

# **Scottish Social Services Council Annual Report and Accounts**

1 April 2017 to 31 March 2018



Annual Report and Accounts of the  
Scottish Social Services Council

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

1 April 2017 to 31 March 2018

The Accountable Officer authorised  
these financial statements for  
issue on 23 October 2018

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**For further information on the SSSC's performance and planning work, please email [performanceandimprovement@sssc.uk.com](mailto:performanceandimprovement@sssc.uk.com)**

**If you would like to request this document in another format, please contact the SSSC by telephoning 0345 6030891**

# **Annual Report**

## **SECTION A: Performance Report**

### **1. Performance overview**

#### **1.1 Statement by the Chief Executive**

I am pleased to introduce the Scottish Social Services Council's Annual Report and Accounts for 2017/18.

This year marked the beginning of our new Strategic Plan for 2017 to 2020. This plan, developed following extensive engagement with our stakeholders, will ensure that all of our efforts are strategically focused to deliver our vision over the next few years. We have also developed a supporting framework to allow us to improve how we monitor and demonstrate our progress. Our Strategic Plan sets out the following four strategic outcomes:

- the right people are on the Register
- our standards lead to a safe and skilled social service workforce
- our resources support the professional development of the social service workforce
- our stakeholders value our work.

One year into the plan's delivery, we can demonstrate successful progress against the projects we set under each of these outcomes.

- We continue to register an increasing proportion of the social services workforce. As of the end of March 2018, we have 105,352 individual people registered, compared to 97,183 in 2017. For context, the size of the social services workforce in Scotland is approximately 200,650 (approximately 8% of all Scottish employment; not all these workers are eligible for registration).

- In October 2017, we opened the Register to support workers of care at home and housing support services. So far we have registered or are processing the applications of 15% (16,504) of these workers. These workers must register by 2020.
- We have not increased the fees for registration since we were established in 2001. In September 2017, we were required to increase our fees. They are still less than those paid to other regulators, however understandably some registrants expressed concern. Through a programme of consistent communication, we introduced the fee increase with little disruption to our systems.
- We amended our Fitness to Practice Rules to allow panels to be chaired by someone who is legally qualified. Comparison with other regulators who use this approach suggests this move will make our hearings more efficient, in terms of cost and time. We began recruiting new chairs in October 2017 and hearings led by legally qualified chairs began in January 2018.
- We have worked to develop our Dementia Ambassador programme and are achieving positive results. From a Care Inspectorate report, we know that care homes receiving positive inspection results are more likely to have Dementia Ambassadors.
- To support the delivery of the Scottish Government's Early Learning and Childcare Skills Investment Plan, throughout 2017/18 we worked in partnership with Skills Development Scotland, Scottish Government, and the Care Inspectorate to develop a new website with resources and support for people considering a career in child care. This is in preparation for the increased entitlement in funded early learning and childcare. The plan requires a significant number of additional childcare professionals to enter the workforce. The website went live in May 2018 and provides new and existing workers with accessible information about the diverse roles and qualification pathways available.

These are just a few examples of the work we have carried out over the last year. At the core of everything we do, is our role in protecting people who use services and strengthening the professionalism of the workforce. The growth we have seen since 2001—the number of people registered, those who are accessing our resources, and the number of investigations we carry out—means that to be efficient and effective we must make sure we are continually adapting and demonstrating how customers and stakeholders inform our role and work. Our Strategic Plan ensures that we focus on delivering the strategic outcomes that support our vision over the next couple of years:

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

A handwritten signature in cursive script that reads "Lorraine Gray".

Lorraine Gray  
Chief Executive

## **1.2 Statement of purpose and activities**

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

We are a Scottish Government non-departmental public body, sponsored by the Office of the Chief Social Work Adviser at the Directorate for Children and Families and set up under the Regulation of Care (Scotland) Act 2001. Through workforce registration and regulation we are helping to improve standards in social services and strengthen public protection.

Our work supports the Scottish Government's overarching aim to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish through increasing sustainable economic growth. We have aligned the outcomes in our Strategic Plan 2017 to 2020 with the Scottish Government's National Outcomes, specifically the following outcomes:

- we have improved the life chances for children, young people and families at risk
- we live our lives safe from crime, disorder and danger
- our children have the best start in life and are ready to succeed
- we realise our full economic potential with more and better employment opportunities for our people
- our public services are high quality, continually improving and efficient and responsive to local people's needs.

To support these outcomes, we protect the public by registering social service workers, setting standards for their practice, conduct, training and education, and by supporting their professional development.



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

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

There are approximately 200,650 people working in social services across Scotland. This workforce includes social care workers, social workers, social work students and early learning and child care workers. They work across a range of care services, in residential and day centres, community facilities and in people's homes. We are responsible for registering the majority of this workforce, and making sure that those on our register meet the standards set out in the SSSC Codes of Practice. We are also responsible for standards of training and development for the social service workforce and we work with the other UK social service workforce regulators to develop and maintain these standards.

We are governed by a council of ten members, including a convener, who are appointed by Scottish Government. We have one operating location based in Dundee. Our employees and Council Members also travel to cover the whole of Scotland delivering engagement, learning and development events, and hearings.

### **1.3 Key issues and risks**

When we started registering and regulating the workforce we, along with the other UK social service regulators, followed the prevalent regulatory thinking by developing a conduct model that focused on taking regulatory enforcement action when a worker committed misconduct. Over time, the majority of the other UK regulators moved from a misconduct model to a fitness to practise model. This is a more forward-thinking approach, where regulatory enforcement action is taken when there is a current, live, concern about someone's ability to practise safely. In late 2016, we introduced this fitness to practice model in conjunction with a review and amendment of the Codes of Practice, the fundamental underpinning document that sets the expectations in terms of practice for all social service workers in Scotland.

All workers and employers have to confirm at the point of applying for registration that they are fit to practise. This encompasses not just misconduct but also health and competence. Articulating this change and the focus of the approach to workers and employers to enable them to declare appropriately and to refer appropriately is a whole-scale shift in thinking and way of structuring our operating processes. This shift in the way we work has informed much of our strategy and business planning over recent years, and 2017/18 was the first full year this model has been in place.

Our Strategic Plan 2017 to 2020 reflects this shift in model. We carried out extensive stakeholder engagement to develop the plan and identify where we needed to improve. We identified a number of issues through our research and engagement and these are outlined below.

- A small but significant number of registrants misunderstood their relationship with their regulatory body. We will communicate our role more clearly and consistently so that registrants better understand their relationship with us.
- We will clearly demonstrate the benefits of registration and its role in increasing the professionalism of the workforce and its core purpose of protecting the people who use social services.

- Our regulatory function is viewed by some to be legalistic with little focus on protecting people who use services and insufficient support for workers and witness. We need to better understand these views and identify where improvements are needed to address these concerns.
- Qualifications and standards are an integral part of professionalising the workforce. We reviewed the Codes of Practice in 2016 as part of ensuring that we have the right standards. We need to maintain our focus on ensuring that the qualifications remain fit for purpose.
- Many of our stakeholders, in particular our registrants, see us mainly as a regulator and seem less aware of our role in workforce development. The tools and resources we produce must be focused on improving practice and address the changing needs of the profession.

We have already focused our improvement efforts in these areas, and we will continue to address them through the delivery of the Strategic Plan 2017 to 2020.

In addition to awareness of the issues that may affect our work, as part of our strategic and operational planning we consider the major risks that could prevent us from achieving our outcomes and look at how we can reduce these. We have a Risk Policy that is underpinned by a Strategic Risk Register and Operational Risk Register. We review our policy and risk appetite statement every year. Council Members and the Executive Management Team (EMT) compile a Strategic Risk Register to document the major risks to the SSSC. We have in place an escalation process for risk management and in 2017/18 introduced a revised Operational Risk Framework that sets out how we record and assess risk at an operational level. The Operational Management Team (OMT) reviews, records, and assesses risk using this framework each month. The EMT also reviews the risk register monthly and any risks escalated from the OMT. On behalf of the Council, our Audit Committee has the lead role ensuring the SSSC has effective risk management processes in place and risk is a standing item on the committee's agenda.

Table 1: Strategic risks 2017/18

Strategic risk
Failures in our regime of registration or fitness to practise leads to public protection failure.
We are not able to demonstrate to our stakeholders (including the Scottish Government) that our operational activity is fulfilling its strategic outcomes.
Ineffective working relationships with partner bodies impact significantly on our ability to deliver our organisational objectives.
The qualifications framework and workforce development products we produce do not meet the needs of employers and social service workers.
The SSSC does not have sustainable resources to support the delivery of Strategic Plan objectives (i.e. the strategic planning growth assumptions are not financially sustainable).
The SSSC experiences disruption or loss or reputation damage from a failure in its IT systems, physical security or information governance arrangements.

#### 1.4 Going concern

The Statement of Financial Position at 31 March 2018 shows net liabilities of £3.729m (2016/17: £9.027m). The net liabilities are mainly the result of actuarial assumptions adopted for the application of accounting standard IAS 19.

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

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

The SSSC has no reason to believe the Sponsor Department and Scottish Ministers have any intention to withdraw or reduce support to the organisation. In addition the Sponsor has confirmed grant in aid figures for 2018/19. It is therefore considered appropriate to prepare the accounts on a going concern basis.

## **1.5 Performance summary**

The following performance summary section of the Annual Report and Accounts presents a high-level assessment of work during 2017/18 to deliver our strategic outcomes:

- the right people are on the Register
- our standards lead to a safe and skilled social service workforce
- our resources support the professional development of the social service workforce
- our stakeholders value our work.

Each of our strategic outcomes has associated priorities and projects. We agreed an Annual Strategic Delivery Plan that presents the priority improvement projects that will deliver progress towards our strategic outcomes. We monitor and report on a mix of strategic measures, updates on related projects, operational performance indicators, and stakeholder feedback. This year we introduced a new customer survey, which will be sent annually to all registrants. So far, we have contacted over 81,000 registrants and have received responses from 13% (10,153). The results from this survey will be used to report our progress against some of our strategic measures, but information is not yet available to compare with previous years' performance for these measures.

The following four sections present a high-level assessment of progress based on our strategic measures and project delivery. Overall, we demonstrate good progress towards 75% of the projects in this year's strategic delivery plan (18 out of 24 projects). We are less able to demonstrate evidence of our progress for some projects that evolved over the course of the year; we have incorporated

these into improvement activity for 2018/19. We set seven strategic measures for the lifetime of the Strategic Plan 2017 to 2020.

### **1.5.1 Strategic outcome 1: the right people are on the Register**

Our work to deliver strategic outcome one, the right people are on the register, focuses on two main priorities: to build our relationship with registrants and employers, and to ensure that our fitness to practise process is proportionate and accessible. We set three strategic measures and six projects under this outcome.

Table 2: Strategic outcome 1 measures

	2016/17	2017/18
Percentage of registrants who believe that registration with the SSSC provides positive benefits	Not available	77%
Cases referred to fitness to practice that meet the threshold	88%	86%
Average time taken to conclude fitness to practice cases	12 months	9 months

The percentage of registrants who believe that registration with us provides positive benefits is high, 77% (7,830 of 10,110 respondents) of registrants agree with this statement. This is a good baseline for our work to make sure registrants value their registration. We will do this through coordinated research and developing targeted resources. During 2018/19, we aim to develop the MySSSC portal so that it is a one-stop personalised resource for registrants. This work has begun as part of our digital transformation programme and will also provide us with an opportunity to achieve efficiencies.

