Scottish
Social Services
Council

ANNUAL REPORT AND ACCOUNTS

1 April 2011 – 31 March 2012

The Accountable Officer authorised these financial statements for issue on 31 October 2012

1. CONVENER'S FOREWORD

One of the year's personal highlights for me and the other Council Members was visiting a number of services, to listen to the people who run, work in and use the services and bring those views back to the SSSC to inform our future direction. We were all struck by the level of co-operation between councils, health services and independent sector partners. In a year of hard financial challenges we are seeing some incredibly innovative service redesign and the opening up of new partnerships and delivery. The entries for Care Accolades 2012 highlighted this and the winners and finalists are showcased on our website to share their challenges and solutions.

However, this has been an eventful year. Yet again, we were faced with instances across the UK where society has failed our most vulnerable people and there are examples of care services falling far short of the standards of care and protection we have a right to expect. This year the Scottish Parliament carried out a number of Inquires which highlighted these issues of concern to us all, including care for older people, educational attainment of Looked After Children and Young People and the crucial issue of how care will be delivered in the future.

All of this serves to highlight the value of a properly trained and trusted workforce makes to the success of our communities. It takes particular skills and qualities to work in social services and the SSSC is committed to continuing our work to make sure that we have the right people with the right skills in place.

In 2011, we set out ambitious plans in our three-year strategy. This annual report provides details of how we have worked to achieve our targets in the first year. As an organisation, we want to demonstrate the difference we make and to show that our work improves outcomes for people who use services and offers public protection.

There are some big issues facing public services. The Christie Report recommended a re-focus on people and communities, away from organisational perspectives. The integration of adult social care and health is one example of that and the move towards self-directed support similarly brings that focus onto people; their needs, their choices. At the SSSC we need to support the social service workforce to feel confident in that world, to have the skills they need to do the best for vulnerable people and their families. We can do that through learning and education and we can also make sure that effective regulation supports that agenda rather than getting in the way.

That more person-centred approach applies to people in their working lives too. Choice, flexibility, mobility are all basic expectations. So we are responding to that by looking at new ways of learning, using innovative techniques, for example the SSSC won a Guardian Public Sector Innovation award for our work around mobile learning and we have been developing rich case studies which allow people to access reflective learning in a supported environment.
We have begun to work with partners across the public service to generate thinking about the workforce we need for the future, so that we can put in place the building blocks to achieve that now. We are moving the debate from discussion to action.

Of course, we don't do this alone. This year we have worked closely with the Care Inspectorate to make sure that the public, people who use social services and carers know how we can help them through the inspection of services and the regulation of the workforce. We have worked with NHS Education Scotland and Alzheimer Scotland on dementia care and we have worked with the General Teaching Council for Scotland on support for students with disabilities. We are working closely with the Institute for Research and Innovation in Social Services (IRISS) on creating the workforce of the future.

High quality social care is dependent on a skilled and trusted workforce. The public is ever more concerned about the standards of care their loved ones receive, whatever the setting. That is why the regulation of the workforce is of such importance, together with workforce development and planning. At the end of March 2012 there were over 45,000 social service workers on our Register and over 198,000 workers in the sector as a whole. Registration means that, increasingly, workers have the skills and training required to provide care and support to some of the most vulnerable people in our society. They and their employers have to abide by Codes of Practice which focus on values, respect and dignity.

Last year we removed 23 people from the Register. This means that their conduct makes them unsuitable to be registered social service workers. We do this to protect the public and put in the context of over 45,000 registered workers we can see that this represents a tiny minority.

We will continue to take action against registrants when their conduct calls into question their suitability to work in the sector, we will continue to make sure learning and education is of a high standard and we will continue to support employers and workers to help Scotland to have a world class social service workforce.

This annual report sets out how we are working to achieve our outcomes. You will see that we have succeeded in many areas and in some we need to do better. We will always challenge ourselves to do things better and more efficiently to make the best use of our resources.

Garry Coutts
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2. MANAGEMENT COMMENTARY

The accounts have been prepared in a form as directed by the Scottish Ministers in accordance with Schedule 2 of the Regulation of Care (Scotland) Act 2001.

2.1 About the Scottish Social Services Council

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

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

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

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

To achieve our objectives we have a number of responsibilities:

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

We will achieve this by:

- putting people who use services and carers at the heart of everything we do
- raising awareness of the work carried out by the social service workforce
- promoting the importance of education, training and workforce development and wider initiatives in the sector
- regulating and registering the social service sector
- being open, accessible and responsive
- working in partnership with our stakeholders.

2.2 The difference we want to make

We will ensure that:

people who use services and carers are:

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

social service workers are:

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

employers will:

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

2.3 How the SSSC contributes to a successful Scotland

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

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

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

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

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

2.4 The strategic context

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

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

2.5 Working to achieve Scottish Government national outcomes

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

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

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

2.6 Overview of 2011- 2012

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

We continue to work with education and learning providers to ensure that the themes which emerge from our conduct investigations influence the education, training and assessment of social service workers. This means that we are learning from the cases we see and making sure this learning is shared in a way which we can make real improvements to qualifications and continuing professional development accessed by people working in the sector. Over the year we have met with employers and training providers to highlight the themes.

- The very successful e-learning project we developed in collaboration with Glasgow City Council using mobile devices to support workforce development in the workplace, won a Guardian Public Service Award for Innovation in 2011. This e-learning programme is now being used by Quarriers, Scottish Council for Learning Disability and the Inverclyde employers' partnership, delivering learning in the workplace on Playstation Portables (PSP). Our research shows this to be more effective than delivering the same learning in a training centre and costs less. Participants were very enthusiastic about the approach and both they and their managers were very positive about the flexibility and learner centred aspects.

- As part of the sector skills council, Skills for Care and Development (SfC&D), we have secured Employer Investment Funding from the UK Commission for Employment and Skills (UKCES) to develop e-Learning resources over the next two years for social services across the UK. These solutions will provide flexible and cost effective training that will continue to improve skills and develop the workforce.

- We facilitated a workshop at the European Social Network (ESN) Conference in Warsaw in July 2011. The ESN is a network of people who are involved in the social services sector in Europe. The conference was attended by representatives from 29 European countries and showcased examples of good practice which will be of interest to other nations. We were invited to facilitate a workshop on the approach that Scotland has taken to developing a better understanding of the workforce, including the size of the sector and key skills challenges. Delegates identified similar skills needs to the ones we reported in our **Sector Skills Assessment**, such as the need for many workers to develop the skills required to support people who have dementia. The need for some workers to develop the skills required to support children and young people was also identified as a key challenge. We took the opportunity to promote other SSSC developments.

- We are recognised as an organisation that has a wide range of skills and knowledge of the sector and in the development of qualifications and standards. We are committed to sharing our expertise across sectors and this year seconded a learning and development adviser to Children's Hearings to develop a consistent standard for training and development of children's panel members.

- The SSSC has produced a Practice Assessment tool to support those international students who are unable to find a placement. It is a virtual tool that uses real world information and allows "practice" to be simulated safely. It has been offered to the other three UK countries to support their processes

- We have contributed to the Scottish Government's policy development work in a variety of contexts, for example the workforce aspects of improving the outcomes and experiences of Looked After Children and Young People, Reshaping Older People's care and the Common Core Skills for Working with Children.

- We progressed our work with Glasgow School of Art on Re-imagining workforce development and planning in social services with workshops held over the summer involving people from all parts of our sector, followed up by six pilots to develop new approaches to local engagement, sector engagement, workforce planning and leadership. This work ensures that a range of people with an interest in this important work have the opportunity to help us develop the right approach for the future. The summary report is on our website www.sssc.uk.com and the findings from the pilots will inform how we will develop in the coming year.

- We developed and promoted a variety of different versions and formats of the Codes of Practice aimed at raising awareness of the Codes with the different groups of people who work in social services and use services and carers. This year we focused on developing materials for care homes for elderly people across Scotland, working with a private sector care home service in Dundee. The materials are being promoted with all care home services to help raise awareness among the staff, the people using the services, their families and carers of the standards of care they should expect from staff and what to do if they don't meet them.

- As a partner of the SfC&D, we have registered 2800 Modern Apprenticeships in Health and Social Care at levels 2, 3 and 4 in Children's Care Learning and Development level 3 and 4. 1267 candidates have completed their MAs and are now qualified to undertake core functions within their workforce.

- We have been working to progress the Looked After Children Strategic Implementation Group (LACSIG) agenda. Of the five hubs identified, the SSSC is contributing to two key areas. They are the Workforce Group and the Commissioning Group. As part of the workforce group the SSSC has been asked to lead on the development of an SCQF level 9 qualification; this was a recommendation of the National Residential Child Care Initiative. We are also contributing to guidance for residential child care staff on developing appropriate behaviours and relationships in their day to day work with young people and on work to support a better understanding of the needs of the sector for Newly Qualified Social Workers (NQSW).

- The SSSC has worked in collaboration with the NES on developing tools to support a better understanding of how to support service users with dementia. As a key contributor to the **Promoting Excellence Framework** the SSSC has also been instrumental in rolling out a programme called “Sliding Doors”. This programme uses actors to simulate real world issues and occurrences that affect those with dementia and their carers and invites the participants to consider their responses. It is proving a useful way of making sure the user of the service is at the heart of the situation and the responses of professionals meets the needs of the individual.

- We have been working with NES at a strategic level to make sure policy and practice will be fit to meet the challenges the integration of health and social care will bring. This includes work to support the Self Directed support Bill, data gathering that will be meaningful for both sectors and work to develop appropriate skills and knowledge for the support workers who will be required to take forward this ambitious agenda.

- We carried out a survey of voluntary and private sector providers in criminal justice social work (CJSW) services. This followed on from research in 2009 into the CJSW workforce in local authorities. During that research the SSSC had become aware that a number of local authorities had outsourced some CJSW services to private and voluntary sector organisations. The research aimed to get a fuller picture of the size of this workforce and it skills needs for now and the future. The findings from the survey will influence the **Workforce Skills Report** and the review of the sector’s National Occupational Standards (NOS).

- Together with the Care Inspectorate, we developed a leaflet for people using services and carers to explain how both organisations work to improve the standards and quality of care and to raise awareness of how to makes complaints if standards are not being met. We sent leaflets along with postcards to signposting and advocacy organisations, care managers and planners, GPs and health centres across Scotland. We have received coverage in local and national media and with over 60,000 copies sent, many are requesting more to meet demand.

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

- We developed and implemented phase one of our new ICT system to support our workforce regulation functions. The new system will help increase our efficiency and cost effectiveness and will improve online services for applicants, registrants and their employers.

- We consulted with stakeholders on a revised and simplified list of qualifications for registration to make it easier for employers to know what qualifications staff require for registration with the SSSC. We received considerable feedback during the consultation and made changes to the proposals which have resulted in a better outcome. Feedback received since the consultation indicates stakeholders welcome the SSSC's decision to make changes based on their comments.

- This year we published important guidance for social service workers and employers to help them with their responsibilities in relation to the SSSC Codes of Practice which helps to improve standards of practice and the quality of care.

    - The **Guidance and information on reporting poor practice** emphasises the personal responsibility of all staff working in social services to make sure that poor, inappropriate and unsafe practice by colleagues and employers, including abuse, neglect, exploitation and discrimination that they may witness, is highlighted and reported so that steps can be taken to improve.
    - We also published **Guidance on using social media** to help both registrants and employers to understand the benefits and pitfalls of using social networks.
    - We have also developed new guidance for managers and supervisors in all social work and care settings to highlight the challenges of maintaining and promoting professional boundaries between staff and people using care services and their carers. This

is a complex area for registrants. The guidance is being tested with the sector and will be published in 2012.

