneration	21,543	21,390
Remuneration ratio	3.83	3.86
Staff minimum full time equivalent remuneration	16,509	16,004
Staff maximum full time equivalent remuneration	80,204	65,685

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.

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, Directors and Head of Strategic Performance and Engagement are all members of the LGPS.

	As at 31 March 2016				Cash Equivalent Transfer Values (CETVs)		
	Accrued pension at age 65 £000	Related lump sum £000	Real increase in pension at age 65 £000	Real increase in related lump sum at age 65 £000	As at 31 March 2016 £000	As at 31 March 2015 £000	Real Increase £000
Anna Fowlie, Chief Executive	50 - 55	60 - 65	(0 - 2.5)	(0 - 2.5)	512	476	25
Mairi Anne Macdonald, Director of Sector Development	20 - 25	-	0 - 2.5	-	56	39	16
Maree Allison, Director of Fitness to Practise*	35 - 40	-	n/a	-	57	-	n/a
Lorraine Gray, Head of Strategic Performance and Engagement	30 - 35	0 - 5	10.0 - 12.5	0 - 2.5	151	92	56

* The Director of Fitness to Practise commenced on 7 April 2015. Therefore pension and CETV increase figures are not available.

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 or senior managers received any payment or other compensation for loss of office.

4.2 STAFF REPORT

4.2.1 STAFF NUMBERS, PERMANENT AND OTHER

The tables below provide analysis of permanent and non-permanent staff engaged to work for the SSSC during 2015/16 and related costs. Staff numbers are expressed as average full time equivalents (FTE) employed in the year.

	2015/16		
	Permanently Employed FTE	Others FTE	Total FTE
Senior managers	4		4
Other employees	211	30	241
Agency workers	-	5	5
Secondments inward	-	1	1
Total staff engaged	215	36	251
Secondments outward	-	(2)	(2)
Net staff engaged on SSSC activity	215	34	249

	2015/16		
	Permanently Employed £000	Others £000	Total £000
Senior manager salaries	287		287
Other employee salaries	5,708	876	6,584
Social security costs	429	62	491
Pension service costs	1,652	141	1,793
Total cost directly employed staff	8,076	1,079	9,155
Council Members ¹	-	58	58
Agency workers	-	155	155
Secondments inward	-	71	71
Total cost of staff engaged	8,076	1,363	9,439
Voluntary early severance/retirement costs	2	-	2
Other staff costs	507	-	507
Staff costs (SCNE)	8,585	1,363	9,948
Secondments outward	-	(118)	(118)
Net staff costs	8,585	1,245	9,830

	2014/15		
	Permanently Employed FTE	Others FTE	Total FTE
Senior managers	4	-	4
Other employees	184	36	220
Agency workers	-	4	4
Secondments inward	-	3	3
Total staff engaged	188	43	231
Secondments outward	-	(1)	(1)
Net staff engaged on SSSC activity	188	42	230

1 There were 9 Council Members during the year. Council Members are office holders and are not included in the staff numbers.

	2014/15		
	Permanently Employed £000	Others £000	Total £000
Senior manager salaries	262		262
Other employee salaries	5,015	766	5,781
Social security costs	377	56	433
Pension service costs	1,572	130	1,702
Total cost directly employed staff	7,226	952	8,178
Council Members ²	-	64	64
Agency workers	-	125	125
Secondments inward	-	110	110
Total cost of staff engaged	7,226	1,251	8,477
Voluntary early severance/retirement costs	85	-	85
Other staff costs	585	-	585
Staff costs (SCNE)	7,896	1,251	9,147
Secondments outward	-	(6)	(6)
Net staff costs	7,896	1,245	9,141

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 3 of the Accounts.

² There were 9 Council Members during the year. Council Members are office holders and are not included in the staff numbers.

4.2.2 STAFF COMPOSITION BY GENDER

The table below provides a gender breakdown of directly employed staff as at 31 March 2016. Staff numbers are provided on a head count basis.