Following the change from a conduct model to a fitness to practice model in 2016, we have been measuring the proportion of cases that meet our referral thresholds. The percentage is lower than in 2016/17 (86% closed compared to 88% in 2016/17). We closed 14% (420) of our cases this year as they did not meet the thresholds. It is too early to determine whether this is a trend, but we will continue to monitor these figures. We received 14% fewer referrals this year compared to last, 2,860 compared to 3,329 in 2016/17. We believe this is due to the change from a conduct model to one based on fitness to practise; specifically

the introduction of higher thresholds, meaning that fewer lower risk cases are being referred.

We conducted research with employers to find out if they were aware of the new thresholds for referrals. On the whole, the results were positive and demonstrate the majority of respondents understand our new referrals criteria. Some areas for improvement have been identified in relation to health-related cases and identifying the time when a referral should be made.

We reduced the average length of time it took to conclude fitness to practice cases from 12 months to nine months. We are introducing a new case management software system this year, which should also make the process more efficient and potentially further reduce the time.

Table 3: Project delivery progress under strategic outcome 1

Strategic priority	Project	Did we deliver this project as planned?
Priority 1: build our relationship with registrants and employers	Project 1a: understanding registrants and developing resources	✓ We carried out research into the resource requirements of registrants in 2017. We introduced a new registration card as a result.
	Project 1b: open the register to new groups	✓ Registration of support workers in care at home and housing support began in 2017.
	Project 1c: develop telephone system for a better customer experience	✗ Phone contract in place with provider until 2021 so we are unable to deliver this as planned. We are introducing a 24-hour payment option.

Strategic priority	Project	Did we deliver this project as planned?
Priority 2: Our fitness to practice process is proportionate and accessible	Priority 2a: Help employers and registered workers understand when and how to make a referral.	✓ We surveyed employers in September 2017. We will take forward recommendations based on the responses in 2018/19.
	Priority 2b: How to support participants engage with the process	✓ We worked with law centres during the year and with Aberdeen Law Project in September 2017. We also supported the introduction of a new regulatory law course at Robert Gordon University.
	Project 2c: How to increase representation at hearings.	✗ We have not increased representation at hearings. This year, we prioritised delivery of our Digital Transformation programme, which will deliver improvements to how we work and potentially have an effect on how we deliver this project. As a result, we have included this project in our plans for 2018/19.



### 1.5.2 Strategic outcome 2: our standards lead to a safe and skilled social service workforce

We are focused on one priority to deliver strategic outcome two, which is that social service qualifications meet the needs of learners and employers.

Table 4: Strategic outcome 2 measure

	2016/17	2017/18
The SSSC is recognised as an organisation that contributes to social service workers having the skills needed to do their jobs.	Not available	78%

Overall, we have made progress delivering the work under our second strategic outcome and we present more detail about those projects in the Performance Analysis section of this report. This work includes our contribution to the review of the National Occupational Standards and a review of the post-registration training and learning (PRTL) assessment process. We continue to support the development of the National Occupational Standards and ensure that social service qualifications meet the needs of both learners and employers. One of the ways we do this is by undertaking quality assurance of the PRTL records of all newly qualified social workers. We also undertake the same quality assurance on a sample of all other parts of the register. In 2018/19, we will improve how we meet customer service requirements of our registrants with the PRTL assessment through a customer-led project using five test sites. We will take steps to make sure that registrants and employers increasingly use and understand the revised Codes of Practice.

Of those we surveyed in our recent customer research, 78% (7,846 of 10,107 respondents) of respondents recognise the SSSC as an organisation that contributes to social service workers having the skills needed for their jobs. Only 8% (814 of 10,107 respondents) gave a negative response to this question.

Table 5: Project delivery progress under strategic outcome 2

Strategic priority	Project	Did we deliver this project as planned?
Priority 3: Social service qualifications meet the needs of learners and employers.	Project 3a: Contribute to the review of National Occupational Standards led by Skills Development Scotland.	✓ We continue to support development through research and engagement. We launched a careers website to raise awareness of work-based qualification pathways.
	Project 3b: Review post-registration training and learning (PRTL).	✓ We read and undertook an assessment of all PRTL records of newly qualified social workers. In 2017/18, we also carried out assurance checks on a sample of PRTL records for non-social workers. The average time to complete a PRTL assessment was 51 days. As a result of monitoring and to improve the consistency of our response time, we introduced a six-week response service standard as a target for 2018/19.

### 1.5.3 Strategic outcome 3: our resources support the professional development of the social service workforce

We achieved all of the projects presented under Strategic Outcome 3. Our priority was to work with the Scottish Government and other partners to achieve the outcomes in Social Services in Scotland: a Shared Vision and Strategy. This strategy has four main areas for action: to support the workforce; understand service quality and performance; improve the use of evidence; and promote public understanding of the sector. One example is delivering a report on the economic value of the social service workforce in partnership with the regulators in England, Wales, and Northern Ireland. With our partners, we published this report in June 2018.

Table 6: Strategic outcome 3 measures

	2016/17	2017/18
The SSSC is recognised as an organisation that contributes to social service workers having the skills needed to do their jobs. [Also used to measure Strategic Outcome 2]	Not available	78%
Social service workers report that our learning resources have improved their practice.	Not available	81%

In addition to using a measure of our contribution to social service workers' skills, in our customer survey we also asked whether our learning resources improved registrants' practice. We received positive results; 81% (7,332 of 9,099 respondents) of respondents indicated that our resources did improve their practice. Out of the people who have used our resources, 97% (4,262 of 4,388) said they would or had already recommended them to other people.

Table 7: Project delivery progress under strategic outcome 3

Strategic priority	Project	Did we deliver this project as planned?
Priority 4: Social service qualifications meet the needs of learners and employers.	Project 4a: Carry out an audit of our learning resources	✓ We carried out an audit of our resources and the impact of these on the sector in 2017. The resulting report recommended that we consider a more systematic approach to demonstrating the impact of all our resources and we will take this work forward in 2018/19.
	Project 4b: Work with Social Work Scotland, IRISS and other partners to deliver Enhancing Leadership Capability of Scotland's Social Services 2017-2020	✓ Among the partnership work delivered this year were the final cohort of "You as a Collaborative Leader" programme and the collaborative leadership in practice groups.
	Project 4c: Implement the Palliative Care Framework with the NHS Education for Scotland (NES)	✓ We worked with NES to support integration authorities to implement the Palliative Care Framework and contribute to registration qualification requirements.
	Project 4d: Scope the workforce requirements for criminal justice social workers.	✓ We designed a workforce development approach with Community Justice Scotland (CJS) and the Centre for Youth and Criminal Justice to support the skills of the youth justice workforce.

Strategic priority	Project	Did we deliver this project as planned?
	Project 4e: Deliver workforce requirements from the Carers Act.	✓ We have identified the knowledge and skills required to deliver the Adult Carer Support Plans and Young Carers Statements. We are developing the required resources.
	Project 4f: Deliver a report on the economic value of the social service workforce	✓ On behalf of Skills for Care and Development, we project managed the delivery of a report on the economic value of the social service workforce for the UK. This report was published in June 2018.

#### 1.5.4 Strategic outcome 4: Our stakeholders value our work

We are committed to continuously improving and ensuring that we are able to demonstrate the impact of our work. Many of the projects under strategic outcome 4 will improve our standards of customer service, provide better evidence and intelligence about our work, and demonstrate the value of what we do. Our work to deliver this outcome supports the Scottish Government's aim to make public services high quality, continually improving and efficient, and responsive to local people's needs. Some of the projects under our strategic outcome four is dependent on the delivery of our Digital Transformation programme, which will make us more efficient and agile. This programme will continue through 2018/19.

Table 8: Strategic outcome 4 measures




	2016/17	2017/18
Our customers are satisfied with the service they receive from the SSSC.	Not available	71%
An unqualified external audit annual report provides evidence of good corporate governance and effective use of resources.	Yes	Yes

Our recent customer survey indicates that of those people who contacted us, 71% (4,838 of 6,786 respondents) of respondents are very or somewhat satisfied with the standard of customer service they receive, compared to 6% (383 of 6,786) who were very or somewhat unsatisfied. We prioritised our work to deliver our Digital Transformation programme during 2017/18, and so did not make as much progress as planned delivering a programme of customer care improvement during 2017/18. One of the aims of Digital Transformation is to improve our customer service. We will continue to monitor and report on this indicator, and develop other measures, under this outcome as part of our work on customer service quality improvement which will be taken forward in 2018/19.

The annual report by our internal auditors concluded that of the 17 actions due to be implemented by 31 March 2018, 14 (82%) were fully implemented, three (18%) were partially completed. Our external auditors gave an unqualified

annual report, which also assessed that the financial statements give a true and fair view and have been properly prepared.

Table 9: Project delivery progress under strategic outcome 4

Strategic priority	Project	Did we deliver this project as planned?
Priority 5: A customer focus throughout the organisation	Project 5a: Develop the "SSSC way" of how we work.	 Initial work on this project identified a gap between our policies and procedures and the existing SSSC values. As a result, in 2018/19 we will deliver a revised set of values that underpin our organisational improvement and support the "SSSC way" of working.
	Project 5b: Develop and implement a customer care programme for our staff.	 We established an organisational customer excellence working group to develop, deliver, and monitor a quality improvement programme for customer service, which will begin work in 2018/19. This group will also coordinate and share information about related work programmes such as Digital Transformation.
	Project 5c: Implement a quality framework for the SSSC.	 We have introduced a programme of self-assessment based on the European Foundation for Quality Management Excellence Model. We also achieved Committed to Excellence award recognition from Quality Scotland.

Strategic priority	Project	Did we deliver this project as planned?
	Project 5d: Review our business intelligence systems.	✓ We reviewed our performance management and customer research arrangements and made a number of improvements that will allow us to coordinate and make our work in this area more effective.
	Project 5e: Develop and implement a business intelligence framework.	✓ We introduced a performance management framework in 2017/18 that consists of a number of new performance reports that will provide more timely information to Council Members and senior management.
	Project 5f: Implement our Digital Strategy.	✓ Council approved the Digital Strategy in June 2017. There is now a programme of work underway to deliver our Digital Transformation aims.
Priority 6: High standards of governance	Project 6a: Develop and implement an online performance and governance system.	✗ We identified a suitable system and this work is now part of the wider Digital Transformation programme that will be progressed further during 2018/19.



Strategic priority	Project	Did we deliver this project as planned?
	Project 6b: Training needs analysis of all staff.	✗ We have introduced a revised personal development planning process, the Development Discussion. This structured discussion includes a reference to employees' training needs but we have further work to take forward a training needs audit of all staff and record training corporately.
	Project 6c: Paperless financial transactions.	✓ Invoices are now sent and received through email. We will consider further e-invoicing (apart from registration fees). We also introduced an automated 24-hour payment facility over the telephone.
	Project 6d: Develop a financial strategy that addresses the sustainability of the SSSC.	✓ A financial strategy was agreed by Council Members in June 2017.

## 2 Performance analysis

In section two of the Annual Report and Accounts, we explain how we manage and report on our performance and then present more detailed analysis of our operational performance against key indicators. We also present policy arrangements and performance figures on our social and environmental impact, as well as our work to reduce inequality.

### 2.1 Performance management arrangements

We have a structured approach to performance management and reporting that provides timely management information and business intelligence to our senior management and Council Members for decision making and accountability.