- To mark our 10th anniversary in October 2011 we held six local public listening days to meet with a wider group of people across the country, including people who use services and carers, to listen to their views and to raise awareness of our work and role in raising standards and protecting the public.

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

- **Step into leadership** our online leadership development website, will go live in June 2012. Feedback from the pilot suggests the sector will find the website engaging and informative and provide the clear links to a range of leadership materials and support systems to “grow” leadership in the sector.

- An independent evaluation of the first three years of the **Continuous Learning Framework**, developed by the SSSC for the social service sector, indicates it encourages reflective practice, is a constructive tool to support difficult conversations over performance, can build confidence and self esteem, motivates improvement in individuals and organisations, builds leadership capabilities and can support better recruitment.

- We published the **2010 Social Services Workforce Data Report** and for the first time we made data for local authority areas available online to help service providers access specific information for their own local area as well as nationally for Scotland to help them with their workforce planning.

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

- Over the year we responded to public consultations both nationally and UK-wide and gave evidence to the Scottish Parliament on:
    - Regulation of care for older people Inquiry
    - Self Directed Support Bill.

- We asked registrants and their employers how we could help them to raise awareness of registration, the difference it can make for people using services and how we could help them to promote to people using services and other visitors and professionals that staff are registered. As a result, we produced new posters for services to display where they have staff registered with the SSSC. These have been tested with the help of services in the sector and are now being distributed across Scotland.

- We continued to gain international recognition for our work, presenting a paper on creative and innovative approaches to work-based learning to a European conference in Bilbao in September 2011. We also spoke at the EDEN (European Distance and E-learning Network) Conference in Dublin in June 2011 and at the Learning Technologies Conference, Olympia, London, in January 2012 where we showcased the approaches we have taken to the development of mobile and online situated learning technologies that will support our workforce. The latter was podcast to an international audience by the Adobe Corporation in California and received widespread press coverage.

- We have been asked to present the **Continuous Learning Framework** for social services at the European Social Services Network Conference in Copenhagen in June 2012.

- By introducing a new monitoring and reporting framework this year that directly links our outcomes and activities to the budget we can now provide invaluable decision making information to the organisation through identifying priorities activities and the resources required. The methodology using activity analysis that we developed was viewed as innovative by our internal auditors this year.

- Since the SSSC achieved accreditation from the Scottish Qualifications Authority to deliver SVQs, staff in the Registration department have been able to demonstrate competency in their role. Nine candidates were successful in completing the PC Passport at advance level and six staff are now doing an SVQ level 3 in Business and Administration relevant to their role. We continue to develop the centre to offer opportunities to staff to gain further qualifications.

- With mobile technology set to eclipse standard desktop based internet access, this year we continued to develop our digital engagement services and tools and develop a version of our website for mobile. This is designed to open up access to more people using mobile devices to access our website and their **mySSSC** accounts, making it easier to get the information and resources they need when they need them. The new mobile version of the website will be launched in July 2012.

- Feedback from registrants and employers on our enquiries service regarding the efficient and supportive helpline service we have provided to them continued to be very positive. Analysis of our information services across the organisation is also helping to make sure the information we are providing is accurate and accessible on our website.

- Care Accolades continues to grow with an increase in 2012 in entries from the voluntary and private sectors, and average increase of 3.6% on 2011.

2.7 Our performance in 2011 – 2012

The following section provides information on achieving the Key Performance Indicators (KPIs) set out in our strategic plan. In summary from our 17 KPIs:

- 8 achieved
- 1 on target
- 2 partially achieved
- 4 not yet achieved
- 2 not achieved.

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

KPI 1.1: Percentage of employers in a survey who can identify improvement in practice as a result of their workforce gaining qualifications for registration.

Target: 70%

Our progress: Achieved

Commentary: In a survey,which asked, do you agree with the following statement 'I see improvement in the day to day practice of colleagues/staff who have completed an SVQ or HNC', 1471 people responded of that 72% said yes. In responses from people who said they were 'managers', 100% (n547) said they saw an improvement. The table below shows the figures from the survey.

Table 1: I see an improvement in the day to day practice of colleagues/staff who have completed an SVQ/HNC

Results from survey	Yes	No	Don't know	Response Count
	71.8 (1,056)	13.6% (200)	14.6% (215)	1,471
Managers only	100% (547)			

When asked, do you agree with the statement, ‘People who use care services tell us they see a difference in how colleagues act since they did their SVQ/HNC’, 32% of respondents said yes.

The results from our survey indicate that qualifications are improving practice. In addition when asked, ‘to what extent would you say registration has contributed to raising standards in social services’, over 80% of those responded said it had made a difference.

KPI 1.2: Percentage of employers, social workers who can provide evidence that Post Registration Training and Learning (PRTL), in relation to protection of children and vulnerable adults, has improved practice.

Target: 50%

Our progress: Achieved

Commentary: All social workers are required to carry out five days of PRTL in relation to protecting children and vulnerable adults. In our survey we asked respondents about improvement in practice. We also asked a separate question in relation to newly qualified social workers (NQSWs). In both questions over 90% of those who responded (where this applied to them) ‘3’ and over on a scale of 1-5, with 5 being significant improvement. Evidence from our assessments of PRTL submissions shows that newly qualified social workers are producing more coherent submissions which is better related to their day to day practice. We have produced guidance documents on our website that show the level of PRTL expected of social workers and social care workers.

Table 2: Do you think the additional PRTL days contributes to the protection of children and adults?

	1 no improvement	2	3	4	5 significant improvement	Total responses
In relation to social workers	3% (30)	5% (47)	23% (206)	35% (316)	34% (302)	901
In relation to NQSW	2% (19)	5%(43)	24% (196)	36% (301)	33%(288)	847

KPI 1.3: Increase in the awareness of the Codes of Practice among people who use services and carers

Target: 25%

Our progress: Not yet achieved - a survey will be carried out in July 2012

Commentary: For the next stage of our Confidence in Care awareness programme for the SSSC Codes we carried out research with staff and service users of older people's services to establish what they felt were important key messages in relation to the standards of practice set out in the SSSC Codes and materials that would be useful and help them to understand how staff should behave and what to do if they do fall below the standards. This research showed that people were interested that there are standards that need to be met and were aware that something can be done if things go wrong. The materials were then developed using the message that the workers and staff in the service must meet high standards of practice and we used images and minimal wording based on the SSSC Codes to help illustrate this.

We then worked with a private care home in Dundee to develop and produce a pack of materials with images of real staff and residents in the leaflets and posters. The packs include: leaflets for service users and their families and carers, posters, leaflets and postcards for managers to help with ideas for promoting the standards in the SSSC Codes of Practice. The packs were sent to every care home across Scotland. Initial feedback is very positive with repeat requests for information.

We've had requests for materials to be translated into different formats and languages. The materials also received coverage in local and trade press.
From our annual survey of stakeholders we asked 'please rate the effectiveness of the SSSC Codes of practice in ensuring people who use services and carers are aware of the standards they should expect from the workforce.
Of the 1415 people who responded, 36 % said very effective and 47% said quite effective.

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

KPI 2.1: The percentage of conduct cases concluded within 15 months of receipt of initial information and percentage completed within six months.

Targets:

1. 96% within 15 months
2. 70% within six months

Our progress: Achieved target 2, as 86% were completed within six months. In relation to target 1 we will report on this, 15 months from the date the target was set.

KPI 2.2: The time taken to carry out initial risk assessment of all information received about the conduct of registrants. And the time taken to carry out a full risk assessment where initial screening indicates potential and imminent risk to the public.

Targets:

- 100% of initial risk assessments of new cases are carried out within 24 hours of the case being received
- 100% of full risk assessments are carried out within 48 hours.

Our progress: Achieved

Commentary: We are committed to dealing fairly and robustly with that small number of workers whose conduct falls below the expected standards in order to protect the public, in particular service users and carers and to uphold the good reputation of social service workers in Scotland.

Although the work we undertake in relation to continued suitability for registration does not guarantee that all workers are safe, the learning from this activity supports and informs the SSSC's work in raising standards in education and in practice; it provides a framework within which we can remove people from the workforce who do pose a risk to service users and within which we can support workers to achieve and maintain the high standards required for registration as a social service professional, for example, through the imposition of conditions, such as training conditions. By raising standards in this way, ultimately we will improve the experience of people who use services and their carers.

We can receive information about registered workers from a variety of sources including the registrant themselves, their employers and users of services. This year we have received information about 730 registered workers ie 1.5% of the registered workforce. This is a slight increase from 1.3% from last year. It is possible that this is because more people are aware of our role and as a result more matters are being referred to us.

We concluded 635 cases in the year 1 April 2011 to 31 March 2012. Of these, we did not investigate 188 as they did not amount to a complaint in terms of the SSSC (Conduct) Rules or they were not matters that we were able to investigate eg they were complaints about service provision. Following investigation, 447 cases were concluded and in 37 cases sanctions were applied. Of the concluded cases in 2010/11, 3.3% resulted in a sanction. This rose to 5.8% in 2011/12. This may be attributable to an increasing awareness of our role as a result of work with employers to ensure that they are aware of their responsibilities in terms of making reports to us. The increase in the number of removal orders from 12 in 2010/11 to 23 in 2011/12 reflects the level of seriousness of the cases coming to the attention of the Conduct Sub-committee and demonstrates that conduct resources are being targeted appropriately to take action in those cases where there is most risk. The complexity of these cases is also increasing and as a result hearings rarely conclude within one day. The average length of a Conduct Sub-committee hearing was four days.

Chart 1: Sanctions applied following investigation 2009/2010, 2010/2011 and 2011/2012