Role	Permanent		Other Staff		Total	
	Male	Female	Male	Female	Male	Female
Executive Management Team	0	4	0	0	0	4
Other staff	59	184	11	22	70	206
Total	59	192	11	22	70	210

4.2.3 SICKNESS ABSENCE

In 2015/16, we lost 4.6% (2014/15: 3.4%) of the total working days available due to sickness absence. The Chartered Institute of Personnel and Development (CIPD) public sector average is 4.1%.

4.2.4 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.

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.

The SSSC is committed to developing all staff and positively values the different perspectives and skills each brings to our work. The Performance Development Review System includes the commitment, at each level in the organisation, as an objective to promote the SSSC's overall objective of 'valuing diversity; improving opportunity'.

4.2.5 EXPENDITURE ON CONSULTANCY AND OFF PAYROLL ARRANGEMENTS

Consultancy expenditure of £17.4k was incurred in 2015/16 to review our tax dispensation and provide advice on the development of the Strategic Plan.

In 2014/15 there was expenditure of £23.0k on consultancy for the job evaluation review, review of the Continuous Learning Framework (CLF) organisational capabilities and tax advice.

4.2.6 EXIT PACKAGES – (VOLUNTARY EARLY SEVERANCE/VOLUNTARY EARLY RETIREMENT SCHEME)

One staff member left the SSSC during 2015/16 and received a severance payment.

Exit costs include:

- Pay in lieu of statutory notice period (PILON)
- Redundancy payments
- Payments to the pension fund where early retirement has been agreed
- Compensation for added years.

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

Exit package cost band	2015/16		2014/15	
	Number of departures	Total cost £000	Number of departures	Total cost £000
Up to £25,000	1	1	1	0*
£50,000 to £100,000	0	0	1	85
	1	1	2	85

* PILON payment was less than £500 in 2014/15.

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 additional costs are met by the SSSC and not the Local Government Pension Scheme.

5. PARLIAMENTARY ACCOUNTABILITY REPORT

5.1 LOSSES AND SPECIAL PAYMENTS

There were no losses and special payments incurred by the SSSC in the year to 31 March 2016 (nil for the year to 31 March 2015).

5.2 FEES AND CHARGES

The SSSC charges fees to individual social care 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 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.

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 2015/16 budget was based on funding of 82% from grant in aid, 10% from specific grants and 8% from fees charged to applicants and registrants (2014/15: 82% grant in aid, 9% specific grants and 9% fees).

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

	2015/16			2014/15		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
Registration Fees	1,676	1,919	243	1,585	1,626	41

5.3 REMOTE CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2016 which require disclosure under IAS 37 or the Scottish Public Finance Manual (nil as at 31 March 2015).

Anna Fowlie
Chief Executive and Accountable Officer
25 October 2016

6. 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

I have audited the financial statements of the Scottish Social Services Council for the year ended 31 March 2016 under the Regulation of Care (Scotland) Act 2001. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2015/16 Government Financial Reporting Manual (the 2015/16 FReM).

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

Respective responsibilities of Accountable Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2016 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 2015/16 FReM; and
- have been prepared in accordance with the requirements of the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers.

Opinion on regularity

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

Opinion on other prescribed matters

In my opinion:

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

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

27 October 2016

7. ANNUAL ACCOUNTS

SCOTTISH SOCIAL SERVICES COUNCIL

1 April 2015 to 31 March 2016

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STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2016

	Ref/ note	2015/16 £000	2014/15 £000
Income			
Registration fees	2a	(1,919)	(1,626)
Other operating income	2b	(2,513)	(2,319)
		(4,432)	(3,945)
Expenditure			
Staff costs	4.2.1	9,948	9,147
Operating expenditure	6a	4,432	3,923
Postgraduate bursaries	6b	2,569	2,501
Practice learning fees	6b	2,226	2,119
Other disbursements	6b	19	85
		19,194	17,775
<i>Net operating cost on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities</i>			
		14,762	13,830
Bank charges		32	30
Net interest on defined pension (asset)/liability	5b	196	386
<i>Net operating cost on ordinary activities after interest and net interest on pension scheme net liabilities</i>			
		14,990	14,246
Total actuarial re-measurements on defined pensions liability	5b	(1,538)	(3,577)
Total comprehensive net expenditure before Government funding			
		13,452	10,669