Table 10: Planning and performance reporting

Planning	Performance	Scrutiny
Directorate Plan: Sets out annual improvement and business objectives with resource and performance information.	Monthly Operational Performance Report  Performance section of Directorate Plans provide key performance indicators and results	Operational Management Team  Executive Management Team
Annual Strategic Delivery Plan: Annual operational plan to deliver our Strategic Outcomes	Monthly Operational Performance Report  Strategic Performance Report (every six months in March and October)	Operational management team  Executive management team  Council Members

Planning	Performance	Scrutiny
Strategic Plan 2017 to 2020: Sets out the three-year vision and outcomes	Strategic Performance Report (every six months in March and October) Annual Report and Accounts (in June)	Executive management team Council Members Public

## 2.2 Operational performance

### 2.2.1 Registration

In October 2017, we opened the Register to support workers in care at home and housing support services. As of the end of March, we have registered or are processing the applications of around 15% of these workers. These workers must register by 2020. Due in part to a sustained communication plan and learning from experience, this process ran more smoothly than it ever has. We projected opening this part of the register would result in an additional 10,000 applications. As of the end of March, we received 16,504 applications for this part of the register. In total, during 2017/18 we received 54,694 applications and renewals compared to 34,972 received in 2016/17. This is an increase of 56%.

Despite the increase in applications received, on average we took 35 days to process an application this year compared to 46 days in 2016/17. The number of individuals on the register has also increased, with 8% (8,169) more people on the register than in the previous year.

Table 11: Registration performance indicators

	2015/16	2016/17	2017/18
Number of registration applications and renewals received	36,820	34,972	54,694
Average number of days to process a registration application (does not include withdrawn, cancelled, or rejected)	49 days	46 days	35 days
Average number of day to process a registration renewal	17 days	30 days	23 days
Number of unique individuals registered with us (people can be registered on more than one part of our register)	93,168 people (+17%)	97,183 people (+4%)	105,352 people (+8%)

### 2.2.2 Fitness to practice

We received 2,342 referrals in 2017/18, compared to 2,537 the previous year. This reduction is despite the opening of the new register parts and the increase in applications received. This reflects the anticipated decrease in the rate of referrals following the 2016 change to our model of regulation to one based on someone's fitness to practice, instead of conduct. We expected that following the move in model we would see an increase in the percentage of cases referred that do not meet our thresholds, and then for that figure to reduce as employers' understanding increased. This year, we closed on average 14% of cases as not meeting our thresholds compared to an average of 12% in 2016/17. It is too early to assess whether this is a trend following the change in model, but we will continue to monitor these figures on a monthly basis.

The most frequent reasons for referrals during 2017/18 were:

- assault or violence outside of work
- inappropriate behaviour towards a colleague
- medication failure

- other criminal behaviour
- other practice failings
- other regulatory issue
- service user neglect, including leaving someone unattended
- sickness absence.

We reduced the time taken to close a case to nine months, compared to 12 months in 2016/17. In 2018/19, we will be introducing a new case management system as part of our digital transformation programme, and we believe this will improve our efficiency and reduce case time even further.

We know from monitoring levels of attendance at hearings of workers and their representatives that, in general, workers' attendance at hearings is lower than we would like (around 35%, 100 hearings). Representation also continues to be low (16%, 47 hearings); analysis indicates no change over the last few years. We recognise more sustained work is required to deliver the third and final project under this priority: to increase attendance at hearings by workers and their representatives. Cross-department work has resulted in the development of new resources aimed at promoting our role as a regulatory body, as well as increasing engagement in and awareness of our fitness to practise procedures. Linked to our digital transformation work, we are investigating the cost of attendance at hearings and looking into alternatives, including holding hearings elsewhere and providing remote access to hearings. We will continue to focus our efforts on this area of work during 2018/19.

Table 12: Fitness to practice indicators

	2015/16	2016/17	2017/18
Number of referrals received	2,865	2,342	2,537
Percentage of cases closed as below threshold	16%	12%	14%
Average time to close a fitness to practice case	11 months	12 months	9 months

	2015/16	2016/17	2017/18
Percentage of referrals that result in any type of hearing	20%	25%	19%
Number of hearings held	586	596	483
Percentage of hearings attended by a worker	34%	32%	35%
Percentage of hearings attended by a representative	19%	19%	16%

Table 13: Outcomes of fitness to practice investigations

	2015/16	2016/17	2017/18
Register	707	455	593
Register with condition	130	84	15
Refuse registration	11	6	5
Warning, condition or suspension	252	250	91
Removal	84	86	83
No further action	996	1,311	1,758

Under the Public Interest Disclosure Act (1998), the SSSC is a prescribed person and as such is required to publish a report on whistleblowing cases we have received. As part of this role, from 2017/18 we are required to publish a report every year detailing referrals that qualify as whistleblowing and the actions we took as a result. In 2017/18, we received 35 referrals that qualify as whistleblowing:

- we opened a fitness to practice case for 13 of these referrals
- we directed seven referrals to another organisation, which was the employer in all instances
- we referred the matter to another organisation in five instances, the employer (four) and the Care Inspectorate (one)
- we took no further action in eight instances

- in two instances, the referrals related to workers we were already investigating and we included the information in the investigation
- out of the 13 cases we opened for investigation, 12 remain on-going (one case has been closed due to insufficient evidence to prove the allegations).

Whilst low, whistleblowing has enabled us to take action to protect the public in these specific cases. We do see that many referrals we receive from employers have come about as a result of an employee raising a concern about the practice or behaviour of a colleague to their manager. This suggests openness from employers in the sector to act on concerns without leaving individuals feeling there is no alternative but to whistleblow to their regulator. We welcome that many employees take their responsibilities set out in the Codes of Practice so seriously in reporting bad practice. However we are not complacent about our part in enhancing a culture of openness and are developing guidance on raising concerns in conjunction with the Care Inspectorate.

### **2.2.3 Learning and development**

We work with stakeholders to develop and deliver resources to support the professional development of the workforce and the sector. One example of this work is the [Open Badges](#) initiative. Open Badges are digital certificates that recognise learning and achievement. We and dozens of other social service organisations issue Open Badges to recognise continuous and informal learning that would otherwise go unrecorded. We develop and maintain our Open Badges web platform to recognise the application of learning from our resources to practice in the field. As of the end of 2017/18, the web platform has 4,500 registered users and had issued 2,270 badges.

Another example of our learning and development work is [Promoting Excellence](#), a learning and improvement framework that we deliver in partnership with NHS Education for Scotland to help people develop the right knowledge and skills for working with people living with dementia. The framework defines four levels of knowledge and skills so that workers can identify learning needs and plan appropriate learning activities. We also support the Dementia Ambassadors

programme, which identifies champions within the workforce to promote the use of the Promoting Excellence framework. In 2017/18, we carried out a review of our Dementia Ambassadors initiative. The Care Inspectorate's report on an inspection of 145 care homes for older people (My Life, My Care Home, 2017) stated that:

- In the care homes with grades of good or above, 47% aligned staff roles to the Promoting Excellence framework. This compared with alignment in just 9% of care homes with grades of adequate or lower.
- There was a Dementia Ambassador in 46% of the care homes. In 53% of care homes with grades of good or above, there was a Dementia Ambassador compared with 33% of care homes with grades of adequate or lower which didn't have a Dementia Ambassador.

We assess the post-registration training and learning requirements of all newly qualified social workers to identify and monitor continuous learning and development. This year, we also introduced the same assessment to a small sample of non-social workers. On average, during 2017/18 we took 50 days to complete the post registration training and learning (PRTL) assessment. To drive improvement and a more consistent response time, we introduced a customer standard of six weeks.

Table 14: PRTL assessments of newly qualified social workers and a sample of non-social workers

	2015/16	2016/17	2017/18
Number of PRTL assessments carried out	N/A	141 <sup>1</sup>	339
Average number of days taken to complete the PRTL assessment	N/A	20	50

Workers applying to the Register must meet occupational standards. We aim to resolve any UK qualification referrals within 28 working days.

▪ <sup>1</sup> Monitoring of PRTL assessments began in August 2016, so we do not have a full-year figure for this financial year.



Table 15: UK Qualification Referrals

	2015/16	2016/17	2017/18
Average number of referral cases closed per month	33	39	41
Percentage of UK qualification referrals resolved within 28 working days	91%	93%	94%

## 2.3 Financial performance

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

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

Our budgeted income and funding for 2017/18 was as follows:

	2017/18 Budgeted Income £000	2017/18 Budgeted Funding £000	2017/18 Total Income and Funding £000
Grant in aid		14,348	14,348
Specific grants		1,908	1,908
Registration fees	2,743		2,743
Practice learning reimbursement	2,081		2,081
Other income	295		295
<b>Total income and funding</b>	<b>5,119</b>	<b>16,256</b>	<b>21,375</b>

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

The 2017/18 expenditure budget was set at £21.645m. This is £0.270m more than the 2017/18 funding available. During the 2016/17 financial year the Sponsor agreed £0.700m transitional funding for use in 2017/18. The Sponsor permitted this funding to be retained in our General Reserve. Of this, £0.270m was to assist with the 2017/18 deficit funding position and £0.430m for our digital transformation project.

Our actual surplus for 2017/18 was £0.397m i.e. £0.667m more than the budgeted deficit position of £0.270m. This surplus will be retained in the General Reserve to fund our digital transformation programme.

This means our General Reserve will increase and not reduce as was anticipated when the 2017/18 budget was set. The closing balance of £1.491m (note 12) is 7.0% of gross expenditure. The SSSC's target range for the revenue element of the general reserve is 2% (£0.433m) to 2.5% (£0.541m) of our gross expenditure budget. The higher than normal General Reserve balance is held to fund the two year (2017/18 and 2018/19) digital transformation programme. Some elements of the programme have not progressed as quickly as originally anticipated and expenditure planned in 2017/18 will now be incurred in 2018/19. This will be funded by drawing on the General Reserve balance.

There was no capital expenditure during the 2017/18 financial year. The following table shows our revenue budget position:

	2017/18 Budget £000	2017/18 Actual £000	Variance £000
Revenue expenditure	21,645	20,993	(652)
Fee income	(2,743)	(2,598)	145
Practice learning reimbursement	(2,081)	(2,081)	0
Other income	(295)	(288)	7
<b>Net expenditure</b>	<b>16,526</b>	<b>16,026</b>	<b>(500)</b>
Grant in aid (revenue)	(14,348)	(14,348)	0
Specific grant funded projects	(1,908)	(2,075)	(167)
<b>Total funding</b>	<b>(16,256)</b>	<b>(16,423)</b>	<b>(167)</b>
<b>(Surplus)/deficit for the year</b>	<b>270</b>	<b>(397)</b>	<b>(667)</b>
<b>Transfer to/(from) General Reserve</b>	<b>(270)</b>	<b>397</b>	<b>667</b>

### 2.3.1 Reconciliation to Statement of Comprehensive Net Expenditure (SCNE)

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

1. For budgeting purposes we consider grants and grant in aid to be income. The accounting position must present grants and grant in aid as sources of funds and they are credited to the General Reserve on the Statement of Financial Position.
2. Post-employment benefits (pensions) must be accounted for using International Accounting Standard 19 "Employee Benefits". IAS 19 requires accounting entries for pensions to be based on actuarial pension expense calculations. Our funding position is based on the cash pension contributions we make as an employer to the pension scheme.

3. Grant in aid used for the purchase of non-current assets is credited to the General Reserve and the balance is reduced by the amount of depreciation charged each year. The 2017/18 depreciation charge is £10k.

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

	Ref/note	2017/18 £000
Deficit per the SCNE	SCNE	11,486
Funding from grants and grant in aid	13a	(16,423)
Reverse IAS 19 pension accounting adjustments	5b table 2	4,550
To fund depreciation of assets	6a	(10)
<b>Surplus on funding and budgeting basis</b>		<b>(397)</b>

### 2.3.2 Supplier Payment Policy

The SSSC is committed to the Confederation of British Industry Prompt Payment Code for the payment of bills for goods and services we receive. It is our policy to make payments in accordance with the Scottish Government's instructions on prompt payment and a target of payment within ten days. In 2017/18 we paid 96.80% (2016/17: 99.02%) of invoices within ten days.