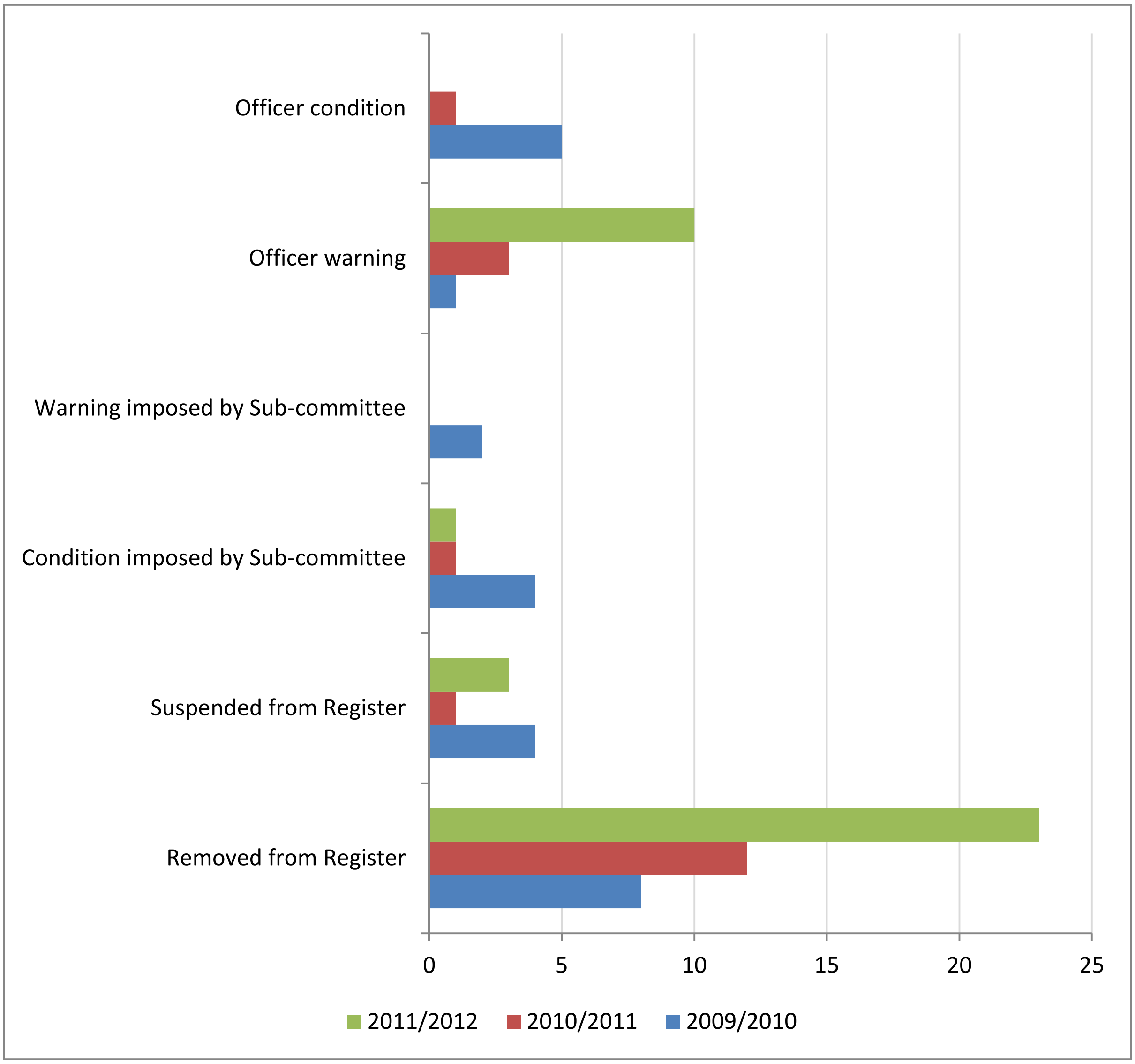


Chart 2: Sanctions applied by Register part 2011/2012

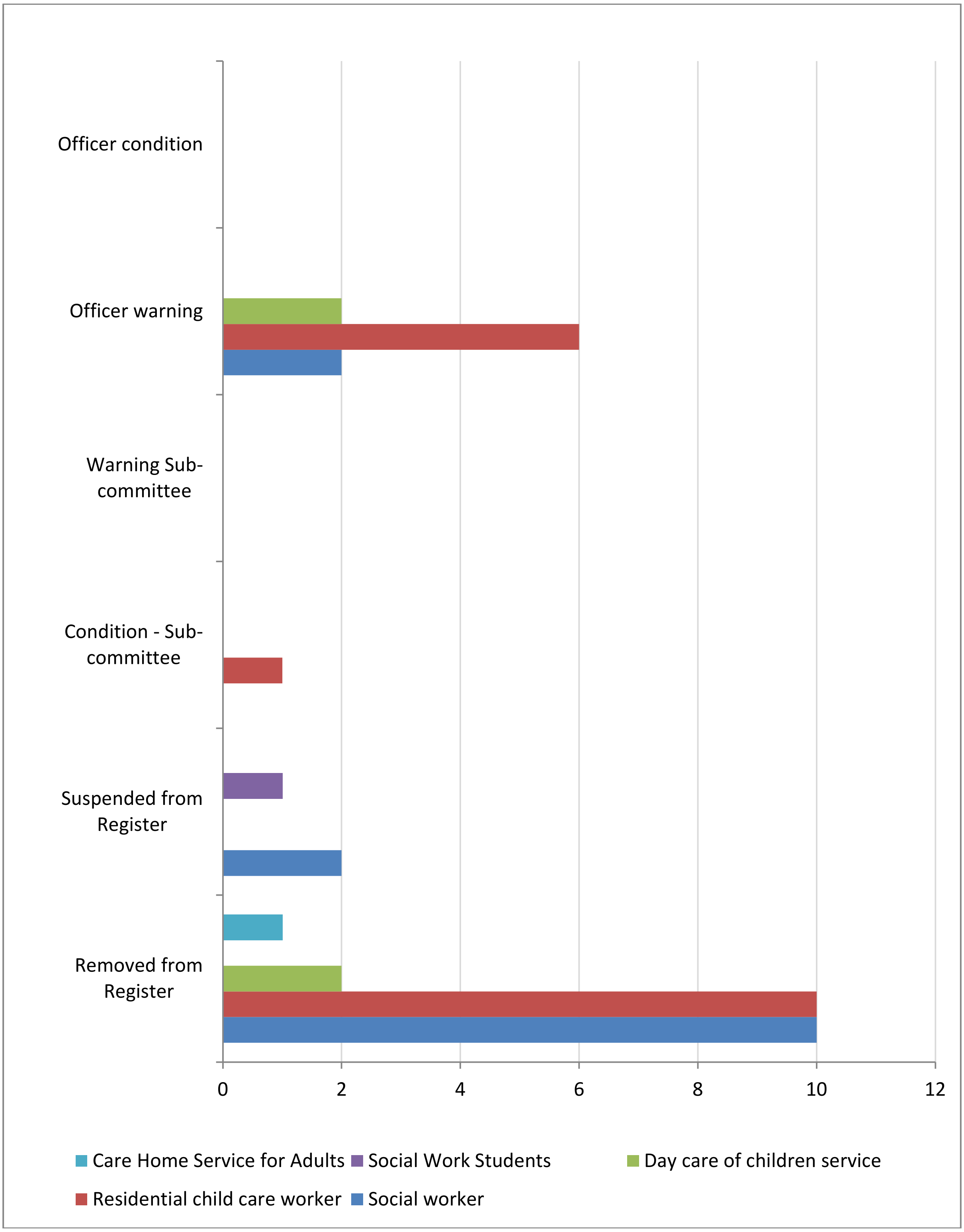
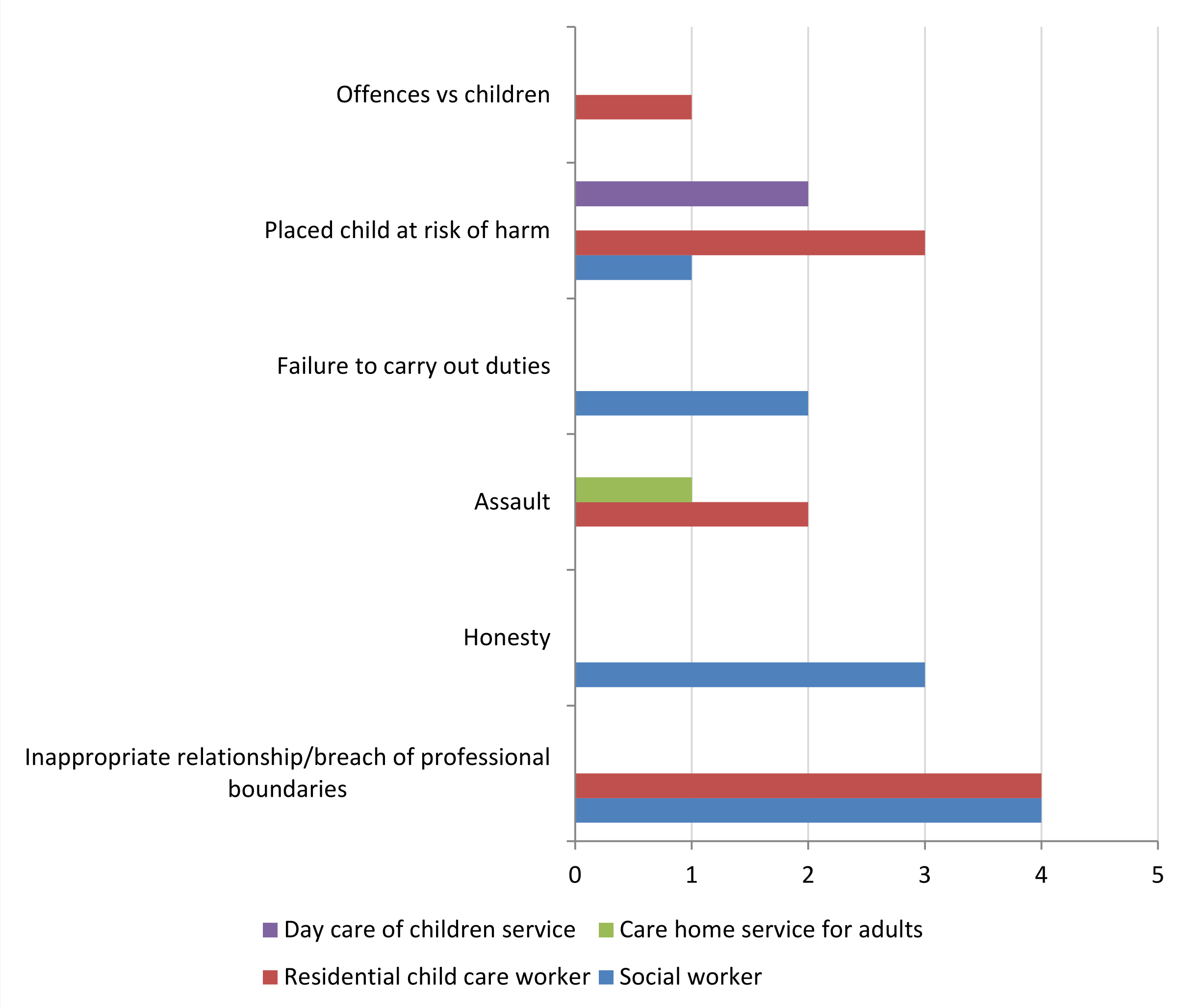


Chart 3: Broad themes that have led to removal from the Register 2011/2012



Emerging themes from conduct work

We use conduct work to identify themes that are emerging within the sector and feed these into the Higher and Further Education Institutions for consideration of how they can be addressed as part of training and education programmes. We encourage employers and workers to look at the outcome of conduct hearings to consider if there is any learning that is relevant to their own practice. We have also taken opportunities to provide information on emerging themes to employers and groups of workers.

The forming of inappropriate relationships and breaching professional boundaries remains the most frequent reason for removal from the Register. We are currently piloting a leaflet to assist supervisors and managers to discuss professional boundaries with their staff to help them to deal professionally with service users and carers and to recognise when a relationship may be becoming inappropriate.

Failure to record appropriately is also a repeated issue; effective record keeping is key to the provision of safe and effective care.

There has also been an increase in the number of cases relating to the administration of medication. This has often been linked to the failure to record appropriately and, in some cases, the way in which procedures had developed in particular organisations or locations. In most cases employers have taken appropriate action to ensure that procedures are in place and training is provided to assist workers in meeting their responsibilities under the SSSC Code of Practice for Social Service Workers and it has not been necessary for the SSSC to take specific action to ensure the safety of service users. However, it is open to the SSSC to consider whether a formal condition attached to the registrant's registration to ensure their future competence would provide greater assurance that safety is not compromised.

Rough handling is an increasing issue particularly in the parts of the sector relating to day care of children and care home services for adults. We have also noticed an increase in the number of workers who feel able to report these issues, reflecting a recognition of the responsibility of all workers for the safety and wellbeing of all service users in their care.

In line with most other regulatory bodies, we have seen an increase in the number of cases relating to behaviour outwith work including the use of social media. Most employers now have policies in relation to the use of social media and workers need to be clear what those policies are to recognise that as a regulated professional they have a responsibility to comply with the SSSC Code of Practice for Social Service Workers at all times.

KPI 2.3: All registrants experience an efficient and responsive registration system

Targets:

1. 100% of completed applications are processed in 60 days.
2. year on year reduction in the unit cost of processing applications and maintaining the Register.