All operations are continuing

The notes on pages 56 to 81 form an integral part of these accounts

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Ref/ note	2015/16 £000	2014/15 £000
Non-current assets			
Property, plant and equipment	7	57	68
Intangible assets	8	189	378
Total non-current assets		246	446
Current assets			
Trade and other receivables	9	1,296	853
Cash and cash equivalents	10	3,306	4,252
Total current assets		4,602	5,105
Total assets		4,848	5,551
Current liabilities			
Trade and other payables	11	(3,819)	(3,784)
Total current liabilities		(3,819)	(3,784)
Assets plus current liabilities		1,029	1,767
Non-current liabilities			
Other payables greater than one year	11	0	(75)
Pension assets/(liabilities)	5a	(5,672)	(6,371)
Total non-current liabilities		(5,672)	(6,446)
Net assets/(liabilities)		(4,643)	(4,679)
Taxpayers' equity			
Pensions reserve	SOCTE	(5,672)	(6,371)
General reserve	12	1,029	1,692
		(4,643)	(4,679)

Anna Fowlie

Chief Executive and Accountable Officer

25 October 2016

The notes on pages 56 to 81 form an integral part of these accounts

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Ref/ note	2015/16 £000	2014/15 £000
Cash flows from operating activities			
Net operating cost before Government funding	SCNE	(13,452)	(10,669)
Adjustments for non-cash items:			
Pension adjustments and re-measurements	5b, table 2	(699)	(2,543)
Depreciation and amortisation	6a, 7, 8	226	234
Disposal of property, plant and equipment	6a, 7	0	20
(Increase)/decrease in trade and other receivables	9a	(443)	(26)
Increase/(decrease) in trade and other payables	11a	(40)	772
Net cash outflow from operating activities		(14,408)	(12,212)
Cash flows from investing activities			
Purchase of property, plant and equipment	7a	(26)	0
Net cash outflow from investing activities		(26)	0
Cash flows from financing activities			
Funding from Government	12, 13a	13,488	13,914
Net financing		13,488	13,914
Net increase/(decrease) in cash and cash equivalents in the period	10	(946)	1,702
Cash and cash equivalents at the beginning of the period	10	4,252	2,550
Cash and cash equivalents at the end of the period	10	3,306	4,252

The notes on pages 56 to 81 form an integral part of these accounts

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Ref/note	Pension Reserve £000	General Reserve £000	Total Reserves £000
Balance at 31 March 2014		(8,914)	990	(7,924)
Changes in taxpayers' equity for 2014/15				
Pensions adjustment and re-measurement	5b table 2	2,543	(2,543)	0
Total comprehensive net expenditure	SCNE		(10,669)	(10,669)
Total recognised income and expense for 2014/15		2,543	(13,212)	(10,669)
Funding from Government	13a		13,914	13,914
Balance at 31 March 2015		(6,371)	1,692	(4,679)
Changes in taxpayers' equity for 2015/16				
Pensions adjustment and re-measurement	5b table 2	699	(699)	0
Total comprehensive net expenditure	SCNE		(13,452)	(13,452)
Total recognised income and expense for 2015/16		699	(14,151)	(13,452)
Funding from Government	13a		13,488	13,488
Balance at 31 March 2016		(5,672)	1,029	(4,643)

The notes on pages 56 to 81 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 (FRoM) which follows International Financial Reporting Standards as adopted by the European Union, International Financial Reporting Interpretation Committee (IFRIC) interpretations and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The particular accounting policies adopted by the 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 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. No significant impact on future periods' financial statements is anticipated. The following standards have been considered:

- IFRS 9 Financial instruments (from January 2018)
- IFRS 14 Regulatory deferral accounts (from January 2016)
- IFRS 15 Revenue from contracts with customers (from January 2018)
- IFRS 16 Leases (from January 2019).