## 2.4 Stakeholder relationships

Our stakeholders are people and groups who are affected by, or have an interest in, what we do, including our staff.

In all our Council reports we are required to identify the stakeholders and how we have involved them, consulted with and/or informed them. We have a Stakeholder Engagement Strategy and Framework in place, which sets out the principles, values and methods for engaging effectively with our stakeholders.

## 2.5 Social and community impact

Our purpose is to protect people who use social services, often the most vulnerable people in our society. Through our work of registering, regulating and developing the workforce we aim to make sure the workforce protects the rights

of people who use services and carers. The SSSC [Codes of Practice](#) for Social Service Workers and Employers sets out these obligations.

As we develop resources to support the workforce we have aligned our work with Scottish Government policy objectives to build on the strengths of the community and individuals to ensure that older people can stay in their homes and communities as long as they want and are able to. We have developed learning resources to enhance the skills to encourage people from all walks of life to consider a career in care and to develop leadership skills throughout the workforce.

In our fitness to practise work we are compliant with human rights issues to ensure that the process is fair and accessible. We have been active participants in the on-going review of the National Care Standards, which is taking a rights-based approach.

Under the Children and Young People (Scotland) Act 2014 we are defined as a corporate parent and have a number of duties and responsibilities under that Act. Corporate parenting is "the formal and local partnerships between all services responsible for working together to meet the needs of looked after children, young people and care leavers". Our [Corporate Parenting Plan](#) sets out how we will comply with the responsibilities set out by the Act.

## **2.6 Equality**

The Regulation of Care (Scotland) Act 2001 requires us to act in a manner that encourages equal opportunities. More specifically, the Equality Act 2010 sets out the public sector general equality duty that requires public authorities to pay due regard to the need to eliminate unlawful discrimination, victimisation and harassment; advance equality of opportunity; and foster good relations. These requirements apply across the protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex, sexual orientation, and (to a limited extent) marriage and civil partnership.

Scottish Ministers introduced specific duties for Scottish public authorities to enable better performance of the Public Sector Equality Duty. One of these

specific duties requires us to publish a set of [Equality Outcomes](#) by 30 April every four years, and publish progress towards the outcomes every two years (the next progress report will be published in 2019). As part of our work to address inequality, we also carry out Equality Impact Assessments on all of our policies and changes to service delivery. We publish completed assessments on our website.

## **2.7 Environmental impact**

The Climate Change (Scotland) Act 2009 places duties on public bodies relating to climate change. In 2015, the Scottish Government also introduced an order requiring public bodies to report annually to Scottish Ministers on their compliance with the climate change duties. Keep Scotland Beautiful publishes these [reports](#).

We manage our carbon emissions through a shared service with the Care Inspectorate. We reported last year that we would agree a new carbon management plan in 2017/18. As this work did not progress as expected, we will develop this plan in 2018/19. We will also develop a new policy on our environmental impact that will include targets for our environmental sustainability and biodiversity work. In the meantime, we continue to take a number of steps to reduce our environmental impact and present these below:

- We have agreed a joint procurement strategy with the Care Inspectorate, in which one of the included aims is to routinely consider environmental, social and economic opportunities and the impact of our purchasing decisions.
- Although we require some of our employees to travel within Scotland and further, managers approve employee travel with the expectation that public transport will be used when possible. We also provide video conferencing facilities so that travel is not always required.
- We share offices with the Care Inspectorate in which we introduced lighting control, replacement LED lighting, voltage optimisation and water

saving through reduction in toilet flush capacity. This has resulted in reduced electricity consumption.

- We have signed a social impact [pledge](#) that includes promoting and undertaking recycling as part of our operations. We recycle our ICT waste through Haven Recycling, which aims to provide meaningful and sustainable employment for people with disabilities and disadvantaged people. Haven focuses on reusing equipment and works to a zero landfill target of 100%.

The amount of carbon we produced has reduced by 30% since the baseline year of 2015/16.

Table 19: Carbon emission indicators

	2015/16	2016/17	2017/18
Total CO <sub>2</sub> produced (tonnes CO <sub>2</sub> equivalent)	338.7	278.1	237.8
Our total CO <sub>2</sub> is broken down into:			
Travel	147.7	107.8	85.2
Gas and electricity	189.7	168.9	151.3
Water	0.6	0.6	0.7
Waste and recycling	0.7	0.8	0.6

Lorraine Gray  
Chief Executive and Accountable Officer  
23 October 2018

## **SECTION B: ACCOUNTABILITY REPORT**

### **3. Corporate Governance Report**

#### **3.1 Directors' Report**

##### **SSSC Council**

Members sitting on the SSSC Council during 2017/18 were:

The SSSC Council members

- James McGoldrick (Convener)
- Dame Anne Begg
- Audrey Cowie
- Paul Dumbleton
- Paul Edie (Chair of the Care Inspectorate)
- Linda Lennie
- Professor Joyce Lishman
- Forbes Mitchell
- Andrew Rome
- Harry Stevenson.

##### **Executive Management Team**

The Executive Management Team (EMT) are employees of the SSSC. The following individuals served on the EMT during 2017/18:

- Anna Fowlie, Chief Executive
- Lorraine Gray, Director of Strategic Performance and Engagement
- Maree Allison, Director of Fitness to Practise
- Gordon Weir, Director of Corporate Services (shared post with Care Inspectorate) (to 24 September 2017)
- Kenny Dick, Head of Shared Services (shared post with Care Inspectorate) (from 25 September 2017)
- Phillip Gillespie, Head of Learning and Development was in attendance.



## **Register of Interests**

A [Register of Members' Interests](#) is maintained and is available for inspection by members of the public. Declarations of conflicts of interest are standing agenda items at each Council and Committee meeting.

## **Personal data related incidents**

There were no data protection breaches reported to the Information Commissioner's Office for the year to 31 March 2018.

There are no significant data losses to report for the year to 31 March 2018.

## **Disclosure of information to auditors**

So far as I, the Accountable Officer, am aware, our auditors have all the relevant information.

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

## **Non audit fees**

Grant Thornton provided services solely relating to the statutory audit and no further assurance, tax or other services were provided. Scott Moncrieff provided internal audit services relating to the internal audit plan and also carried out an investigative assignment during the year.

## **Pension liabilities**

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

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

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

## **National Fraud Initiative**

The SSSC participated in the National Fraud Initiative during 2016/17. This work is carried out every two years, the next exercise being 2018/19. This is a data matching exercise which assists in the prevention and detection of fraud. No issues were identified.

### **3.2 Statement of Accountable Officer's responsibilities**

Under paragraph 9 (1) of Schedule 2 to the Regulation of Care (Scotland) Act 2001, the SSSC is required to prepare a statement of accounts for each financial year in the form and on the basis directed by Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the SSSC and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

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

Scottish Ministers designated the Chief Executive as the Accountable Officer for the SSSC. The responsibilities of the Chief Executive as Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping of proper records and for safeguarding the SSSC's assets, are set out in the Non-Departmental Public

Bodies' Accountable Officer Memorandum issued by the Scottish Government and published in the Scottish Public Finance Manual.

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

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

### **3.3 Governance Statement**

#### **Introduction**

The SSSC is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The SSSC also has a duty of Best Value as 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, Council 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 consists of a Convener and nine Members. The Convener and eight of the Members were appointed by Scottish Ministers through the Public Accounts Board. The Chair of the Care Inspectorate is a member of the Council through a reciprocal arrangement where the Convener of the SSSC is a Board Member of the Care Inspectorate. The membership reflects a wide range of insights relating to the field of social care, including service users, carers, those involved in service delivery, regulation and those delivering education and training for the social service workforce. The Council remains ultimately responsible and accountable for all the decisions taken in its name, whether directly or through its Committees.

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

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

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

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

### **Audit Committee**

The purpose of this committee is to:

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

### **Resources Committee**

This committee was established to:

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

### **Remuneration Committee**

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

### **Registration Committee**

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

### **Conduct Committee**

This committee was established to take an overview of and provide a report to the Council on outcomes and disposals of the Preliminary Proceedings Sub-committees and Conduct Sub-committees and to consider the training

requirements of Members of the Conduct Committee and to report thereon to the Council.

### **Fitness to Practise Committee**

This committee acts as the Fitness to Practise Committee in terms of the Fitness to Practise Rules. The Committee takes an overview of and reports to Council on outcomes and disposals of the Fitness to Practise Panels. Panels may be appointed consisting solely of co-opted members of this committee who are not Council Members.

### **Special Appeals Committee**

This committee provides a mechanism for dealing with concerns in relation to Fitness to Practise Panel, Registration, Conduct and/or Preliminary Proceedings Sub-committee members as they may arise.

### **Employment Appeals Sub-committee**

This committee was established to provide a mechanism for dealing with employee grievance and disciplinary appeal matters as they arise.

The SSSC has a number of sub-committees and panels that meet as required. They are:

- Conduct Sub-committee
- Preliminary Proceedings Sub-committee
- Registration Sub-committee
- Fitness to Practise Panel
- Training Appeals Panel
- Qualification Panel

We also have the following informal forum which does not report to Council:

### **Policy Forum**

The Policy Forum comprises all Council Members and was established to provide an informal discussion platform for Council members to consider topical or specific issues in more depth. The Forum is an informal discussion platform and

has no executive decision making powers. The Forum is not a committee of the Council.

### **Council Members**

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

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

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

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

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



### SSSC Committee membership and attendance - 1 April 2017 and 31 March 2018 (inclusive)

	Council	Resources Committee		Audit Committee		Employment Appeals Sub committee		Remuneration Committee	
Number of meetings:	4	4		5		1		1	
Council Member	Attended	Member	Attended	Member	Attended	Member	Attended	Member	Attended
Professor James McGoldrick, (Convener)	4							Yes	1
Dame Anne Begg	3			Yes	5				
Audrey Cowie	4	Yes	4					Yes	1
Paul Dumbleton	3	Yes	4					Yes	1
Paul Edie (Chair, Care Inspectorate)	3			No	1				
Linda Lennie**	2								
Professor Joyce Lishman (Vice-chair)	3			Yes	3				
Forbes Mitchell	3	Yes	3	Yes	5	Yes	1		
Andrew Rome	3			Yes	5	Yes	1		
Harry Stevenson	2	Yes	3	No	1	Yes	1		

The Registration Committee, Conduct Committee, Fitness to Practise Committee and Special Appeals Committee did not meet in the year to 31 March 2018.

The Audit Committee was scheduled to meet six times during 2017/18. However, one Audit Committee meeting was not quorate.

\*\* Linda Lennie was an observer at both Audit and Resources Committees on 6 December 2017 and 28 February 2018. She also attended Council on 31 October 2017. Her start date was 17 November 2017.

## **Accountable Officer**

Anna Fowlie was Chief Executive of the SSSC until 22 April 2018. Lorraine Gray was appointed as the SSSC's Interim Chief Executive (and Accountable Officer) on 23 April 2018 and appointed permanent Chief Executive on 20 August 2018. Lorraine Gray is therefore the designated Accountable Officer for the SSSC at the time the Annual Report and Accounts are signed. The Accountable Officer is personally responsible to Scottish Ministers, who are ultimately accountable to the Scottish Parliament, for securing propriety and regularity in the management of public funds and for the day-to-day operations and management of the SSSC.

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

## **Executive Management Team (EMT)**

The EMT supports the Chief Executive in her Accountable Officer role through the formal Scheme of Delegation. The EMT comprised the Director of Strategic Performance and Engagement, the Director of Fitness to Practise, the Director of Corporate Services (to 24 September 2017) Head of Shared Services (from 25 September 2017) and the Head of Learning and Development. Each of these officers has responsibility for the development and maintenance of the governance environment within their own areas of control.