Our progress: partially achieved – target 1 achieved, target 2 not achieved.

Commentary: We were unable to measure target 2 due to the procurement, development and implementation of a new registration and conduct system for the SSSC due to the General Social Care Council (GSCC) statutory responsibilities being transferred to the Health Professionals Council in July 2012. The new system went live on 19 March 2012 however it has not been feasible to benchmark the unit times and any potential savings in costs due to the timeline. Staff need to familiarise themselves fully with the new system and become competent with the new functionality before any reduction in time or costs can be calculated accurately.

The replacement registration and conduct ICT system has been successfully procured and is now being implemented.

We are working closely with the Care Inspectorate to ensure that everyone who is required to by legislation is registered. Knowing that workers are registered and hold or are working towards relevant qualifications should provide added confidence to the public.

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

KPI 3.1: percentage of employers who are aware of the SSSC's vision for leadership and development and believe it will help them improve leadership capacity in their own organisation.

Target: 70%

Our progress: Not achieved

Commentary: In a survey, with 1,481 responses, 59% of respondents were aware of our leadership work. This is an area of work that is still in its early stages. The target was ambitious and we will continue to work to meet it. The **Step into leadership** development website will go live in June 2012.

KPI 3.2: The percentage of employers who believe they are 'in the know' because of the information and intelligence they receive from the SSSC.

Target: establish a baseline to measure improvement.

Our progress: Achieved

Commentary: This measure was put in place in relation to our work as the sector skills council, Skills for Care and Development (it is one of the performance measures in the SfC&D business plan). We wanted to establish if employers find the 'intelligence' we produce useful in their workforce planning. As the first stage we asked in our survey if they were fully aware of our intelligence bulletins. 1,619 people answered the question and 27 % (n422) said they were fully aware and 29% (544) said they had heard of it. In the next stage we find out how they use our intelligence.

KPI 3.3: Percentage of employers who report that the use of the workforce development tools and the CLF have assisted their workforce planning and development.

Target: 50%

Our progress: Not achieved

Commentary: Of the 1491 who responded to our survey question 27% said that **workforce solutions** had assisted their workforce planning and development. Of the same people, 41% said the **Continuous Learning Framework** (CLF) has assisted them.
In the last CLF employer survey, 25% said they were using it so we have seen an increase. We have recently carried out evaluation on the impact of the CLF in the first three years. This focused on eight case study organisations and the research shows that it does have a positive impact particularly in encouraging reflective practice, enabling discussions on difficult topics, building confidence and self esteem, motivating and encouraging individual and organisational improvement, supporting leadership awareness and development and improving recruitment. We will be disseminating the research and this will help raise the profile of the CLF as well as providing practical examples of how it is being used and what this is achieving.

There is a clear message in the report that we need to improve the accessibility of the CLF. We intend to refresh the framework this year. We will review the language of the capabilities and the key messages about why these are important and make appropriate changes to the website. We will also develop further tools and resources to help social service workers, employers and people who use services to get to know the CLF and how they could benefit from using it.

In relation to workforce solutions we will review its use and make any necessary changes to better meet the needs of our stakeholders.

KPI 3.4: Percentage of local employers and learning providers across Scotland that are fully engaged in workforce development and planning and value the leadership and support shown by the SSSC.

Target: Establish a baseline

Our progress: Achieved

Commentary: 60% of those who responded to our survey said they were fully engaged and 37% were involved. Respondents were asked to comment on how they valued the leadership of the SSSC in the area of workforce development and planning. On a scale of 1-5, with 5 being ‘extremely useful’ 67% (n985) answered 3 or over, with 19% answering 5.

KPI 3.5: Percentage increase in the number of candidates gaining specialist awards which have been approved by the SSSC.

Target: 20%

Our progress: Achieved

KPI 3.6: An audit shows that the expertise and knowledge from the SSSC is embedded in relevant policy documents and implementation plans.

Target: Establish a baseline

Our progress: Not yet achieved

Commentary: We have identified a number of areas that we will now need to audit to measure our influence. These include:

- The Common Core for Children’s Services
- Looked After Children Strategic Implementation group
- National Development of Service Specification for Care Homes
- Scottish Leaders Forum workforce sub-group

Outcome 4: Our work and the organisation is regarded as an international exemplar of good practice and innovation

KPI 4.1: Achieve the Gold Investors in People Award

Target: Achieve by 2014

Progress: On target

Commentary: Work continues to improve in all areas of Investors in People.

KPI 4.2: Achieve the Bronze Healthy Work Awards

Target: March 2012

Our progress: Not yet achieved. All of the work has been carried out and submitted. We are confident we will achieve the Bronze award.

KPI 4.3 Percentage of people who believe their views have influenced a decision or policy of the SSSC

Target: Establish a baseline

Our progress: Achieved

Commentary: In a survey, 783 people answered the question 'if you have been involved in our work did you feel you were able to influence it?' 28% believed they had been able to influence our work and 28% answered it was too early to tell. 19% answered 'no'.

KPI 4.4: The SSSC continues to be recognised by external audit and Scottish Government as a well run organisation which meets high standards of efficiency.
Targets:

1. Continue to receive an unqualified audit report
2. Final outturn to be within 3% of net expenditure budget.

3. Continuously improve our payment performance to pay suppliers within 10 days of receipt of invoice.

Our progress: Achieved

KPI 4.5: Increase percentage of stakeholder awareness in all areas of our annual stakeholder survey.

Targets:

1. 10% increase among all our stakeholder areas
2. 25% increase among stakeholders where we have carried out specific projects
3. Percentage of signpost organisations that know about the SSSC and could refer the right people to the organisation – establish a baseline

Our progress – Not yet achieved - achieved target 1 and evaluation still to be carried out for targets 2 and 3.

Commentary: We have worked with the Care Inspectorate to develop a leaflet **Looking after your care** to give to signposting organisations. The survey is still to be done for signposting organisations. However, anecdotal feedback is very positive with request from services and people using services for more materials, translation and for us to develop further materials.

2.8 Working to the highest standards

Achieving our vision is dependent upon the SSSC being a high performing organisation in all aspects of our work. To support our work we must:

- develop our employees
- value our workforce and ensure equality of opportunity
- ensure that our work with external stakeholders meets our commitments set out in our equality and diversity policy
- communicate and engage with our stakeholders
- meet our legal requirements
- manage our resources efficiently, effectively, ensure sustainability and minimise our environmental impact.

In this period we have undertaken work in four significant areas:

1. stakeholder engagement
2. knowledge management
3. sustainability
4. healthy organisation.

Stakeholder engagement

As an organisation that exists to protect the public, it is important that the right people know who we are and what we do and have the opportunity to influence and be involved in our work.

- To mark our 10th year we put in place an ambitious plan to meet with stakeholders throughout Scotland which began in January 2011 with visits to services across Scotland. We asked for their views about the developments over the last 10 years and what employers, staff and people using the services and carers would like us to focus on over the coming years. The interviews were recorded on film and are on our website www.sssc.uk.com

- We held six public listening days in Dundee, Edinburgh, Glasgow, Aberdeen, Inverness and Stirling for social service employers, registrants and other workers and people who use services and carers to come along, to meet the SSSC Chief Executive and staff, to hear about our work, ask us questions and tell us their views.

- We continued our Re-imagining workforce development project which began in February 2011, holding events and workshops with stakeholders from all parts of our sector and put in place an action from September 2011. This is a significant project which ultimately means that the service we provide is shaped by stakeholders, with the buy-in that brings, and it is already delivering a new approach to stakeholder engagement, particularly employer engagement, for the organisation. In the short-term, we have engaged with a wide range of stakeholders, across geography, service user groups, roles and sector. It has also delivered a stakeholder map which will help to inform our communications and engagement for the future.

- Our Council Members visited services across Scotland to help raise awareness of their role in the SSSC and to find out first-hand about the way services are provided and the challenges facing social services.

- As with all of our engagement over the past year there are common themes which were identified in the Year 10 programme and the Re-imagining project:

  - people welcomed the opportunity to get to know the SSSC face-to-face, particularly the Chief Executive and SSSC staff and are looking for more opportunities to continue this
  - greater visibility for the SSSC
  - people feel that the SSSC's work is making a difference to the profession and to raising standards of practice through registration and the SSSC Codes of Practice
  - employers and workers are concerned about funding for training, especially in the private sector

- the need for more promotion of social services careers, especially among younger people.

- The views and feedback are being used to inform our priorities for our next strategic plan for 2014-17.

- This programme of face-to-face engagement has been very positively received by stakeholders and so we will continue to carry out public meetings and events to provide opportunities for the public to inform our work and find out more about us.

Knowledge management

We want to ensure that we capture and value knowledge which in turn will lead to us being a learning organisation that shares wisdom and insights, knowledge and know-how and ensures that these are developed in the organisation.
In June 2011 the Executive Management Team agreed our Knowledge Management Strategy and with an accompanying Action Plan carried out over the remainder of 2011 and into 2012-13.

- The SSSC is committed to:
    - developing a culture and environment where knowledge sharing is a basicand core activity
    - recognising the value of knowledge within the SSSC
    - engaging staff so that they take responsibility for knowledge management and sharing and developing their own knowledge and learning and that of the organisation
    - encouraging creativity and innovation
    - recognising and rewarding the behaviours which contribute to a knowledge environment, style and culture.

- All staff have been involved in developing our approach to knowledge management through creative problem solving techniques to help us establish the approach that fits and works for the SSSC.

A healthy organisation

Sickness absence

The percentage of total working days lost for the year 1 April 2011 to 31 March 2012 was 4.7% and 10.1 days per employee. This is higher than last year which was 3.4% and 7.4 days per employee. The latest figures from the CIPD cite the national public sector average of absence levels at 4% and 9.1 days per employee.

The overall increase in lost days is attributable to an increase in absences certified by GP medical certificates. This has risen from 1.1% in 2010-2011 to 3.27% in 2011-12 and is as a result of some long term ill health issues.

We support employees with health problems to return to work and to sustain their attendance through access to occupational health advice, reasonable adjustments and flexible working arrangements. In partnership with the Care Inspectorate, the SSSC has entered into a contract with AXA ICAS for a new Employee Assistance Package. All staff have access to this improved benefit which provides a confidential life management and personal support service available 24 hours a day, 365 days a year. The services include a range of financial and legal help, relationship advice, telephone and online counselling support and innovative services such as computerised cognitive behavioural therapy.

Staff turnover

The staff turnover figure for the period April 2011 to March 2012 is 10.3%. The CIPD's latest figures cite an average turnover of 12.5% for the public sector.

2.9 Sustainability report

Introduction

This section reports on our sustainability performance in line with the Scottish Government's Public Sector Sustainability Report guidance and HM treasury guidance.

The Climate Change (Scotland) Act 2009 sets high targets for Scotland to reduce its carbon emissions by 80% by 2050 and public bodies are asked to support this. Although we are a small organisation, we are committed to improving our environmental performance and reducing our carbon emissions wherever we can. We share office buildings with the Care Inspectorate and the Office of the Scottish Charity Regulator (OSCR) and work together to develop environmental initiatives and reduce our collective carbon footprint. The facilities including office space, energy and waste management are all provided to the SSSC under a shared services agreement with the Care Inspectorate.

Summary

In 2011-12 we developed our Carbon Management Plan (CMP) using 2010-2011 to provide baseline information on our energy and business transport and a target for reducing our emissions over the next five years. The full Carbon Management Plan is on our website www.sssc.uk.com

We set a target of a 15% reduction in carbon emissions by April 2016. This is an aspirational target given the size of our operation, our scope for change and our occupancy of energy efficient offices across two joining buildings. Achieving this target would see an emissions cost saving of £53,536 and approximately 114 tonnes less CO_2 produced by our organisation in the five years of the Carbon Management Plan.