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 10 to 13).

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.

1.7 **Impairment of tangible and intangible assets**

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

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

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. Costs in respect of operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the term of the lease. The SSSC has shared service arrangements with the Care Inspectorate and charges in respect of Compass House and ICT costs are disclosed as lease payments. Charges from Scottish Ministers in respect of Quadrant House are also disclosed as lease payments.

1.11 **Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position consist of cash at bank and cash in hand.

1.12 Pensions

The 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 costs and ICT equipment.

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 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 2016 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. The majority of 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 Liabilities**

In the event that the SSSC had contingent liabilities, these would be disclosed in accordance with IAS 37.

2	Operating income	2015/16 £000	2014/15 £000
2a	Registration fees	1,919	1,626
2b	Other operating income:		
	Practice learning fees (i)	2,226	2,119
	Modern apprenticeship fees	134	138
	Recharges for seconded staff	118	6
	Protection of Vulnerable Groups (PVG) fee recovery	13	23
	Other income (ii)	22	20
	Care accolades sponsorship	-	13
		2,513	2,319

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

(ii) Other income for 2015/16 comprises: supplier discounts and rebates £11k; recovery of legal costs £5k; and other recharges of £4k; reimbursement of staff relocation, training and equipment costs £2k.

Other income for 2014/15 comprises: supplier discounts and rebates £15k; recovery of legal costs £2k; and other recharges of £3k.

3 Staff numbers and costs

3a An analysis of staff numbers and costs is disclosed in section 4.2.1 (staff numbers by permanent and other) of this report. A summary of cost is provided in the table below.

Staff cost summary	2015/16 £000	2014/15 £000
Directly employed staff	9,213	8,242
Severance costs	2	85
Other staff costs	733	820
Total staff costs	9,948	9,147

3b Analysis of impact of actuarial pension valuation adjustments (see 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 on staff costs (note 5)	2015/16 £000	2014/15 £000
Actual payments		
Employer pension contributions actually paid	1,131	1,042
Unfunded pension payments actually paid	20	20
Total pension related payments actually paid	1,151	1,062
Accounting entries (IAS 19 note 5)		
Service costs included in staff costs (SCNE)	1,792	1,704
Variance between actual costs and accounting basis	641	642

4 Severance costs

The total cost of exit packages in 2015/16 was £1k (2014/15: £85k). Details of exit packages are disclosed in section 4.2.6 (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 final pensionable pay and length of service.

Contributions are set every three years as a result of the actuarial valuation of the fund required by the regulations. The next actuarial valuation of the fund will be carried out as at 31 March 2017 and will set contributions for the period 1 April 2018 to 31 March 2021. 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 2016 were £1,131k representing 17.0% of pensionable pay (2014/15: £1,042k representing 18.0% of pensionable pay). Employee contribution rates were in the range 5.5% to 12% based on earnings bands. The employer's contribution rate for the next two years is shown in the table below:

Year to:	Employer's contribution rate
31 March 2017	17.0%
31 March 2018	17.0%

In general, participating in a defined benefit pension scheme means that the SSSC is exposed to a number of 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 of 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: In the event that 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 eventually get inherited by the remaining employers.