## **External Audit Appointment**

Under the Public Finance and Accountability (Scotland) Act 2000 our independent auditors are appointed by the Auditor General for Scotland by Audit Scotland. Audit Scotland appointed Grant Thornton UK LLP as our independent external auditors for a 5 year period from 1 April 2016.

## **Internal audit**

The SSSC's internal audit function is contracted out. Internal audit forms an integral part of the SSSC's internal control and governance arrangements. The internal audit service operates in accordance with Public Sector Internal Audit Standards and undertakes an annual programme of work approved by the Audit Committee. This annual programme is based on a formal risk assessment

process which is updated on an on-going basis to reflect evolving risks and changes. It also takes account of the three year Strategic Internal Audit Plan and the Annual Internal Audit Plan.

Each year our internal auditors provide the Audit Committee with assurance on the whole system of internal control. In assessing the level of assurance to be given for 2017/18, our internal auditors take into account:

- All reviews undertaken as part of the 2017/18 internal audit plan;
- Any scope limitations imposed by management;
- Matters arising from previous reviews and the extent of follow-up action taken, including in year audits;
- Expectations of senior management, the Council and other stakeholders;
- The extent to which internal controls address the client's risk management/control framework;
- The effect of any significant changes in the SSSC's objectives or systems; and
- The proportion of the SSSC's internal audit coverage achieved to date.

The internal auditors overall opinion for 2017/18 was:

"the SSSC has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks."

### **Code of Corporate Governance review**

There is an annual review of our Code of Corporate Governance and the associated Register of Policies.

We have determined to hold a three yearly review of our Standing Orders and Scheme of Delegation. Revisions are made within the three year cycle if required.

## **Risk management**

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

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

## **Information governance**

We have information governance policies and procedures in place to ensure we use and store information securely under the Freedom of Information (Scotland) Act 2002 and the Data Protection Act 2018. We also have a procedure to respond to suspected data breaches and operate a Records Management Policy and a Data Protection Policy, which provide a consistent, organised and systematic approach to responding to requests for information and managing the information that we hold. To support this work we have an annual information governance training strategy, which includes training our employees to meet the new General Data Protection Regulation that came into place May 2018.

We referred no data breaches to the Information Commissioner's Office this year. We received 41 Freedom of Information requests compared to 30 in 2016/17. And of these, we:

- refused one in full
- refused three in part
- zero went to further review
- zero were appealed to the Information Commissioner's Office.

## Freedom of information requests and data breaches

	2015/16	2016/17	2017/18
Number of data breaches	62	85	58
Data breaches referred to the Information Commissioner's Office	1	1	0
Freedom of information requests	39	30	41
Percentage of freedom of information requests responded to on time	100	97	98

## Complaints handling

We monitor all complaints we receive and make sure that we respond to them within the timescales advised by the Scottish Public Services Ombudsman. We record the reasons for any complaints to identify areas for improvement in our processes and procedures. In 2017/18, the main reason for stage one complaints was the fitness to practise process. At stage two, the main reason was our fitness to practice procedures.

	2015/16	2016/17	2017/18
Stage 1 complaints received	315	379	292
Percentage responded to within 5 working days	92%	94%	93%
Stage 2 complaints received	26	19	24
Percentage acknowledged within 3 working days	85%	84%	96%
Percentage responded to within 20 working days	77%	89%	96%

## System of internal financial control

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

The SSSC's system of internal financial control is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and a

system of delegation and accountability. Development and maintenance of the system is the responsibility of managers within the SSSC. In particular, the system includes:

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

## **Review**

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

- the views of Audit Committee on the assurance arrangements
- the opinions of internal and external audit on the quality of the systems of governance, management and risk control
- "Certificates of Assurance" supplied by EMT members to the Accountable Officer following a review of the governance arrangements within their specific areas of responsibility
- 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**

No significant governance issues have been identified as a result of the review process.

## **Developing the governance framework**

### Review of Corporate Governance

The annual review of Corporate Governance is scheduled for December 2018 and the review of the Register of Policies will be carried out during October 2018.

### Quality assurance

We are members of Quality Scotland and have adopted the European Foundation Quality Management (EFQM) framework. Working with Quality Scotland we have identified a number of areas for improvement and work will continue on those projects in 2018/19.

### Risk management

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

### Preparation for General Data Protection Regulation (GDPR)

We undertook preparatory work during 2017/18 to ensure compliance with GDPR and this work will continue into the 2018/19 financial year. The GDPR apply in the UK from 25 May 2018. The Government has confirmed that the UK's decision to leave the EU will not affect the commencement of the GDPR.

### Counter Fraud and Corruption Framework

The SSSC's new Counter Fraud and Corruption Framework, including a counter fraud and corruption policy, strategy and response plan together with a formal action plan was agreed in May 2017. This replaced the Fraud Policy and Response Plan. A fraud and corruption risk register was also agreed to document the controls in place to mitigate fraud. This complies with the CIPFA Code of Practice on Managing the risk of Fraud and Corruption. The Counter Fraud and Corruption Framework will be reviewed during the 2018/19 financial year.

**Certification**

The SSSC's governance framework has been in place for the year ended 31 March 2018 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.



## **4. Remuneration and staff report**

### **UNAUDITED INFORMATION**

#### **4.1 Remuneration report**

##### **Introduction**

This report provides information on the remuneration of SSSC Council Members and senior managers in 2017/18. Senior managers are members of the Executive Management Team (EMT). The EMT is the Chief Executive, the Director of Strategic Performance and Engagement, the Director of Fitness to Practise, the Director of Corporate Services (Head of Shared Services from 25 September 2017) and the Head of Learning and Development. The report contains both audited information and information which is not specifically subject to audit.

##### **Remuneration Committee**

The Remuneration Committee determines the performance element of the pay of the EMT excluding the pay of the Chief Executive. The performance element of EMT pay is dependent on satisfactory performance. This will ensure the EMT member can move to the next salary point within their pay grade.

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

- Professor James McGoldrick (Convener)
- Audrey Cowie (Chair of Resources Committee)
- Paul Dumbleton (Vice Chair of Resources Committee).

The Committee is advised by the following officers:

- Chief Executive
- Head of Human Resources.

## **Remuneration policy**

### **Members**

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

### **Executive Management Team**

#### **Chief Executive**

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

#### **Senior managers**

The three senior managers employed by the SSSC (Director of Strategic Performance and Engagement, Director of Fitness to Practise and Head of Learning and Development) who comprised the EMT during 2017/18 are on a salary scale of £58k to £69k. Incremental progression to the maximum of the scale is determined by performance. Performance is assessed by the SSSC's Performance Development Review System and progression is subject to agreement by the Remuneration Committee. The SSSC's pay strategy must be approved by the Scottish Government. Subject to that approval, a pay award package is negotiated with the trade union. When the pay award package has been agreed it is applied to the remuneration of senior managers and the main body of SSSC staff.

The Director of Corporate Services and Head of Shared Services are employed by the Care Inspectorate and work for the SSSC through a shared service arrangement.

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

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

Normally there is no payment available in the event of early termination of the contract. However, where special circumstances exist, Scottish Ministers may determine that compensation for early termination is appropriate and instruct the SSSC to make a payment. The value of the payment would also be determined by Scottish Ministers.

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

Name	Current term	Date of initial appointment	Date of re-appointment	Date of termination of appointment
Professor James McGoldrick (Convener)	2 <sup>nd</sup>	01 Sept 2013	01 Sept 2016	31 Aug 2019
Dame Anne Begg	1 <sup>st</sup>	01 Jan 2016	n/a	31 Dec 2018
Audrey Cowie	2 <sup>nd</sup>	01 Sept 2013	01 Sept 2016	31 Aug 2019
Paul Dumbleton	2 <sup>nd</sup>	01 Sept 2013	01 Sept 2016	31 Aug 2019
Paul Edie*	4 <sup>th</sup>	15 April 2013	15 April 2017	14 April 2020
Linda Lennie	1 <sup>st</sup>	01 Nov 2017	n/a	31 Oct 2020
Professor Joyce Lishman	2 <sup>nd</sup>	01 Oct 2012	01 Oct 2015	30 Sept 2018
Forbes Mitchell	2 <sup>nd</sup>	01 Sept 2013	01 Sept 2016	31 Aug 2019
Andrew Rome	2 <sup>nd</sup>	01 Sept 2013	01 Sept 2016	31 Aug 2019
Harry Stevenson	2 <sup>nd</sup>	01 Sept 2012	01 Sept 2015	31 Aug 2018

\* Paul Edie is Chair of the Care Inspectorate. There is a reciprocal arrangement where the Convener of the SSSC is a Board Member of the Care Inspectorate and the Chair of the Care Inspectorate is a Council Member. Paul Edie is in his fourth term of office due to a series of short appointments.

### 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 Anna Fowlie will attain normal retirement age in 11.4 years. Termination of the contract requires a notice period of six months by either party.

Anna Fowlie left the SSSC on 22 April 2018 and Lorraine Gray was appointed Interim Chief Executive on 23 April 2018. Lorraine Gray was appointed on a permanent basis to the post of Chief Executive on 20 August 2018.

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

### Senior managers

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

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

Name	Title	Date of appointment	Years to normal retirement age
Lorraine Gray	Director of Strategic Performance and Engagement	18 Feb 2008	11.4
Maree Allison	Director of Fitness to Practise	1 March 2010	23.0
Phillip Gillespie	Head of Learning and Development	25 April 2016	18.6

### Services from other organisations

Gordon Weir, the Director of Corporate Services and Kenny Dick, Head of Shared Services are employed by the Care Inspectorate but provide professional services to the SSSC through a Service Level Agreement (SLA). Gordon Weir served on the Executive Management Team until 24 September 2017 and Kenny Dick served on the EMT from 25 September 2017. The SSSC made payments to the Care Inspectorate for professional services on the EMT as follows:

	2017/18 £000	2016/17 £000
Gordon Weir, Director of Corporate Services	26.7	26.3

## **Discretionary benefits policy**

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

This policy allows additional years of pensionable service to be awarded to those members of the pension scheme who have more than five years pensionable service. The award of additional pensionable service is limited to a maximum of six and two thirds years in a redundancy situation and 10 years if early termination is in the interests of the efficiency of the service.

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

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

## **AUDITED INFORMATION**

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

<b>Salary 2016/17 £000</b>		<b>Salary 2017/18 £000</b>
25 – 30	Professor James McGoldrick (Convener)	25 - 30
0 – 5	Dame Anne Begg	0 – 5
0 – 5	Lorraine Brown (to 31/10/2016)	0
0 – 5	Audrey Cowie	0 – 5
0 – 5	Paul Dumbleton	0 – 5
0	Linda Lennie (from 01/11/2017)	0 – 5
0 – 5	Professor Joyce Lishman	0 – 5
5 – 10	Forbes Mitchell	0 – 5
0 – 5	Andrew Rome	0 – 5
0 – 5	Harry Stevenson	0 - 5

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

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

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

### Remuneration – Executive Management Team

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

	Single Total Figure of Remuneration							
	Salary		Benefits in Kind (to nearest £100)		Pension Benefits*		Total	
		2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
	£000	£000	£	£	£000	£000	£000	£000
<b>Anna Fowlie</b> Chief Executive	80-85	80-85	0	0	27	17	110 - 115	100 - 105
<b>Lorraine Gray</b> Director of Strategic Performance and Engagement	65-70	60-65	0	0	22	(18)	85 - 90	45 - 50
<b>Maree Allison</b> Director of Fitness to Practise	60-65	60-65	0	0	21	20	80 - 85	80 - 85
<b>Phillip Gillespie</b> ** Head of Learning and Development	55-60	n/a	0	0	n/a	n/a	55 - 60	n/a

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

\*\* There are no 2016/17 comparative figures for the Head of Learning and Development as he joined the EMT in 2017/18.