The target recognises that the SSSC has a single site over two office buildings and occupies premises that have been built to a high standard since 2000 and already incorporate building management systems, high levels of insulation and features such as smart lighting. Key projects which will help us meet this target include:

- new waste management arrangements
- energy efficient LED light bulbs
- replacement of the car park lighting
- voltage optimisation
- a review of the travel and subsistence policy
- staff awareness.

We have been committed to environmental sustainability since we were established and have already put in place the following initiatives to reduce our environmental impact.

- where possible office printers are centrally located, are defaulted to double-sided print and use 100% recycled paper
- we generate awareness of environmental matters and encourage staff behavioural changes through our Low Carbon SSSC group on our internal network and the Riverside Environmental Group
- we use Scottish Government negotiated collaborative contracts for stationery and printed materials
- we encourage staff to use public transport for business travel wherever appropriate and available
- all our publications are published electronically wherever possible to reduce environmental impact and cost and those printed in hard copy are printed on recycled paper.

We intend to build on these measures through the implementation of our Carbon Management Plan.

Sustainable procurement

The SSSC energy usage falls below the threshold that required detailed commentary regarding the Carbon Reduction Commitment Energy Efficiency Scheme.

Biodiversity

We will look at options we can implement to contribute to biodiversity and conservation. The nature of our activities limits what we can do however as part of our CMP we will investigate options available to us.

Non financial and financial indicators

The table below sets out the areas where we are working to reduce emissions and the progress towards our target by 31 March 2012. Systems are not currently in place and fully developed to allow us to capture all of this information and as accurately as we need however we are making progress in developing systems to capture this.

Area	Baseline year 2010-11 Actual	Year 1 2011-12 Actual	% of Year 5 target reduction for energy of 37tCO2	% of Year 5 target for business travel
Energy emissions	203tCO2	196tCO2	18%	
Energy expenditure	£37,417	£34,283.25	-	
Energy consumption	518,770kWh	482,226.36kWh	-	
Water emissions	1.2tC02	0.4tC02		
Water expenditure	£6,879.96	£6,879.96	-	-
Water consumption	2982m3	1186m3	-	-
Waste emissions	-	-	-	-
Waste production	-	-	-	-

Waste expenditure	-	-	-	-
Business travel emissions	34 tCO2	34 tCO2		0%
Business travel expenditure	£59,591	£64,338		
Business travel consumption	282,195 passenger km 34,125 car km	204,399 passenger km 72,735 car km		

The projects that will help us to meet our target are outlined in more detail in our CMP available at www.sssc.uk.com. This includes energy projects undertaken by the Care Inspectorate through the shared services agreement for facilities management and include a cost to the SSSC of these projects in the year of implementation. The largest of the projects was a voltage optimisation project which required £9,144 in 2011.

The funding for these projects and for the remaining 2012 projects identified below is included in the SSSC annual grant in aid from Scottish Government. The initial outlay for the 2011 and 2012 energy projects is £16,460.32.

There are no other anticipated project costs that require to be funded over the life of the plan. However, should the organisation identify further potential projects that will help us to achieve our target reduction these will be costed and applied for through the annual SSSC grant in aid from Scottish Government.

Looking ahead

In 2012 -13 environment management within SSSC will be focused on contributing to the objectives of the Climate Change (Scotland) Act 2009 through fully meeting the duties set out for public bodies in the legislation and by working towards our target set in our Carbon Management Plan of 15% reduction in our emissions over the next five years.

2.10 Looking to the future

- Become an Official Statistics Provider, providing data about the social services sector that will help employers to plan for the future. From this we will produce research, insights and intelligence that will assist employers to plan their workforce – one area of work in progress is research to make sure the we have the right number of social workers to meet future demand.

- Promote the use of plain language to improve engagement in our work and awareness of our role.

- Launch **Step into Leadership**, our new web-based pathway finder, to progress the leadership agenda, supporting the sector in achieving better outcomes for people who use services and their carers.

- Hold the first Scotland's Dementia Awards in collaboration with Alzheimer Scotland, NHS Education Scotland, NHS Health Scotland to raise awareness and promote the work of professionals and communities committed to enhancing the health, wellbeing and experience of people with dementia and their families.

- As part of Skills for Care and Development, develop mobile and online learning solutions to support employers across the UK and become an industry leader in this field.

- Begin a programme to develop social service career champions who will promote careers in this sector to young people and adults so that we have the right people with the right skills in place.

- Contribute to the reviews of the National Occupational Standards (NOS) in Leadership and Management of Care Services and to the review of the HNCs in Social Care and Early Education and Childcare so that qualifications are relevant and meet the needs of employers and people using care services.

- Begin the work to develop accreditation of Scotland's Chief Social Work Officers.

- Work jointly with the Care Inspectorate on communicating to employers, workforce and the public the vital roles of both organisations in promoting high standards of practice and care and improving outcomes for people who use services and their carers.

- Work closely with the Scottish Government on integration between social care and health to ensure the social service sector is better equipped and prepared to address the challenges of reshaping care for older people and working with the ever increasing levels of dementia in the older population. This will support Scottish Government's implementation of specified sector policies including:

  - Self Directed Support Bill
  - Implementation of the Children's Bill including the Common core and GIRFEC
  - Integration of Health and Social Care.

- Continue to raise awareness of the SSSC Codes of Practice with signposting organisations, employers, service providers, workers and people who use services and carers so that more people will be aware of the standards of conduct and practice expected of social service workers and be aware that action can be taken to improve the standards in the workforce if necessary.

- Aim to achieve Investing in Children partnership for the SSSC and identify areas of our work where we can achieve membership to ensure that children and young people are listened to, involved in improving our processes and feel that they are influencing better outcomes for them.

- Implement the next phase of our improved information management system for registration and conduct work which will provide increased and improved online services for applicants, registrants and employers.

2.11 FINANCIAL REVIEW

Current and future

Funding

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

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

Financial position

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

1. For budgeting purposes we consider grants and grant in aid to be income. The accounting position must present grants and grants in aid as sources of funds and are credited to the General Reserve on the Statement of Financial Position.

2. Post employment benefits (pensions) must be accounted for using International Accounting Standard 19 “Employee Benefits” (IAS 19). IAS 19 requires accounting entries for pensions to be based on actuarial pension expense calculations. Our funding position is based on the cash pension contributions we make as an employer to the pension scheme.

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

	Ref	**£000**
Deficit per the SCNE	SCNE	12,827
Reverse IAS 19 Pension accounting adjustments	Note 5b	(2,908)
Funding from grants and grant in aid	Note 12	(9,829)
To fund depreciation charge	Note 6	(225)
(Surplus) / Deficit on funding and budgeting basis		**(135)**

The SSSC used its authorized grant in aid allocation of £9,725m in full. Other grants and income of £0.908m were received providing total funding of £10.633m. Of this funding £0.804m was used to fund capital expenditure.

The SSSC's operating income during the financial year 2011/12 was £3.953m. This includes registration fee income of £1.151m.

The SSSC's net revenue expenditure for the year ended 31 March 2012 totalled £9.919m and the total funding available to meet this cost was £10.054m (Grants £9.829m, and a transfer from the general reserve for depreciation £0.225m) therefore there was a surplus of £0.135m retained in the general reserve. This is summarized in the following table:

	Budget £000	Actual £000	Variance £000
Operating income:			
Fee income	(1,135)	(1,151)	(16)
Other grants and income	(2,592)	(2,802)	(210)
Total operating income	**(3,727)**	**(3,953)**	**(226)**
Operating costs:			
Staff costs*	5,909	5,796	(113)
Other operating costs	2,578	2,789	211
Grants, awards & bursaries	5,267	5,276	9
Total operating cost	**13,754**	**13,861**	**107**
Net bank charges / (interest)	**13**	**11**	**(2)**
Net revenue expenditure	**10,040**	**9,919**	**(121)**
Funded by:			
Grants & grant in aid	(9,815)	(9,829)	(14)
To fund depreciation	(225)	(225)	0
Total funding	**(10,040)**	**(10,054)**	**(14)**
(Surplus) / deficit	**0**	**(135)**	**(135)**

*staff costs are shown net of pension valuation adjustments.

Review of 2011/12

Actual income and expenditure was monitored throughout the year and action taken to respond to fewer than anticipated new registrations.

The main budget variances are explained below:

The development of a new integrated system to deal with registration, conduct, qualifications, legal case management and communication with stakeholders was implemented in 2011/12. The implementation costs of £752k are £172k more than budget. This was due to increased migration costs. Underspends elsewhere in the budget were used to enhance SEQUENCE functionality and staff training.

Staff costs were £113k underspent as appointments to new posts were made only when the workload dictated and in accordance with the fewer than anticipated new registrations.

Practice learning fee income was increased by £113k to meet the number of practice learning days organised by HEIs. An increase in the number of Modern Apprenticeships undertaken provided £52k additional income.

Looking ahead

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

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

Going concern

The Statement of Financial Position at 31 March 2012 shows net liabilities of £4.953m. The net liabilities are mainly the result of actuarial assumptions adopted for the application of accounting standard IAS 19.

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

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

The Council has no reason to believe the Sponsor Department and Scottish Ministers have any intention to withdraw or reduce support to the SSSC. In addition the Sponsor has confirmed grant in aid figures for 2012/13. It is therefore considered appropriate to prepare the accounts on a going concern basis.

Pensions

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

The local government pension scheme is a defined benefit scheme that provides pension benefits based on final pensionable remuneration. There were 149 employees who were active members of the Tayside Superannuation Fund as at 31 March 2012.

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

Year ended	Employer contribution rate
31 March 2012	18.5%
31 March 2013	18.0%
31 March 2014	18.0%
31 March 2015	18.0%

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

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

Auditor’s remuneration

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

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

The cost of statutory audit for 2011/12 was £17.7k (2010/11 £20.3k). Audit Scotland provided services solely relating to the statutory audit. No further assurance, tax or other services were provided.

Scott Moncrieff are appointed as the SSSC’s internal auditors. The cost of internal audit for 2011/12 was £18.5k (2010/11 £21.4k).

All reports by internal and external audit are considered by the Audit Committee.

Public Services Reform (Scotland) Act 2010

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

Supplier Payment Policy

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

It is our policy to make payments in accordance with the Scottish Government's instructions on prompt payment and a target of payment within 10 days. We paid 98.1% (2010/11 97.8%) of invoices within 10 days.

We aim for continuous improvement in payment performance.

Disclosure of information to Auditors

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

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

Post Statement of Financial Position events

There were no events after the end of the reporting period (31 March 2012) that require disclosure.

Anna Fowlie
Chief Executive
30 October 2012

3. REMUNERATION REPORT

UNAUDITED INFORMATION

Introduction

This report provides information on the remuneration of Scottish Social Services Council (SSSC) Council Members and senior managers. The senior managers are the Chief Executive, the Registrar (Depute Chief Executive), and the Legal Adviser. 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 executive management team excluding the pay of the Chief Executive.