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 recognition

	As at 31 March 2016 £000	As at 31 March 2015 £000
Present value of funded obligation	25,337	25,085
Fair value of scheme assets (bid value)	20,052	19,137
Net liability	5,285	5,948
Present value of unfunded obligation	387	423
Net liability in Statement of Financial Position	5,672	6,371

5b **Statement of Comprehensive Net Expenditure costs for the year to 31 March 2016**

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

Table 1:	Year to 31 March 2016		Year to 31 March 2015	
	£000	£000	£000	£000
Service costs		1,792		1,704
Administration expenses		2		6
Net interest on defined (asset)/liability		196		386
Difference between actual employer's contributions plus unfunded payments and actuarial assumptions	(71)		30	
Return on plan assets in excess of interest	853		(1,626)	
Other actuarial gains/(losses) on assets	-		782	
Change in financial assumptions	(2,309)		3,387	
Change in demographic assumptions	-		(1,232)	
Experience (gain)/loss on defined benefit obligation	(11)		(4,918)	
Total re-measurements		(1,538)		(3,577)
Total		452		(1,481)
Actual return on scheme assets		184		2,407

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 that Statement of Changes in Taxpayers' Equity during the year.

Table 2:		2015/16	2014/15
Actuarial adjustments are made for:	note	£000	£000
Staff costs	3b	641	642
Administration expenses	5b table 1	2	6
Net interest on defined (asset)/liability	5b table 1	196	386
Total re-measurements	5b table 1	(1,538)	(3,577)
Total actuarial adjustments		(699)	(2,543)

5c **Benefit obligation reconciliation for the year to 31 March 2016**

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

	Year to 31 March 2016		Year to 31 March 2015	
	£000	£000	£000	£000
Opening defined benefit obligation		25,508		25,366
Current service costs		1,792		1,704
Interest costs		865		1,167
Estimated benefits paid net of transfers in	(519)		(309)	
Contributions by scheme participants	418		363	
Unfunded pension payments	(20)		(20)	
Total scheme transactions		(121)		34
Change in financial assumptions	(2,309)		3,387	
Change in demographic assumptions	-		(1,232)	
Experience (gain)/loss on defined benefit obligation	(11)		(4,918)	
Total actuarial (gains)/losses		(2,320)		(2,763)
Closing defined benefit obligation		25,724		25,508

5d **Fair value of fund assets reconciliation for the year to 31 March 2016**

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

	Year to 31 March 2016		Year to 31 March 2015	
	£000	£000	£000	£000
Opening fair value of fund assets		19,137		16,452
Interest on assets		669		781
Estimated benefits paid plus unfunded net of transfers in	(539)		(329)	
Contributions by employer including unfunded	1,222		1,032	
Contributions by scheme participants	418		363	
Total scheme transactions		1,101		1,066
Return on assets less interest		(853)		1,626
Other actuarial gains/(losses)		-		(782)
Administration expenses		(2)		(6)
Closing fair value of fund assets		20,052		19,137

5e **Projected pension expense for the year to 31 March 2017**

Projected pension expense	Year to 31 March 2017 £000
Service cost	1,581
Net interest on the defined (asset)/liability	194
Administration expenses	2
Total	1,777
Employer contributions	1,154

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2016.

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 2016		31 March 2015	
	£000	%	£000	%
Equities	13,746	69%	13,551	71%
Gilts	1,050	5%	1,049	5%
Other bonds	2,589	13%	2,418	13%
Property	2,447	12%	1,908	10%
Cash	220	1%	211	1%
Total	20,052	100%	19,137	100%

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

5g Financial assumptions as at 31 March 2016

The financial assumptions used for IAS 19 calculations are below. These assumptions are set with reference to market conditions at 31 March 2016. The estimate of the duration of the employer's liabilities is 22 years. The discount rate is the annualised yield at the 22-year point on the Merrill Lynch AA-rated corporate bond yield curve which has been chosen to meet the requirements of IAS 19 and with consideration of the duration of the SSSC's liabilities. This is consistent with the approach used at the last accounting date.

The retail price index (RPI) increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England (BoE), specifically the 22-year point on the BoE market implied inflation curve. The RPI assumption used by the actuary is 3.4% p.a. This is consistent with the approach used at the last accounting date.

As future pension increases are expected to be based on Consumer Price Index (CPI) rather than RPI, CPI is assumed to be 0.9% below RPI ie 2.5% per annum. The actuary believes this is a reasonable estimate for the future differences in these indices, based on the different calculation methods and recent independent forecasts.