#### Salary

Salary includes gross salary; overtime; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This

report is based on accrued payments made by the SSSC as recorded in the Annual Accounts.

#### Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the SSSC and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were paid during 2017/18.

#### **Fair Pay Disclosure**

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

The Chief Executive was the highest paid director in the financial year 2017/18 and 2016/17. The full-time annual salary for the Chief Executive is in the salary band £80,000 to £85,000. The mid-point of this band is £82,500 which is 3.42 times greater than the median remuneration of the workforce. One agency employee received remuneration in excess of the Chief Executive during 2017/18. In 2016/17, no employee received remuneration in excess of the Chief Executive.

	2017/18 £	2016/17 £
Highest paid employee (mid-point)	82,500	82,500
Median salary	24,105	25,239
Remuneration ratio	<b>3.42</b>	<b>3.27</b>
Staff minimum FTE remuneration	16,320	15,015
Staff maximum FTE remuneration (*agency worker)	*118,250	67,008

Total remuneration includes salary, overtime and other taxable allowances as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. Salaries are grossed up for employees who have not worked full time or for the full financial year.

## Local Government Pension Scheme (LGPS)

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

	As at 31 March 2018				Cash Equivalent Transfer Values (CETVs)		
	Accrued pension at age 65 £000	Related lump sum £000	Real increase in pension at age 65 £000	Real increase in related lump sum at age 65 £000	As at 31 March 2017 £000	As at 31 March 2016 £000	Real Increase £000
Chief Executive	55 - 60	65 - 70	0 - 2.5	0 - 2.5	619	569	37
Director of Strategic Performance and Engagement	25 - 30	0 - 5	0 - 2.5	0 - 2.5	178	154	20
Director of Fitness to Practise	35 - 40	-	0 - 2.5	-	91	75	14
Head of Learning and Development	35 - 40	20 - 25	n/a	n/a	209	-	n/a

There are no 2016/17 comparative figures for the Head of Learning and Development as he joined the EMT in 2017/18.

### Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the LGPS. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in



accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

#### Real increase in CETV

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

#### **Payment of compensation for loss of office**

There was provision made for a senior manager regarding a potential settlement agreement arising from an employment tribunal raised against the SSSC in December 2017. No Council Members or other senior managers received any payment or other compensation for loss of office.

## 4.2 Staff Report

### 4.2.1 Staff numbers, permanent and other

The tables below provide analysis of permanent and non-permanent staff engaged to work for the SSSC during 2017/18 and related costs. Staff numbers are expressed as average full time equivalents (FTE) employed in the year.

	2017/18		
	Permanently Employed FTE	Others FTE	Total FTE
Senior managers	3	0	3
Other employees	224	21	245
Agency workers	0	2	2
Secondments inward	0	1	1
Total staff engaged	227	24	251
Secondments outward	(2)	0	(2)
Net staff engaged on SSSC activity	<b>225</b>	<b>24</b>	<b>249</b>

	2017/18		
	Permanently Employed £000	Others £000	Total £000
Senior manager salaries	260	0	260
Other employee salaries	6,348	600	6,948
Social security costs	670	55	725
Pension service costs	2,188	100	2,288
Total cost directly employed staff	9,466	755	10,221
Council members (i)	0	50	50
Fitness to Practise Panel Members (ii)	0	354	354
External Assessors (ii)	0	10	10
Agency workers	0	147	147
Secondments inward	0	83	83
Total cost of people engaged	9,466	1,400	10,865
Severance costs	58	0	58
Other staff costs	122	0	122
<b>Staff costs (SCNE)</b>	<b>9,646</b>	<b>1,400</b>	<b>11,045</b>
Secondments outward	(123)	0	(123)
<b>Net staff costs</b>	<b>9,523</b>	<b>1,400</b>	<b>10,922</b>

- (i) There was a Convener and 9 Council Members during the year. Council Members are office holders and are not included in the staff numbers.
- (ii) Other staff costs include the cost of Fitness to Practise Panel Members who take part in hearings and make decisions about workers' fitness to practise. We engaged 99 panel members in 2017/18 for an average of 17 days. External Assessors review overseas qualifications for registration purposes. We engaged six external assessors during 2017/18.

## 2016/17 Comparative information

	2016/17		
	Permanently Employed FTE	Others FTE	Total FTE
Senior managers	4	0	4
Other employees	229	23	252
Agency workers	0	0	0
Secondments inward	0	1	1
Total staff engaged	233	24	257
Secondments outward	(2)	0	(2)
Net staff engaged on SSSC activity	<b>231</b>	<b>24</b>	<b>255</b>

	2016/17		
	Permanently Employed £000	Others £000	Total £000
Senior manager salaries	276	0	276
Other employee salaries	6,407	594	7,001
Social security costs	653	53	706
Pension service costs	1,860	99	1,959
Total cost directly employed staff	9,196	746	9,942
Council members (i)	0	59	59
Fitness to Practise Panel Members (ii)	0	397	397
External Assessors (ii)	0	18	18
Agency workers	0	66	66
Secondments inward	0	2	2
Total cost of people engaged	9,196	1,288	10,484
Severance costs	153	0	153
Other staff costs	87	0	87
<b>Staff costs (SCNE)</b>	<b>9,436</b>	<b>1,288</b>	<b>10,724</b>
Secondments outward	(112)	0	(112)
<b>Net staff costs</b>	<b>9,324</b>	<b>1,288</b>	<b>10,612</b>

- (i) There was a Convener and 9 Council Members during the year. Council Members are office holders and are not included in the staff numbers.
- (ii) Other staff costs include the cost of Fitness to Practise Panel Members who take part in hearings and make decisions about workers' fitness to practise. We engaged 81 panel members in 2016/17 for an average of 22 days. External Assessors review overseas qualifications for registration purposes. We engaged seven external assessors during 2016/17.

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

#### 4.2.2 Staff composition by gender

The table below provides a gender breakdown of directly employed staff as at 31 March 2018. Staff numbers are provided on a head count basis.

Role	Permanent		Other Staff		Total	
	Male	Female	Male	Female	Male	Female
Executive Management						
Team	1	3	0	0	1	3
Other staff	60	174	2	20	62	194
<b>Total</b>	<b>61</b>	<b>177</b>	<b>2</b>	<b>20</b>	<b>63</b>	<b>197</b>

#### 4.2.3 Sickness absence

We lost 4.4% working time to sickness absence during 2017/18, which is an improvement over last year's figure of 4.7%. Our figure for 2017/18 is close to the Chartered Institute of Personnel Development's 2016 average of 4.3%, but higher than the Office for National Statistics public sector average for 2016, 2.9% (2017 data is not yet available for these benchmark figures).

#### 4.2.4 Staff turnover data

The SSSC's voluntary staff turnover was 9.1% in 2017/18. This compares to 11.4% in 2016/17. The Chartered Institute of Personnel and Development (CIPD) median rate of voluntary turnover for all employers was 10.0%.

#### **4.2.5 Policies in relation to disabled people**

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

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

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

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

#### **4.2.6 Expenditure on consultancy**

In 2017/18 there was expenditure of £67.8k to provide leadership development, support the development of Integration and secure tax and health and safety advice. Expenditure of £10.5k was incurred in 2016/17 on research in support of developing our digital strategy and tax advice.

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

During 2017/18 one staff member left the SSSC and received a voluntary severance payment.

Exit costs include:

- Compensation for reduced notice
- Redundancy payments
- Employer costs of providing early unreduced access to pension (strain on fund).

Settlement agreements were reached with two ex-employees during the 2017/18 financial year. A provision has been created in expectation of a third settlement payment (detailed at note 11c). The settlement agreements were agreed by Scottish Government in the interest of value for money.

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

Exit package cost band	2017/18		2016/17	
	Number of departures	Total cost £000	Number of departures	Total cost £000
Up to £25,000	4*	58	1	4
£100,000 to £150,000	0	0	1	149
	<b>4</b>	<b>58</b>	<b>2</b>	<b>153</b>

\*includes a provision in expectation of a settlement agreement for one departure.

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

#### 4.2.8 Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1<sup>st</sup> April 2017. The regulations require public sector employers to publish specific information related to facility time provided to trade union officials. The information for 2017/18 follows.

### Relevant union officials

The total number of SSSC employees who were relevant union officials during the 2017/18 financial year is detailed below:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3.0	2.6

### Time spent on facility time

The table below provides the number of our employees who were relevant union officials employed during 2017/18 and the percentage of their working hours spent on facility time.

Percentage of time	Number of employees
0%	0
1-50%	3
51%-99%	0
100%	0

### Percentage of pay bill spent on facility time

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

Total cost of facility time	£0.048m
Total pay bill	£9.107m
Percentage of the total pay bill spent on facility time	0.053%

### Paid trade union activities

The table below provides hours spent by employees who were relevant union officials during the 2017/18 financial year as a percentage of total paid facility time hours.

Time spent on paid trade union activities as a percentage of total paid facility time hours	68.94%
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## 5. Parliamentary Accountability Report

### 5.1 Losses and special payments

There were no losses or special payments which exceed the £300,000 reporting threshold in the year to 31 March 2018 (nil for the year to 31 March 2017).

### 5.2 Fees and charges

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

Under section 57 of the Regulation of care (Scotland) Act 2001, the SSSC can set reasonable fees through changes to our Registration Rules. This requires the consent of Scottish Ministers.

A review of fees and consultation with stakeholders was carried out during 2016/17 and a fee increase applied from 1 September 2017.

Our budget is funded mainly by a mixture of grant in aid from the Scottish Government, specific grants (mainly from the Scottish Government) and fees paid by registrants. The 2017/18 budget was based on funding of 78% from grant in aid, 13% from fees charged to applicants and registrants and 9% from specific grants (2016/17; 82% grant in aid, 10% specific grants and 8% fees).

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

	2017/18			2016/17		
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000
Registration Fees	2,743	2,598	145	2,059	2,090	(31)

Lorraine Gray  
Chief Executive and Accountable Officer  
23 October 2018



## **6. Independent Auditors Report**

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

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Report on the audit of the financial statements**

#### **Opinion on financial statements**

We have audited the financial statements in the annual report and accounts of the Scottish Social Services Council for the year ended 31 March 2018 under the Regulation of Care (Scotland) Act 2001. The financial statements comprise the Statement of Comprehensive Net Expenditure, the statement of financial position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2017/18 Government Financial Reporting Manual (the 2017/18 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2018 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 FReM; and
- have been prepared in accordance with the requirements of the Regulation of Care (Scotland) Act 2001 and directions made

thereunder by the Scottish Ministers.

### **Basis of opinion**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern basis of accounting**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Responsibilities of the Accountable Officer for the financial statements**

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

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

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## **Other information in the annual report and accounts**

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the remuneration and Staff Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Report on regularity of expenditure and income**

### **Opinion on regularity**

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

### **Responsibilities for regularity**

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## **Report on other requirements**

### **Opinions on matters prescribed by the Auditor General for Scotland**

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

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

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

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in respect of these matters.