The following Council Members have been appointed to sit on the Remuneration Committee and served for the entire year:

Garry Coutts (SSSC Convener)
Elizabeth Carmichael (Vice Chair of Education and Workforce Regulation Policy Committee)
Karen Croan (Depute Chair of Finance and Resources Committee)
Maureen O'Neill (Vice Chair of Education and Workforce Regulation Policy Committee)
Kingsley Thomas (Chair of Finance and Resources Committee)

The Committee is advised by the following officers:

Chief Executive
Senior HR Advisor

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 executive management team are on salary scales £56k to £64k (2010/11: £56k to £64k) and £64k to £74k (2010/11: £64k to £74k) and incremental progression to the maximum of the scale is determined by performance. Performance is assessed by the SSSC's "Performance Development Review System" and progression is subject to agreement by the Remuneration Committee. The SSSC's pay strategy must be approved by the Scottish Government. Subject to that approval, a pay award package is negotiated with the trade unions. When the pay award package has been agreed it is applied to the remuneration of senior managers and the main body of SSSC staff.

Notice periods - Members

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

There is no notice period specified for Council Members. Either party may terminate early by giving notice but there is no exact time period specified. Normally there is no payment available in the event of early termination of the contract. However, where special circumstances exist, Scottish Ministers may determine that compensation for early termination is appropriate and instruct the SSSC to make a payment. The value of the payment would also be determined by Scottish Ministers.

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

Name	**Current term**	**Date of initial appointment**	**Date of re-appointment**	**Date of termination of appointment**
Garry Coutts (Convener)	2nd	01 Sept 2007	01 Sept 2010	31 Aug 2013
Michael Cairns	2nd	01 Sept 2007	01 Sept 2010	31 Aug 2012
Elizabeth Carmichael	2nd	01 Sept 2007	01 Sept 2010	31 Aug 2013
Frank Clark *	2nd	17 Oct 2006	17 Oct 2009	21Nov 2014
Karen Croan	2nd	01 Sept 2007	01 Sept 2010	31 Aug 2012
Ian Doig	2nd	01 Nov 2005	01 Nov 2008	**31 Oct 2011**
Anne Haddow	2nd	01 Oct 2006	01 Oct 2009	30 Sept 2012
Bart McGettrick	2nd	01 Oct 2006	01 Oct 2009	30 Sept 2012
Margaret McKay	2nd	01 Nov 2005	01 Nov 2008	**31 Oct 2011**
Maureen O'Neill	2nd	01 Sept 2007	01 Sept 2010	31 Aug 2013
Stan Smith	2nd	01 Oct 2006	01 Oct 2009	30 Sept 2012
Kingsley Thomas	2nd	01 Sept 2007	01 Sept 2010	31 Aug 2013

* Frank Clark was formerly the Convener of the Care Commission and was appointed Chair of the Care Inspectorate. There is a reciprocal arrangement where the Convener of the SSSC is a Board member of the Care Inspectorate and the Chair of the Care Inspectorate is a Council Member. To maintain this relationship Frank Clark's appointment has been extended to 21 November 2014.

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 17.4 years. Termination of the contract requires a notice period of 6 months by either party.

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

Senior Managers

The Registrar and the Legal Adviser are members of the executive management team. All are engaged on permanent contracts and are subject to the normal retirement age of 65. Termination of the contract requires a notice period of three months by either party.

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

Name	Title	Date of appointment	Years to normal retirement age
Geraldine Doherty	Registrar	01 Feb 2002	10.1
Valerie Murray	Legal Adviser	10 June 2002	12.9

Services from other organisations

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

	2011/12 £000	2010/11 £000
Gordon Weir, Director of Resources	23.0	22.0

Discretionary benefits policy

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

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

Alternatively, pension scheme members with more than two years pensionable service may be paid compensation of up to 104 weeks pay.
The number of years added or the amount of compensation paid, if any, is determined on the basis of individual circumstances and the employee's age and length of service. All awards of additional service and compensation for early termination are subject to a three year pay-back period and must be approved by the Council.

AUDITED INFORMATION

Remuneration - SSSC Council Members

Salary 2011 £000		Salary 2012 £000
20 – 25	Garry Coutts (Convener)	20 – 25
5 – 10	Michael Cairns	5 – 10
5 – 10	Elizabeth Carmichael	5 – 10
5 – 10	Karen Croan	5 – 10
5 – 10	Ian Doig	0 – 5
5 – 10	Anne Haddow	5 – 10
5 – 10	Bart McGettrick	5 – 10
5 – 10	Margaret McKay	0 – 5
5 – 10	Maureen O'Neill	5 – 10
5 – 10	Stan Smith	5 – 10
5 – 10	Kingsley Thomas	5 – 10

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

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:

2011/12	Emoluments	Real increase in Pension	Real increase in Lump sum	Accrued Pension at age 60	Related Lump sum at age 60	Cash equivalent transfer value at 31/03/11	Cash equivalent transfer value at 31/03/12	Real Increase in cash equivalent transfer value
	£000	£000	£000	£000	£000	£000	£000	£000
Anna Fowlie Chief Executive	75-80	(2.5)-0	(2.5)-0	35-40	60-65	381	307	(83)
Geraldine Doherty* Registrar	70-75	(2.5)-0	(2.5)-0	30-35	70-75	498	433	(77)
Val Murray Legal Adviser	60-65	(2.5)-0	(2.5)-0	25-30	40-45	261	245	(23)

* A management restructure is to be implemented with effect from 1 April 2012. As part of this restructure a decision was made that Geraldine Doherty was to voluntarily leave her role on efficiency of the service grounds. Geraldine Doherty's notice period extends into 2012/13 but the costs associated with her early termination have been accounted for in 2011/12, the year in which the irrevocable decision to terminate the Registrar role was made. Details of early termination payments are disclosed below.

The actuarial factors used to calculate cash equivalent transfer values have changed resulting in a reduction in the CETV for the majority of employees. No benefits in kind were paid during 2011/12.

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 2011/12. The mid-point of the banded remuneration of the Chief Executive was £77,500. This was 4.04 times the median remuneration of the workforce, which was £19,161.

In 2011/12, two employees received remuneration in excess of the Chief Executive. Both of these employees were in receipt of severance pay. Remuneration of the workforce ranged from £14,309 to £82,845.

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

Termination Payments

As part of a drive to make efficiencies and rationalize the SSSC's management structure the Registrar agreed a voluntary severance package. The Registrar post was removed from the structure with effect from 1 April 2012. Geraldine Doherty worked her period of notice and left the employ of the SSSC on 20 May 2012. No termination payments have been made directly to the Registrar as the terms agreed were immediate access to pension and an enhancement to pensionable service. The costs associated with early access to an enhanced pension are disclosed in Note 4 to the accounts.

Anna Fowlie
Chief Executive
30 October 2012

4. STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

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

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

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

Anna Fowlie
Chief Executive
30 October 2012

5. ANNUAL GOVERNANCE STATEMENT

Introduction

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

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

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

The Governance Framework

Organisational Structure

The Council commenced the year with a Convener and 11 Members. The Convener and 10 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. Two members left during the year and there are no current plans to replace these members. The membership reflects a wide range of interests in the field of social care, including service users, carers, those involved in service delivery, professional bodies and those delivering education and training for the social service workforce. The Council remains ultimately responsible and accountable for all the decisions taken in its name, whether directly or through its Committees.

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

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

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

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

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

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

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

Remuneration Committee

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

Registration Committee

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

Conduct Committee

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

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

Council Members

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

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

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

1. Focusing on the organisation's purpose and on outcomes for citizens and service users.
2. Performing effectively in clearly defined functions and roles.
3. Promoting values for the whole organisation and demonstrating the values of good governance through behaviour.
4. Taking informed transparent decisions and managing risk.
5. Developing the capacity and capability of the governing body to be effective.
6. 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

Council Member	Council	Finance & Resources		Audit		Remuneration		Education & Workforce Regulation Policy	
	Attended	Member Yes/no	Attended	Member Yes/no	Attended	Member Yes/no	Attended	Member Yes/no	Attended
Garry Coutts, Convener	4	No		No		yes	1	Yes	4
Michael Cairns	4	No		Yes	4	No		Yes	3
Elizabeth Carmichael	4	No		Yes	4	Yes	0	Yes	4
Professor Frank Clark	4	No		No		No		Yes	0
Karen Croan	4	Yes	4	No		Yes	1	Yes	2
Ian Doig*	2	Yes	2	No		No		Yes	2
Dr Anne Haddow	4	Yes	4	No		No		Yes	4
Professor Bart McGettrick	2	No		Yes	0	No		Yes	0
Margaret McKay*	2	No		Yes	2	No		Yes	2
Maureen O'Neill	4	Yes	4	No		Yes	0	Yes	3
Stan Smith	4	No		Yes	4	No		Yes	2
Kingsley Thomas	3	Yes	4	No		Yes	1	Yes	3

* Appointment term ended 31 October 2011

The registration and Conduct Committee were not required to meet during the year.

Accountable Officer

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

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

Executive Management Team

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

The composition of the EMT will change in 2012/13 when a new organisational structure is implemented.

Internal Audit

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

Key Elements of the SSSC's Governance Arrangements

The key elements of the SSSC's governance arrangements include:

- The SSSC's vision is incorporated within the Strategic Plan which has been published and is available on the SSSC's website.
- The SSSC seeks stakeholder views on a wide range of issues and undertakes regular formal and informal consultation.
- The roles and responsibilities of Council Members and officers are defined in our standing orders, scheme of delegation and financial regulations.
- Our standing orders, scheme of delegation and financial regulations are subject to regular review and revised where appropriate.
- We have tested business continuity plans in place which set out the arrangements with which we aim to continue to deliver services in the event of an emergency.
- Our performance management arrangements enable progress against the SSSC's priorities to be monitored.
- We publicly report on our performance.
- We respond to findings and recommendations of our external auditors (Audit Scotland) and our internal auditors (Scott-Moncrieff). The Audit Committee receives regular reports from management on the implementation of audit recommendations. The internal auditors formally report on the implementation of agreed audit recommendations to the Audit Committee annually.
- The Audit Committee reports annually to the Council on their own performance as a Committee, the Committee's opinion on the performance of internal and external audit and provide an opinion on the reliability and appropriateness of the Annual Governance Statement.
- We are committed to the efficient government programme and on an annual basis identify efficiency savings achieved by implementing this initiative.
- Codes of conduct are in place for, and define the standards of behaviour expected from, Council Members and officers.
- We foster relationships and partnerships with other public, private and voluntary organisations where there is a clear alignment with our strategic objectives.

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

Risk Management

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

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

System of Internal Financial Control

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

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

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

Compliance with Guidance and Best Practice

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

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

Review

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

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

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

Significant Issues

Development and Implementation of Sequence, the SSSC's new ICT system

The SSSC's registration and conduct system OSCAR was a joint system shared amongst the SSSC and the General Social Care Council (GSCC), Care Council for Wales and the Northern Ireland Social Care Council. The UK Government's decision to abolish the GSCC and transfer its functions to the Health Professions Council made the continued operation of the OSCAR system unviable. Therefore, following approval from the Scottish Government, the SSSC procured and is currently implementing a replacement system in a very challenging timeframe. The new "SEQUENCE" system went live in March 2012. There are some technical problems that are in the process of being resolved and there is still some further development work required for phase 2 of the project, but overall the new system is on track to be implemented successfully and on time.

Efficiencies

As at 31 March 2012 there were approximately 54,000 social care service workers on the workforce register. It is anticipated that by 2019/20 there will be approximately 116,000 registered workers. The increase in number of registered workers will require the SSSC to expand its workforce. However, at a time of significant pressure on public finances we will need to grow the SSSC firstly by demonstrating efficiencies before making additional demands on scarce public funding.

Delays in Applications for Required Registration

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

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

Data Handling and Protection

There are no data losses to report for the year to 31 March 2012.

Developing the Governance Framework

Organisational Structure Review

We reviewed our organisational structure during 2011/12 and agreed to implement a new structure in 2012/13. The new organisational structure review is intended to clarify roles, responsibilities and accountability and make the SSSC a more efficient and effective organisation.