Salary increases are assumed to be 1.8% per annum above CPI in addition to a promotional scale.

Assumptions at:	31 March 2016		31 March 2015		31 March 2014	
	real rate		real rate		real rate	
	% p.a.	% p.a.	% p.a.	% p.a.	% p.a.	% p.a.
RPI increases	3.4	-	3.3	-	3.7	-
CPI increases	2.5	(0.9)	2.5	(0.8)	2.9	(0.8)
Salary increases	4.3	0.9	4.3	1.0	5.1	1.4
Pensions increases	2.5	(0.9)	2.5	(0.8)	2.9	(0.8)
Discount rates	3.8	0.4	3.4	0.1	4.6	0.9

5h Demographic/statistical assumptions

A set of demographic assumptions that are consistent with those used for the most recent funding valuation, which was carried out as at 31 March 2014 have been adopted. The post retirement mortality tables adopted are the S2PA tables with a multiplier of 120%. These base tables are then projected using the CMI 2013 Model, allowing for a long-term rate of improvement of 1.5% per annum.

The assumed life expectations from age 65 are shown below:

Life expectancy from age 65		31 March 2016 years	31 March 2015 years
Retiring today	Males	21.3	21.2
	Females	23.3	23.2
Retiring in 20 years	Males	23.5	23.4
	Females	25.6	25.5

The following assumptions have been made:

- Members will exchange half of their commutable pension for cash at retirement,
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche requirement age, and
- 10% of active members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

5i Sensitivity analysis

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

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	25,183	25,724	26,278
Projected service cost	1,542	1,581	1,622
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	25,825	25,724	25,624
Projected service cost	1,582	1,581	1,580
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	26,183	25,724	25,275
Projected service cost	1,621	1,581	1,542
Adjustment to life expectancy assumptions	+1 year	none	-1 year
Present value of total obligation	26,459	25,724	25,010
Projected service cost	1,621	1,581	1,542

6 Analysis of operating costs

6a	2015/16	2014/15
	£000	£000
Operating expenditure		
Supplies and services	1,477	1,306
Administration costs	1,628	1,353
Property costs	851	766
Transport costs	259	225
Depreciation and amortisation of assets	226	234
Pension administration costs (IAS 19)	2	6
Asset disposal	0	20
Changes in debt impairment allowance	(11)	13
	4,432	3,923

The above total includes £17.8k (2014/15: £17.8k) for external auditor's remuneration. External audit did not receive any fees in relation to non-audit work.

The above total includes £17.2k (2014/15: £26.7k) for internal auditor's remuneration. Internal audit did not receive any fees in relation to non-audit work.

6b Analysis of disbursements

During 2015/16 postgraduate bursaries totalling £2.569m (2014/15: £2.501m) were managed by the SSSC. Of this £1.536m (2014/15: £1.493m) was paid directly to students undertaking postgraduate social work training and £1.033m (2014/15: £1.008m) to universities for tuition fees.

A total of £2.226m (2014/15: £2.119m) was paid to universities to support practice learning opportunities during the year.

Disbursements totalling £0.019m were paid to Glasgow Caledonian University to fund students undertaking the Chief Social Work Officer programme. The disbursements paid during 2014/15 (£0.085m) were paid to education and training providers to fund students undertaking the Professional Development Award in Childhood Practice at SCQF Level 9.

7 Property, plant and equipment

7a	Information technology £000	Plant & equipment £000	Furniture & fittings £000	Total £000
Cost or valuation:				
At 1 April 2015	10	145	138	293
Additions	0	0	26	26
Disposal/de-recognition	(10)	0	(10)	(20)
At 31 March 2016	0	145	154	299
Depreciation:				
At 1 April 2015	10	118	97	225
Charged in year	0	27	10	37
Disposal/de-recognition	(10)	0	(10)	(20)
At 31 March 2016	0	145	97	242
Net book value:				
At 31 March 2016	0	0	57	57
At 31 March 2015	0	27	41	68