Joanne Brown, (for and on behalf of Grant Thornton UK LLP)

110 Queen Street

Glasgow

G1 3BX

October 2018

## **7. ANNUAL ACCOUNTS**

### **SCOTTISH SOCIAL SERVICES COUNCIL**

**1 April 2017 to 31 March 2018**

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**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2018**

	Ref/ note	2017/18 £000	2016/17 £000
<b>Income</b>			
Registration fees	2a	(2,598)	(2,090)
Other operating income	2b	(2,369)	(2,229)
		(4,967)	(4,319)
<b>Expenditure</b>			
Staff costs	3a	11,045	10,724
Operating expenditure	6a	4,914	4,267
Postgraduate bursaries	6b	2,574	2,591
Practice learning fees	6b	2,317	2,306
Voluntary Sector Development Fund	6b	1,046	0
Other disbursements	6b	162	51
		22,058	19,939
<i>Net operating cost on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities</i>			
		17,091	15,620
Bank charges		26	29
Net interest on defined pension (asset)/liability	5b	268	194
<i>Net operating cost on ordinary activities after interest and net interest on pension scheme net liabilities</i>			
		17,385	15,843
Total actuarial re-measurements on defined pensions (asset)/liability	5b	(5,899)	3,562
<b>Total comprehensive net expenditure before Government funding</b>		<u>11,486</u>	<u>19,405</u>

All operations are continuing

The notes on pages 82 to 105 form an integral part of these accounts

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

			*Restated
	Ref/ note	2017/18 £000	2016/17 £000
<b>Non-current assets</b>			
Property, plant and equipment	7	37	47
Intangible assets	8	0	0
Prepayments - greater than one year	9	5	14
<b>Total non-current assets</b>		42	61
<b>Current assets</b>			
Trade and other receivables	9	1,030	764
Cash and cash equivalents	10	5,592	3,995
<b>Total current assets</b>		6,622	4,759
<b>Total assets</b>		6,664	4,820
<b>Current liabilities</b>			
Trade and other payables	11	(5,111)	(3,679)
Provision	11c	(25)	0
<b>Total current liabilities</b>		(5,136)	(3,679)
<b>Assets plus current liabilities</b>		1,528	1,141
<b>Non-current liabilities</b>			
Pension (liabilities)/assets	5a	(5,618)	(10,168)
<b>Total non-current liabilities</b>		(5,618)	(10,168)
<b>Net (liabilities)/assets</b>		<u>(4,090)</u>	<u>(9,027)</u>
<b>Taxpayers' equity</b>			
Pensions reserve	SOCTE	(5,618)	(10,168)
General reserve	12	1,528	1,141
		<u>(4,090)</u>	<u>(9,027)</u>

\*Restated: see note 9 and note 11

The notes on pages 82 to 105 form an integral part of these accounts

Lorraine Gray  
Chief Executive and Accountable Officer  
23 October 2018



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018**

		<b>*Restated</b>
	<b>Ref/ note</b>	<b>2017/18 2016/17 £000      £000</b>
<b>Cash flows from operating activities</b>		
Net operating cost before Government funding	SCNE	(11,486)      (19,405)
Adjustments for non-cash items:		
Pension adjustments and re-measurements	5b, table 2	(4,550)      4,496
Depreciation and amortisation	7, 8	10      199
Increase/(decrease) in trade and other receivables	9a	(257)      519
Increase/(decrease) in trade and other payables	11a	1,432      (141)
Increase in provisions	11c	25      0
<b>Net cash outflow from operating activities</b>		<b>(14,826)      (14,332)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	7	0      0
<b>Net cash outflow from investing activities</b>		<b>0      0</b>
<b>Cash flows from financing activities</b>		
Funding from Government	13a	16,423      15,021
<b>Net financing</b>		<b>16,423      15,021</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	<b>10</b>	<b>1,597      689</b>
Cash and cash equivalents at the beginning of the period	10	3,995      3,306
Cash and cash equivalents at the end of the period	10	5,592      3,995

\*Restated: see note 9 and note 11

The notes on pages 82 to 105 form an integral part of these accounts

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

		<b>Pension Reserve £000</b>	<b>General Reserve £000</b>	<b>Total Reserves £000</b>
<b>Balance at 31 March 2016</b>		<b>(5,672)</b>	<b>1,029</b>	<b>(4,643)</b>
<b>Changes in taxpayers' equity for 2016/17</b>				
Pensions adjustment and re-measurement	5b table 2	(4,496)	4,496	0
Total comprehensive net expenditure	SCNE	0	(19,405)	(19,405)
<b>Total recognised income and expense for 2016/17</b>		<b>(4,496)</b>	<b>(14,909)</b>	<b>(19,405)</b>
Funding from Government	13a	0	15,021	15,021
<b>Balance at 31 March 2017</b>		<b>(10,168)</b>	<b>1,141</b>	<b>(9,027)</b>
<b>Changes in taxpayers' equity for 2017/18</b>				
Pensions adjustment and re-measurement	5b table 2	4,550	(4,550)	0
Total comprehensive net expenditure	SCNE	0	(11,486)	(11,486)
<b>Total recognised income and expense for 2017/18</b>		<b>4,550</b>	<b>(16,036)</b>	<b>(11,486)</b>
Funding from Government	13a	0	16,423	16,423
<b>Balance at 31 March 2018</b>		<b>(5,618)</b>	<b>1,528</b>	<b>(4,090)</b>

The notes on pages 82 to 105 form an integral part of these accounts

# Notes to the Accounts

## 1 Statement of accounting policies

### 1.1 Basis of accounting

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

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

### 1.2 Accounting standards issued but not yet effective

In accordance with IAS 8, changes to IFRS that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. IFRS 16 Leases (from January 2019) has been considered. No significant impact on future periods' financial statements is anticipated.

### 1.3 Accounting convention

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

#### 1.4 **Going concern**

The accounts have been prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future. Further explanation of the adoption of the going concern basis is contained in the Financial Performance section (pages 11 to 12).

#### 1.5 **Property, plant and equipment**

##### 1.5.1 **Capitalisation**

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

##### 1.5.2 **Valuation**

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

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

##### 1.5.3 **Depreciation**

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

#### 1.6 **Intangible assets**

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

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

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

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

### 1.8 **Government grants receivable**

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

### 1.9 **Disbursement grants and bursaries payable**

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

### 1.10 **Leases**

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

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

#### 1.11 **Cash and cash equivalents**

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

#### 1.12 **Pensions**

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

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

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

#### 1.13 **Short term employee benefits**

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

#### 1.14 **Shared services**

The SSSC shares its headquarters and some services with the Care Inspectorate. The Care Inspectorate charges the SSSC for services provided

based on a Service Level Agreement (SLA). The SLA contains arrangements akin to a lease for accommodation costs and ICT equipment.

#### **1.15 Value Added Tax (VAT)**

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

#### **1.16 Revenue and capital transactions**

Revenue and capital transactions are recorded in the accounts on an income and expenditure basis ie recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the SSSC as at 31 March 2018 have been brought into account.

#### **1.17 Financial instruments**

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

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

##### **Trade receivables**

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

##### **Trade payables**

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

### 1.18 **Changes in accounting policy**

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

### 1.19 **Operating segments**

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

### 1.20 **Contingent Liabilities**

There were no contingent liabilities as at 31 March 2018.

## **2 Operating income**

	2017/18 £000	2016/17 £000	
2a	Registration fees	2,598	2,090
2b	Other operating income:		
	Practice learning reimbursement (i)	2,081	1,969
	Modern apprenticeship fees	149	129
	Recharges for seconded staff	123	112
	Other income (ii)	8	10
	Protection of Vulnerable Groups (PVG) fee recovery	8	9
		2,369	2,229

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

(ii) Other income for 2017/18 comprises: supplier discounts and rebates £6k and other recharges of £2k. Other income for 2016/17 comprises: supplier discounts and rebates £8k and other recharges of £2k.

## **3 Staff numbers and costs**

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



<b>Staff cost summary</b>	<b>2017/18 £000</b>	<b>2016/17 £000</b>
Permanently employed staff	10,221	9,942
Other people engaged	644	542
Other staff costs	180	240
<b>Total staff costs</b>	<b>11,045</b>	<b>10,724</b>

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

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

<b>Analysis of impact of actuarial pension valuation adjustments on staff costs (note 5)</b>	<b>2017/18 £000</b>	<b>2016/17 £000</b>
<b>Actual payments</b>		
Employer pension contributions actually paid	1,196	1,207
Unfunded pension payments actually paid	25	20
Total pension related payments actually paid	1,220	1,227
<b>Accounting entries (IAS 19 note 5)</b>		
Service costs included in staff costs (SCNE)	2,293	1,959
Variance between actual costs and accounting basis	<b>1,073</b>	<b>732</b>

**4 Severance and settlement costs**

The total cost of exit packages and settlement agreements in 2017/18 was £58k (2016/17: £153k). Details of exit packages are disclosed in section 4.2.7 (exit packages) of this report.

**5 Post-employment benefits: pensions**

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

## **Tayside Superannuation Fund**

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

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

Contributions are set every three years as a result of the actuarial valuation of the fund required by the regulations. An actuarial valuation of the fund as at 1 April 2018 has just been completed. Employer contribution rates have been set at 17% for 2018/19, 2019/20 and 2020/21. The next actuarial valuation of the fund will be carried out as at 31 March 2020 and will set contributions for the period 1 April 2021 to 31 March 2024. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The contributions paid by the SSSC for the year to 31 March 2018 were £1,195k representing 17.0% of pensionable pay (2016/17: £1,207k representing 17.0% of pensionable pay). Employee contribution rates were in the range 5.5% to 9.4% based on earnings bands. The employer's contribution rate for the year to 31 March 2019 is 17%.

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

- Investment risk: The fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk: The fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows.

As the fund holds assets such as equities the value of the assets and liabilities may not move in the same way.

- Inflation risk: All of the benefits under the fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- Longevity risk: In the event that the members live longer than assumed a deficit will emerge in the fund. There are also other demographic risks.

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

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

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

5a **Employee benefits – Statement of Financial Position recognition**

	As at 31 March 2018 £000	As at 31 March 2017 £000
Present value of funded obligation	38,999	35,936
Fair value of scheme assets (bid value)	33,767	26,210
<b>Net liability</b>	<b>5,232</b>	<b>9,726</b>
Present value of unfunded obligation	386	442
<b>Net liability in Statement of Financial Position</b>	<b>5,618</b>	<b>10,168</b>

5b **Statement of Comprehensive Net Expenditure costs for the year to 31 March 2018**

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

<b>Table 1:</b>	<b>Year to 31 March 2018</b>		<b>Year to 31 March 2017</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Service costs		2,293		1,959
Administration expenses		8		8
Net interest on defined liability/(asset)		268		194
Difference between actual employer's contributions plus unfunded payments and actuarial assumptions	(5)		4	
Return on plan assets in excess of interest	(725)		(3,957)	
Other actuarial (losses)/gains on assets	(4,676)		0	
Change in financial assumptions	(1,988)		7,517	
Change in demographic assumptions	(1,918)		0	
Experience loss/(gain) on defined benefit obligation	3,413		(2)	
Total re-measurements		(5,899)		3,562
<b>Total</b>		<b>(3,330)</b>		<b>5,723</b>
Actual return on scheme assets		<b>(1,478)</b>		<b>(4,746)</b>

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

<b>Table 2:</b>		<b>2017/18</b>	<b>2016/17</b>
<b>Actuarial adjustments are made for:</b>	<b>note</b>	<b>£000</b>	<b>£000</b>
Staff costs	3b	1,073	732
Administration expenses	5b table 1	8	8
Net interest on defined liability/(asset)	5b table 1	268	194
Total re-measurements	5b table 1	(5,899)	3,562
<b>Total actuarial adjustments</b>		<b>(4,550)</b>	<b>4,496</b>

5c **Benefit obligation reconciliation for the year to 31 March 2018**

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

	Year to 31 March 2018		Year to 31 March 2017	
	£000	£000	£000	£000
<b>Opening defined benefit obligation</b>		<b>36,378</b>		<b>25,724</b>
Current service costs		2,293		1,716
Past service costs including curtailments		0		243
Interest costs		1,021		983
Estimated benefits paid net of transfers in	(248)		(236)	
Contributions by scheme participants	454		453	
Unfunded pension payments	(20)		(20)	
Total scheme transactions		186		197
Change in financial assumptions	(1,988)		7,517	
Change in demographic assumptions	(1,918)		0	
Experience loss/(gain) on defined benefit obligation	3,413		(2)	
Total actuarial (gains)/losses		(493)		7,515
<b>Closing defined benefit obligation</b>		<b>39,385</b>		<b>36,378</b>

5d **Fair value of fund assets reconciliation for the year to 31 March 2018**

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

	Year to 31 March 2018		Year to 31 March 2017	
	£000	£000	£000	£000
<b>Opening fair value of fund assets</b>		<b>26,210</b>		<b>20,052</b>
Interest on assets		753		789
Estimated benefits paid plus unfunded net of transfers in	(268)		(256)	
Contributions by employer including unfunded	1,225		1,223	
Contributions by scheme participants	454		453	
Total scheme transactions		1,411		1,420
Return on assets less interest		725		3,957
Other actuarial gains		4,676		0
Administration expenses		(8)		(8)
<b>Closing fair value of fund assets</b>		<b>33,767</b>		<b>26,210</b>

5e **Projected pension expense for the year to 31 March 2019**

	Year to 31 March 2019 £000
<b>Projected pension expense</b>	
Service cost	2,378
Net Interest on the defined liability/(asset)	130
Administration expenses	11
<b>Total</b>	<b>2,519</b>
Employer contributions	1,158

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2018.