Business Needs Analysis / ICT Strategy

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

Development of SSSC Code of Corporate Governance

Although we believe the governance framework in place is working effectively there is no overarching document that brings all the different elements together to provide an overview of how the SSSC delivers effective governance. In 2012/13 we intend to develop and agree a code of Corporate Governance for the SSSC. This code would:

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

The existence of a code that brings all the different strands of corporate governance together will facilitate more effective and systematic governance reviews. For example, an officer working group could be established to annually assess compliance with the code.

New Payroll/HRMIS System

A European Union tender exercise is currently underway to replace the current payroll & human resource service. The new system will incorporate electronic "self-serve" and manager authorisation functionality. Furthermore, it is an objective of the procurement exercise that access to "user friendly" management information will be significantly enhanced.

Certification

The SSSC's governance framework has been in place for the year ended 31 March 2012 and up to the date of signing of the accounts.

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

Anna Fowlie

Anna Fowlie
Chief Executive
30 October 2012

6. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCOTTISH SOCIAL SERVICES COUNCIL, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIAMENT

I have audited the financial statements of the Scottish Social Services Council for the year ended 31 March 2012 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 2011/12 Government Financial Reporting Manual (the 2011/12 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and income 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. 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. If I become aware of any apparent material misstatements 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 Scottish Social Services Council's affairs as at 31 March 2012 and of its total comprehensive net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2011/12 FReM; and
- have been prepared in accordance with the requirements of the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers.

Opinion on regularity

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

Opinion on other prescribed matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary comprising the Financial Review at section 2.11 and within section 2.8 the information on Sickness Absence and Sustainability, which is included in the Annual 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 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.

Esther Scoburgh CPFA
Audit Scotland
18 George Street
Edinburgh
EH2 2QU

Date: 31 October 2012

Annual Accounts
1 April 2011 – 31 March 2012

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STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2011/12 £000	Restated 2010/11 £000
Income			
Registration fees	2a	(1,151)	(981)
Other operating income	2b	(2,802)	(2,673)
		(3,953)	(3,654)
Expenditure			
Staff costs	3b	5,879	3,881
Operating expenditure	6a	2,789	2,615
Disbursement grants	6b	66	45
Bursaries	6b	2,621	2,622
Practice learning fees	6b	2,589	2,509
		13,944	11,672
Net operating cost on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities		9,991	8,018
Bank interest (net of charges)		11	9
(Return)/cost on pension assets & liabilities	5b	(80)	154
Net operating cost on ordinary activities after interest and (return)/cost on pension scheme assets and liabilities		9,922	8,181
Actuarial (gains)/losses on pensions assets/liabilities		2,905	(2,333)
Total comprehensive net expenditure before Scottish Government funding		12,827	5,848

All operations are continuing.

The notes on pages 83 - 101 form an integral part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Notes	2011/12 £000	2010/11 £000
Non-current assets			
Property, plant and equipment	7	205	245
Intangible assets	8	716	97
Total non-current assets		921	342
Current assets			
Trade and other receivables	9	742	855
Cash and cash equivalents	10	2,632	593
Total current assets		3,374	1,448
Total assets		4,295	1,790
Current liabilities			
Trade and other payables	11	(3,073)	(1,282)
Total current liabilities		(3,073)	(1,282)
Non-current assets plus net current assets		1,222	508
Non-current liabilities			
Pension liabilities	5a	(6,175)	(3,267)
Total non-current liabilities		(6,175)	(3,267)
Net assets/(liabilities)		(4,953)	(2,759)
Taxpayers' equity			
Pensions reserve		(6,175)	(3,267)
General reserve	12	1,222	508
		(4,953)	(2,759)

Anna Fowlie
Chief Executive
30 October 2012

The notes on pages 83 - 101 form an integral part of these accounts.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2012

	Note	2011/12 £000	Restated 2010/11 £000
Cash flows from operating activities			
Net operating cost before Scottish Government funding	SCNE	(12,827)	(5,848)
Adjustments for non cash items:			
Pension actuarial adjustments	5b	2,908	(3,566)
Depreciation and amortisation	6a	225	113
(Increase)/decrease in trade and other receivables	9a	113	(18)
Increase/(decrease) in trade and other payables	11a	1,791	(1,379)
Net cash outflow from operating activities		**(7,790)**	**(10,698)**
Cash flows from investing activities			
Purchase of property, plant and equipment	7a	0	(145)
Purchase of intangible assets	8a	(804)	0
Net cash outflow from investing activities		**(804)**	**(145)**
Cash flows from financing activities			
Funding from Scottish Government	13a	10,633	8,922
Net financing		**10,633**	**8,922**
Net increase/(decrease) in cash and cash equivalents in the period	10	2,039	(1,921)
Cash and cash equivalents at the beginning of the period	10	593	2,514
Cash and cash equivalents at the end of the period	10	2,632	593

The notes on pages 83 – 101 form an integral part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2012

	Note	Restated Pension Reserve £000	Specific Reserves £000	General Reserve £000	Restated Total Reserves £000
Balance at 31 March 2010		**(6,833)**	**626**	**374**	**(5,833)**
Changes in taxpayers' equity for 2010/11					
Adjustment between accounting basis and funding basis for actuarial pension valuation.	5b	3,566		(3,566)	0
Transfers between reserves			(626)	626	0
Total Comprehensive Net Expenditure	SCNE			(5,848)	(5,848)
Total recognised income and expense for 2010/11		3,566	(626)	(8,788)	(5,848)
Grant from Scottish Government	13a			8,922	8,922
Balance at 31 March 2011		**(3,267)**	**0**	**508**	**(2,759)**
Changes in taxpayers' equity for 2011/12					
Adjustment between accounting basis and funding basis for actuarial pension valuation.	5b	(2,908)		2,908	0
Total Comprehensive Net Expenditure	SCNE			(12,827)	(12,827)
Total recognised income and expense for 2011/12		(2,908)	0	(9,919)	(12,827)
Grants from Scottish Government	13a			10,633	10,633
Balance at 31 March 2012		**(6,175)**	**0**	**1,222**	**(4,953)**

The notes on pages 83 – 101 form an integral part of these accounts.

NOTES TO THE ACCOUNTS

1 Statement of accounting policies

1.1 **Basis of accounts**

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

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

1.2 **Accounting convention**

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

1.3 **Going concern**

The accounts have been prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future. Further explanation of the adoption of the going concern basis is contained in the Financial Review section (pages 46–52).

1.4 **Property, plant and equipment**

1.4.1 Capitalisation

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

1.4.2 Valuation

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

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

1.4.3 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.

1.5 Intangible assets

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

1.6 Impairment of tangible and intangible assets

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

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

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

1.7 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.

1.8 Disbursement grants & bursaries payable

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

1.9 Leases

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

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

1.10 **Cash and cash equivalents**

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

1.11 **Pensions**

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

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

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

1.12 **Short term employee benefits**

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

1.13 **Shared services**

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

1.14 **Value Added Tax (VAT)**

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

1.15 **Revenue and capital transactions**

Revenue and capital transactions are recorded in the accounts on an income and expenditure basis i.e. recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the Council as at 31 March 2012 have been brought into account.

1.16 **Financial instruments**

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

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

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

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

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

2 Operating income

		2011/12 £000	2010/11 £000
2a	Registration fees	1,151	981
2b	Other operating income:		
	Practice learning fees*	2,589	2,509
	Modern apprenticeship fees	152	114
	Recovery of Disclosure Scotland and Protection of Vulnerable Groups (PVG) fees	20	26
	Care accolades sponsorship	11	21
	Other income**	30	3
		2,802	2,673

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

** Other income for the period 2011/12 mainly comprises £28k from a refund of OSCAR Replacement System migration costs from the General Social Care Council.

3 Staff numbers and costs

3a Average number of staff employed (full time equivalent)

	2011/12 FTE	2010/11 FTE
Chief executive & corporate	13	14
Registration and conduct	86	82
Learning and development	29	27
Legal and committee services	20	20
Central and support services	13	12
Communications	7	6
Seconded staff	1	2
Agency staff	1	2
	170	165

3b Analysis of staff costs

	2011/12 £000	Restated 2010/11 £000
Salaries	4,137	3,865
Social security costs	300	277
Pension – current service costs	736	897
Pension – past service cost/(gain)	36	(1,626)
Other staff costs	587	359
Secondment inwards	45	73
Agency staff	38	36
Staff costs	5,879	3,881

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

Actual Payments	2011/12 £000	Restated 2010/11 £000
Employer Pension Contributions actually paid	677	647
Unfunded pension payments actually paid	12	11
Total pension related payments actually paid	689	658
Accounting Entries (IAS 19 Note 5)		
Current service cost (actuarial basis)	736	897
Past service cost (actuarial basis)	36	(1,626)
Pension costs included in staff costs (SCNE)	772	(729)
Variance between actual costs and accounting basis	83	(1,387)

4 **Severance costs**

The Council offered voluntary early severance to three staff in 2011/12. The table below shows the number of departures and associated costs.

	2011/12		2010/11	
Exit package cost band	**Number of Departures**	**Total Cost £000**	**Number of Departures**	**Total Cost £000**
£10,000 to £25,000			1	16
£25,000 to £50,000	2	85		
£50,000 to £75,000			1	63
£100,000 to £150,000	1	136		
	3	221	2	79

Exit package costs include:

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

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

5 **Post employment benefits: pension**

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

Tayside Superannuation Fund

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

The contributions paid by the Council for the year to 31 March 2012 were £677k representing 18.5% of pensionable pay (2010/11: £644k representing 18.5% of pensionable pay). Employee contribution rates were in the range 5.5% to 12% based on earnings bands.

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

5a Employee benefits – statement of financial position recognition

	Year to 31 March 2012 £000	Year to 31 March 2011 £000
Present value of funded obligation	17,856	16,583
Fair value of scheme assets (bid value)	11,901	13,499
Net Liability	**5,955**	**3,084**
Present value of unfunded obligation	220	183
Net Liability in statement of financial position	**6,175**	**3,267**

5b Income and expenditure costs for the year to 31 March 2012

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

	Year to 31 March 2012		Restated Year to 31 March 2011	
	£000	£000	£000	£000
Current service cost		736		897
Past service costs/(gain)		36		(1,626)
Interest on obligation	754		1,053	
Expected return on scheme assets	(834)		(899)	
(Return)/cost on pension assets & liabilities		(80)		154
Difference between actual employer's contributions and unfunded payments and actuarial assumptions	0		14	
Actuarial (gains)/losses	2,905		(2,347)	
Total Actuarial (gains)/losses		2,905		(2,333)
Total		**3,597**		**(2,908)**
Actual return on scheme assets		**46**		**972**

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

Adjustments are made for:	Note.	2011/12 £000	Restated 2010/11 £000
Staff costs	3c	83	(1,387)
Return or cost on pension assets and liabilities		(80)	154
Total Actuarial (gains)/losses		2,905	(2,333)
		2,908	(3,566)

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 April 2011 for the year ended 31 March 2012). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

We have adopted the following expected returns:

Asset class	Expected return as at: 1 April 2012 % p.a.	1 April 2011 % p.a.	1 April 2010 % p.a.
Equities	7.1%	8.2%	8.3%
Gilts	3.3%	4.4%	4.5%
Other bonds	4.6%	5.5%	5.5%
Property	4.3%	5.4%	5.5%
Cash	3.0%	3.0%	3.0%
Expected return on assets	**6.1%**	**7.3%**	**7.4%**

5c Benefit obligation reconciliation for the year to 31 March 2012

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

	Year to 31 March 2012 £000	Year to 31 March 2011 £000
Opening defined benefit obligation	**16,766**	**18,700**
Service cost	736	897
Interest cost	754	1,053
Actuarial losses/(gains)	(398)	(2,273)
Estimated benefits paid net of transfers in	(50)	(206)
Past service cost/(gain)	36	(1,626)
Contributions by scheme participants	244	233
Unfunded pension payments	(12)	(12)
Closing defined benefit obligation	**18,076**	**16,766**

5d **Fair value of scheme assets reconciliation for the year to 31 March 2012**

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

	Year to 31 March 2012 £000	Year to 31 March 2011 £000
Opening fair value of scheme assets	**13,499**	**11,867**
Expected return on scheme assets	834	899
Actuarial gains/(losses)	(3,303)	74
Employer contributions (including unfunded pensions)	689	644
Contributions by scheme participants	244	233
Estimated benefits paid net of transfers in(including unfunded pensions)	(62)	(218)
Closing fair value of scheme assets	**11,901**	**13,499**

5e **Projected pension expense for the year to 31 March 2013**

Projected pension expense	**Year to 31 March 2013 £000**
Service cost	973
Interest cost	858
Return on assets	(756)
Total	**1,075**
Employer contributions	654

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2012.