7b

	Information technology £000	Plant & equipment £000	Furniture & fittings £000	Total £000
Cost or valuation:				
At 1 April 2014	10	231	138	379
Additions	0	0	0	0
Disposal/de-recognition	0	(86)	0	(86)
At 31 March 2015	10	145	138	293
Depreciation:				
At 1 April 2014	10	157	88	255
Charged in year	0	27	9	36
Disposal/de-recognition	0	(66)	0	(66)
At 31 March 2015	10	118	97	225
Net book value:				
At 31 March 2015	0	27	41	68
At 31 March 2014	0	74	50	124

All assets are owned

8 Intangible assets

8a

Information technology	
£000	
Cost or valuation:	
At 1 April 2015	1,107
Additions	0
Disposal/de-recognition	(36)
At 31 March 2016	1,071
Amortisation:	
At 1 April 2015	729
Charged in year	189
Disposal/de-recognition	(36)
At 31 March 2016	882
Net book value:	
At 31 March 2016	189
At 31 March 2015	378

8b	Information technology
	£000
Cost or valuation:	
At 1 April 2014	1,431
Additions	0
Disposal/de-recognition	(324)
At 31 March 2015	1,107
Amortisation:	
At 1 April 2014	855
Charged in year	198
Disposal/de-recognition	(324)
At 31 March 2015	729
Net book value:	
At 31 March 2015	378
At 31 March 2014	576

All assets are owned

9 Trade and other receivables

9a		2015/16	Restated 2014/15
	Summary of trade and other receivables	£000	£000
Amounts falling due within one year			
	Prepayments and accrued income	1,028	509
	Trade receivables	179	141
	Other receivables	74	181
	Total unimpaired receivables	253	322
		1,281	831
Amounts falling due after more than a year			
	Prepayments	15	22
	Total trade and other receivables	1,296	853

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

9b

	2015/16	2014/15
Provision for impairment of receivables	£000	£000
As at 1 April	(26)	(13)
Charge for the year	(84)	(66)
Unused amounts reversed	7	5
Uncollectable amounts written off	88	48
As at 31 March	(15)	(26)

As at 31 March 2016, trade and other receivables of £15k (2014/15: £26k) were past due and impaired. The amount of the provision is £15k (2014/15: £26k). The ageing analysis of these receivables is as follows:

Aged analysis of past due and impaired receivables	2015/16	2014/15
	£000	£000
Up to 3 months past due	8	8
3 to 6 months past due	2	2
Over 6 months past due	2	4
Over 12 months past due	3	12
	15	26

As at 31 March 2016, trade and other receivables of £253k (2014/15: £322k) were due but not impaired. The ageing analysis of these receivables is as follows:

	2015/16	2014/15
Aged analysis of unimpaired receivables due	£000	£000
Not yet due	212	285
Up to 3 months past due	25	22
3 to 6 months past due	6	0
Over 6 months past due	1	3
Over 12 months past due	9	12
	253	322

9c

	2015/16	Restated 2014/15
	£000	£000
Analysis of trade and other receivables		
Amounts falling due within one year		
Bodies external to Government	1,176	655
Other Government bodies	105	175
Local authorities	0	1
	1,281	831
Amounts falling due after more than one year		
Bodies external to Government	15	22
Total trade and other receivables	1,296	853

10 Cash and cash equivalents

	2015/16	2014/15
	£000	£000
Balance as at 1 April	4,252	2,550
Net change in cash and cash equivalent balances	(946)	1,702
Balance as at 31 March	3,306	4,252
The following balances as at 31 March were held at:		
Government banking service	3,305	4,239
Commercial banks and cash in hand	1	13
Balance as at 31 March	3,306	4,252

11 Trade and other payables

11a		2015/16 £000	2014/15 £000
	Summary of trade and other payables		
	Amounts falling due within one year		
	Trade payables	2,271	2,362
	Accruals and deferred income	1,242	1,134
	Other taxation and social security	154	143
	Other payables	129	142
	VAT	23	3
		3,819	3,784
	Amounts falling due after more than one year		
	Deferred income	0	75
	Total trade and other payables	3,819	3,859

11b		2015/16 £000	2014/15 £000
	Analysis of trade and other payables		
	Amounts falling due within one year		
	Bodies external to Government	2,047	1,676
	Higher education institutes (HEIs)	1,181	963
	Other Government bodies	449	851
	Local authorities	141	294
		3,818	3,784
	Amounts falling due after more than one year		
	Bodies external to Government	0	75
	Total trade and other payables	3,818	3,859

12 Sources of financing

2014/15			2015/16		
Total £000	General Reserve	Ref/ note	Revenue £000	Capital £000	Total £000
990	Opening balance		1,246	446	1,692
(10,669)	(deficit) for the year	SCNE	(13,226)	(226)	(13,452)
(2,543)	Pension adjustments and re-measurements	5b	(699)		(699)
13,914	Grants and grant in aid	13a	13,462	26	13,488
1,692	Closing balance		783	246	1,029

13 Government and European Union funding

13a	Grants and grant in aid	2015/16 £000	2014/15 £000
	Grant in aid	12,203	12,406
	Workforce development grant	697	626
	Self-directed support grant	232	257
	Integration grant	162	179
	Promoting excellence: dementia strategy	157	165
	Development of childcare workers qualification	8	2
	Leadership and Integration in Primary Care	4	-
	Childhood practice professional development award	-	85
	Skilled citizens, skilled workers	-	72
	Early years change fund	-	60
	Self-directed support best practice guidance	-	24
	Skills for care and development (sector skills)	-	17
	Framework for foster carers in Scotland	-	15
	Total funding from Government	13,463	13,908
	European Union funding		
	Erasmus grant - digital bridges	25	6
	Total Government and European Union funding	13,488	13,914

All grant conditions have been met and no grants are due for repayment with the exception of the Erasmus grant, of which £28k will be repaid as the work was carried out by SSSC staff whose costs are funded from grant in aid. The Erasmus grant income was paid to SSSC in advance.

13b		2015/16	2014/15
	Grant in aid analysis	£000	£000
	Approved grant in aid from Scottish Government	11,952	11,685
	Grant drawdown during the year	12,203	12,406
	Additional grant in aid approved during the year	251	721

14 Capital commitments

There were no capital commitments as at 31 March 2016.

15 Commitments under leases

15a Operating leases

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

	2015/16 £000	Restated* 2014/15 £000
Obligations under operating leases comprise:		
Buildings:		
within 1 year	750	729
within 2 to 5 years	3,002	2,917
beyond 5 years	1,542	2,230
	5,294	5,876
Other:		
within 1 year	492	452
within 2 to 5 years		
beyond 5 years		
	492	452

* There was a change of lease date which was not accounted for in 2014/15.

Other leases comprise the charges from the Care Inspectorate for information and communications technology services.

15b Finance leases

There are no obligations or commitments under finance leases.

16 Contingent liabilities

There were no contingent liabilities as at 31 March 2016.

17 Related-party transactions

The SSSC is a Non-Departmental Public Body (NDPB) sponsored by the Office of the Chief Social Work Adviser of the Children and Families Directorate of the Scottish Government. The SSSC has shared service arrangements with the Care Inspectorate 2015/16 £1,227k (2014/15 £998k). Both Scottish Government and the Care Inspectorate are regarded as related parties with which the SSSC has had various material transactions during the year.

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

18 Post statement of financial position events

There were no events after the Statement of Financial Position date relating to the 2015/16 financial year.

Appendix 1

SCOTTISH SOCIAL SERVICES COUNCIL



Scottish Government
Riaghaltas na h-Alba
gov.scot

DIRECTION BY THE SCOTTISH MINISTERS

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

Kate Vincent

Signed by the authority of the Scottish Ministers

Dated: 16 January 2006