5f **SSSC fund assets**

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

Asset share - bidvalue	**31 March 2012**		**31 March 2011**	
	£000	**%**	**£000**	**%**
Equities	8,093	68%	9,719	72%
Gilts	952	8%	945	7%
Other bonds	1,309	11%	1,350	10%
Property	1,309	11%	1,215	9%
Cash	238	2%	270	2%
Total	**11,901**	**100%**	**13,499**	**100%**

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

5g **Financial assumptions as at 31 March 2012**

The financial assumptions used for IAS 19 calculations are below. These assumptions are set with reference to market conditions at 31 March 2012. The discount rate chosen to meet the requirements of IAS 19 is the yield on the iBoxx AA rated over 15 Year corporate bond index as at 31 March 2012. The RPI increase assumption is set based on the difference between conventional gilt yields and index linked gilt yields at the accounting date using data published by the Bank of England. This measure has historically overestimated future increases in the RPI and so a deduction of 0.25% has been made to get the RPI assumption of 3.3%. As future pension increases are expected to be based on CPI rather than RPI, CPI is assumed to be 0.8% below RPI i.e. 2.5%.

Salary increases are then assumed to be 1.5% above RPI in addition to a promotional scale. In anticipation of Government policy calculations assume pay increases will only be half the long term average assumption for the period until 31 March 2013.

Assumptions as at	**31 March 2012**		**31 March 2011**		**31 March 2010**	
		real rate		**real rate**		**real rate**
	% p.a.	**% p.a.**	**% p.a.**	**% p.a.**	**% p.a.**	**% p.a.**
RPI increases	3.3	-	3.5	-	3.9	-
CPI increases	2.5	(0.8)	2.7	(0.8)	n/a	-
Salary increases	4.8	1.5	5.0	1.5	5.4	1.5
Pensions increases	2.5	(0.8)	2.7	(0.8)	3.9	-
Discount rate	4.6	1.3	5.5	1.9	5.5	1.5

5h **Demographic/statistical assumptions**

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

The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		**31 March 2012**	**31 March 2011**
Retiring today	Males	20.6	21.4
	Females	22.8	24.4
Retiring in 20 years	Males	21.8	22.3
	Females	24.4	25.3

We have also made the following assumptions:

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

5i Sensitivity analysis

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

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	17,519	18,076	18,651
Projected service cost	930	973	1,017
Adjustment to mortality age rating assumption	+1 year	none	-1 year
Present value of total obligation	17,397	18,076	18,763
Projected service cost	928	973	1,019

5j Amounts for the current and previous periods

The amounts for the current and previous four periods are detailed below. Assets are shown at bid price (estimated where necessary) for the periods prior to 31 March 2009.

Year to:	March 2012 £000	March 2011 £000	March 2010 £000	March 2009 £000	March 2008 £000
Defined benefit obligation	(18,076)	(16,766)	(18,700)	(8,516)	(8,926)
Scheme assets	11,901	13,499	11,867	6,666	7,980
Surplus/(deficit)	(6,175)	(3,267)	(6,833)	(1,850)	(946)
Experience adjustments on Scheme liabilities	3,371	16	(86)	(210)	-
Percentage of liabilities	18.6%	0.1%	(0.5%)	(2.5%)	-
Experience adjustments on Scheme assets	(3,303)	74	2,208	(2,489)	(922)
Percentage of assets	(27.8%)	0.5%	18.6%	(37.3%)	(11.6%)
Cumulative actuarial gains/(losses)	(5,691)	(2,786)	(5,133)	(167)	830

6 Analysis of operating costs

6a Operating expenditure

	2011/12 £000	2010/11 £000
Supplies & services	575	609
Administration costs	1,370	1,239
Property costs	523	535
Transport costs	122	101
Depreciation	225	113
Allowance for impairment of debt	(26)	18
	2,789	2,615

The above total includes £17.7k (2010/11: £20.3k) for external auditor's remuneration and £18.5k (2010/11: £21.4k) for internal auditor's remuneration. External or internal auditors did not receive any fees in relation to non-audit work.

6b Analysis of disbursements

Disbursement grants totalling £0.066m (2010/11: £0.045m) were paid to education and training providers to provide appropriate training to the social services workforce.

During 2011/12 postgraduate bursaries totalling £2.621m (2010/11: £2.622m) were managed by the Council. Of this £1.537m was paid directly to students undertaking postgraduate social work training and £1.084m to universities for tuition fees.

A total of £2.589m (2010/11 £2.509m) was paid to universities to support practice learning opportunities during the year.

7 Property, plant and equipment

7a

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

All assets are owned

7b

	Information Technology £000	Plant & Equipment £000	Furniture &Fittings £000	Total £000
Cost or valuation:				
At 1 April 2010	101	86	186	373
Additions	0	145	0	145
At 31 March 2011	101	231	186	518
Depreciation:				
At 1 April 2010	82	47	80	209
Charged in year	16	33	15	64
At 31 March 2011	98	80	95	273
Net book value:				
At 31 March 2011	**3**	**151**	**91**	**245**
At 31 March 2010	19	39	106	164

All assets are owned

8 Intangible assets

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

All assets are owned

8b	Information Technology £000
Cost or valuation:	
At 1 April 2010	365
Additions	0
At 31 March 2011	365
Amortisation:	
At 1 April 2010	219
Charged in year	49
At 31 March 2011	268
Net book value:	
At 31 March 2011	**97**
At 31 March 2010	146

All assets are owned

9 Trade receivables and other current assets

9a

	2011/12		2010/11	
	£000		£000	
Amounts falling due within one year:				
Prepayments and accrued income		598		583
Trade receivables	114		239	
Other receivables	30		33	
		144		272
		742		855

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 **Provision for impairment of receivables**	2011/12 £000	2010/11 £000
As at 1 April	(43)	(25)
Charge for the year	(30)	(60)
Unused amounts reversed	7	4
Uncollectable amounts written off	49	38
As at 31 March	**(17)**	**(43)**

As at 31 March 2012, trade and other receivables of £17k (2010/11: £43k) were past due and impaired. The amount of the provision is £17k (2010/11: £43k). The ageing analysis of these receivables is as follows:

	2011/12 £000	2010/11 £000
0 to 3 months past due	1	8
3 to 6 months past due	0	1
Over 6 months past due	0	1
Over 12 months past due	16	33
	17	**43**

As at 31 March 2012, trade and other receivables of £144k (2010/11: £272k) were due but not impaired. The ageing analysis of these receivables is as follows:

	2011/12 £000	2010/11 £000
Not past due date	102	236
Up to 3 months past due	26	10
3 to 6 months past due	1	3
Over 6 months past due	5	5
Over 12 months past due	10	18
	144	**272**

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

	2011/12 £000	2010/11 £000
Bodies external to Government	722	834
Other Government bodies	20	19
NHS bodies	0	2
	742	**855**

10 Cash and cash equivalents

	2011/12 £000	2010/11 £000
Balance as at 1 April	593	2,514
Net change in cash & cash equivalent balances	2,039	(1,921)
Balance as at 31 March	**2,632**	**593**
The following balances as at 31 March were held at:		
Government banking service	2,486	0
Commercial banks and cash in hand	146	593
Balance as at 31 March	**2,632**	**593**

11 Trade payables and other current liabilities

	2011/12 £000	2010/11 £000
11a **Amounts falling due within one year:**		
Trade payables	2,209	490
Accruals and deferred income	644	580
Other payables	115	117
Other taxation and social security	104	94
VAT	1	1
	3,073	**1,282**

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

	2011/12 £000	2010/11 £000
Bodies external to government	1,418	997
Higher education institutes (HEIs)	1,316	93
Local authorities	216	80
Other Government bodies	119	112
NHS bodies	4	0
	3,073	**1,282**

12 Sources of financing

Restated 2010/11 Total £000	General reserve	2011/12 Revenue £000	Capital £000	Total £000
374	Opening balance	166	342	508
(5,848)	Surplus/(deficit) for the year	(12,602)	(225)	(12,827)
(3,566)	Adjustment between accounting basis and funding basis for actuarial pension valuation	2,908		2,908
8,922	Grants and grant in aid	9,829	804	10,633
(118)		301	921	1,222
	Transfers to/from specific reserves:			
222	Transfers from Legal reserve	0	0	0
404	Transfer from OSCAR reserve	0	0	0
508	Closing Balance	**301**	**921**	**1,222**

The Sponsor had allowed the Council to hold two specific reserves in 2009/10. During the 2010/11 financial year the Sponsor instructed the Council not to hold specific reserves. The balance of £626k was transferred to the general reserve to be utilised during that year.

13 Grants and other income from Scottish Government

13a **Scottish Government grants & other income**	2011/12 £000	2010/11 £000
Grant in aid	9,725	8,410
Workforce development grant	623	
Continuous learning framework		172
Leadership in social services grant		168
Promoting excellence: dementia strategy	124	
Sector skills grant	124	159
NES Funding for community health partnerships	29	
National occupational standards (NOS) development		8
Development of level 9 registered childcare practitioners qualification	8	
Development of NOS guidance for employers		5
Total grants from Scottish Government	**10,633**	**8,922**

13b **Grant in aid analysis**

	2011/12 £000	2010/11 £000
Approved grant in aid from Scottish Government	9,725	9,299
Grant drawndown during the year	9,725	8,410
Grant in aid not required	**0**	**889**

14 Capital commitments

There were no capital commitments as at 31 March 2012.

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.

Obligations under operating leases comprise:	2011/12 £000	2010/11 £000
Buildings:		
within 1 year	532	544
within 2 to 5 years	2,127	2,178
beyond 5 years	1,523	2,083
	4,182	**4,805**
Other:		
within 1 year	181	303
within 2 to 5 years	0	0
beyond 5 years	0	0
	181	**303**

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

15b Finance leases

There are no obligations or commitments under finance leases.

16 Contingent liabilities

There were no contingent liabilities as at 31 March 2012.

17 Related-party transactions

The SSSC is a Non-Departmental Public Body (NDPB) sponsored by the Early Years and Social Services Workforce Division of the Children and Families Directorate of the Scottish Government. The Council has shared service arrangements with the Care Inspectorate 2011/12 £729k, (2010/11 £736k). 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 2011/12 financial year.

19 Losses statement

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

Appendix 1

SCOTTISH SOCIAL SERVICES COUNCIL

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