5f **SSSC fund assets**

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

Asset share – bid value	31 March 2018		31 March 2017	
	£000	%	£000	%
Equities	23,339	69%	18,869	72%
Gilts	1,790	5%	1,737	7%
Other bonds	3,909	12%	2,585	10%
Property	3,979	12%	2,586	10%
Cash	746	2%	433	1%
Alternatives	4	0%	-	-
<b>Total</b>	<b>33,767</b>	<b>100%</b>	<b>26,210</b>	<b>100%</b>

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

5g **Financial assumptions as at 31 March 2018**

The financial assumptions used for IAS 19 calculations are below. These assumptions are set with reference to market conditions at 31 March 2018. The estimate of the duration of the employer's past service liabilities is 25 years.

An estimate of the employer's cashflows is made using notional cashflows

based on the estimated duration. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bonds yield curve (where the spot curve is assumed to be flat beyond the 30 year point). The approach has changed from the "spot rate" approach adopted at the previous accounting date to reflect national auditor preferences.

Similarly, the approach used to derive the discount rate, the Retail Price Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the notional cashflows described below. The single inflation rate derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30 year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40 year point. The approach has changed from the "spot rate" approach adopted at the previous accounting date to reflect national auditor preferences.

As future pension increases are expected to be based on Consumer Price Index (CPI) rather than RPI, CPI is assumed to be 1.0% below RPI i.e. 2.3% per annum. The actuary believes this is a reasonable estimate for the future differences in the indices, based on the different calculation methods and recent independent forecasts. This is a slightly higher deduction than at the last accounting date where we assumed that CPI was 0.9% lower than RPI.

Salary increases are assumed to be 1.0% per annum above CPI in addition to a promotional scale.

<b>Assumptions at:</b>	<b>31 March 2018 % p.a.</b>	<b>31 March 2017 % p.a.</b>	<b>31 March 2016 % p.a.</b>
Discount rates	2.6%	2.8%	3.8%
Pensions increases	2.3%	2.7%	2.5%
Salary increases	3.3%	3.7%	4.3%

## 5h Demographic/statistical assumptions

A set of demographic assumptions that are consistent with those used for the most recent funding valuation, which was carried out as at 31 March 2017 have been adopted. The post retirement mortality tables adopted are the S2PA tables with a multiplier of 130%. These base tables are then projected using the CMI 2016 Model, allowing for a long-term rate of improvement of 1.5% per annum with a smoothing parameter of 7.5.

The assumed life expectations from age 65 are shown below:

<b>Life expectancy from age 65</b>		<b>31 March 2018 years</b>	<b>31 March 2017 years</b>
Retiring today	Males	20.3	21.4
	Females	22.2	23.5
Retiring in 20 years	Males	22.1	23.7
	Females	24.1	25.8

The following assumptions have been made:

- Members will exchange half of their commutable pension for cash at retirement,
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche requirement age, and
- It is assumed that opted-in active members will continue to pay 50% of contributions for 50% of benefits under the new scheme.



## 5i **Sensitivity analysis**

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

Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	38,428	39,385	40,366
Projected service cost	2,310	2,378	2,448
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	39,539	39,385	39,232
Projected service cost	2,379	2,378	2,377
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	40,214	39,385	38,577
Projected service cost	2,447	2,378	2,311
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	40,787	39,385	38,032
Projected service cost	2,454	2,378	2,304

## 6 **Analysis of operating costs**

6a

<b>Operating expenditure</b>	<b>2017/18 £000</b>	<b>2016/17 £000</b>
Supplies and services	2,472	1,449
Administration costs	1,419	1,578
Property costs	780	780
Transport costs	210	233
Depreciation and amortisation of assets	10	199
Pension administration costs (IAS 19)	8	8
Changes in debt impairment allowance	15	20
	<b>4,914</b>	<b>4,267</b>

The above total includes £19.2k (2016/17: £18.9k) for external auditor's remuneration. External audit did not receive any fees in relation to non-audit work.

## 6b **Analysis of disbursements**

During 2017/18 postgraduate bursaries totalling £2.574m (2016/17: £2.591m) were managed by the SSSC. Of this £1.554m (2016/17: £1.582m) was paid directly to students undertaking postgraduate social work training and £1.020m (2016/17: £1.009m) to universities for tuition fees.

A total of £2.317m (2016/17 £2.306m) was paid to universities to support practice learning opportunities during the year.

In 2017/18 the SSSC took over responsibility for administering the Voluntary Sector Development Fund (VSDF) on behalf of the Scottish Government. A total of £1.046m was paid to voluntary organisations to provide training for support workers in housing support and care at home services.

Disbursements totalling £0.162m were paid in 2017/18. Scottish Care received £0.080m for Workforce Development Matters activity and the Coalition of Care and Support Providers in Scotland (CCPS) received £0.070m for workforce development training and learning support activity. We contributed £0.012m to the Skills for Care and Development Partnership.

Disbursements totalling £0.051m were paid in 2016/17. Glasgow Caledonian University received £0.038m to Evaluate the Chief Social Work Officer Award and support students undertaking the Chief Social Work Officer programme. We contributed £0.008m to the Skills for Care and Development Partnership and £0.005m to the University of Edinburgh for research on child protection in Scotland.

## 7 Property, plant and equipment

	Plant & equipment £000	Furniture & fittings £000	Total £000
<b>Cost or valuation:</b>			
At 1 April 2017	145	154	299
Additions	0	0	0
Disposal/de-recognition	0	0	0
<b>At 31 March 2018</b>	<b>145</b>	<b>154</b>	<b>299</b>
<b>Depreciation:</b>			
At 1 April 2017	145	107	252
Charged in year	0	10	10
Disposal/de-recognition	0	0	0
<b>At 31 March 2018</b>	<b>145</b>	<b>117</b>	<b>262</b>
<b>Net book value:</b>			
<b>At 31 March 2018</b>	<b>0</b>	<b>37</b>	<b>37</b>
At 31 March 2017	0	47	47

	Plant & equipment £000	Furniture & fittings £000	Total £000
<b>Cost or valuation:</b>			
At 1 April 2016	145	154	299
Additions	0	0	0
Disposal/de-recognition	0	0	0
<b>At 31 March 2017</b>	<b>145</b>	<b>154</b>	<b>299</b>
<b>Depreciation:</b>			
At 1 April 2016	145	97	242
Charged in year	0	10	10
Disposal/de-recognition	0	0	0
<b>At 31 March 2017</b>	<b>145</b>	<b>107</b>	<b>252</b>
<b>Net book value:</b>			
<b>At 31 March 2017</b>	<b>0</b>	<b>47</b>	<b>47</b>
At 31 March 2016	0	57	57

## 8 Intangible assets

	Information technology £000
<b>Cost or valuation:</b>	
At 1 April 2017	1,071
Additions	0
Disposal/de- recognition	0
<b>At 31 March 2018</b>	<b>1,071</b>
<b>Amortisation:</b>	
At 1 April 2017	1,071
Charged in year	0
Disposal/de- recognition	0
<b>At 31 March 2018</b>	<b>1,071</b>
<b>Net book value:</b>	
<b>At 31 March 2018</b>	<b>0</b>
At 31 March 2017	0

	Information technology £000
<b>Cost or valuation:</b>	
At 1 April 2016	1,071
Additions	0
Disposal/de- recognition	0
<b>At 31 March 2017</b>	<b>1,071</b>
<b>Amortisation:</b>	
At 1 April 2016	882
Charged in year	189
Disposal/de- recognition	0
<b>At 31 March 2017</b>	<b>1,071</b>
<b>Net book value:</b>	
<b>At 31 March 2017</b>	<b>0</b>
At 31 March 2016	189

## 9 Trade and other receivables

9a

Summary of trade and other receivables	2017/18 £000	Restated 2016/17 £000
<b>Amounts falling due within one year</b>		
Prepayments and accrued income	574	551
Trade receivables	381	176
Other receivables	<u>75</u>	<u>37</u>
Total unimpaired receivables	456	213
	<b>1,030</b>	<b>764</b>
<b>Amounts falling due after more than one year</b>		
Prepayments	5	14
<b>Total trade and other receivables</b>	<b>1,035</b>	<b>778</b>

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.

The 2016/17 accounts were restated to remove £444k of postgraduate bursary expenditure which was incorrectly treated as a debtor when this should have reduced the creditors balance. There is a corresponding adjustment to trade and other payables (note 11).

9b

Provision for impairment of receivables	2017/18 £000	2016/17 £000
As at 1 April	(34)	(15)
Charge for the year	(172)	(142)
Unused amounts reversed	6	2
Uncollectable amounts written off	150	121
As at 31 March	<b>(50)</b>	<b>(34)</b>

As at 31 March 2018, trade and other receivables of £50k (2016/17: £34k) were past due and impaired. The amount of the provision is £50k (2016/17: £34k). The ageing analysis of these receivables is as follows:

<b>Aged analysis of past due and impaired receivables</b>	<b>2017/18 £000</b>	<b>2016/17 £000</b>
Up to 3 months past due	34	22
3 to 6 months past due	4	2
Over 6 months past due	3	6
Over 12 months past due	9	4
	<b>50</b>	<b>34</b>

As at 31 March 2018, trade and other receivables of £456k (2016/17: £213k) were due but not impaired. The ageing analysis of these receivables is as follows:

<b>Aged analysis of unimpaired receivables due</b>	<b>2017/18 £000</b>	<b>2016/17 £000</b>
Not yet due	342	183
Up to 3 months past due	90	14
3 to 6 months past due	18	6
Over 6 months past due	4	5
Over 12 months past due	2	5
	<b>456</b>	<b>213</b>

9c

<b>Analysis of trade and other receivables</b>	<b>2017/18 £000</b>	<b>Restated 2016/17 £000</b>
<b>Amounts falling due within one year</b>		
Bodies external to Government	979	734
Other Government bodies	49	28
Local authorities	2	2
	<b>1,030</b>	<b>764</b>
<b>Amounts falling due after more than one year</b>		
Bodies external to Government	5	14
<b>Total trade and other receivables</b>	<b>1,035</b>	<b>778</b>

## 10 Cash and cash equivalents

	2017/18 £000	2016/17 £000
Balance as at 1 April	3,995	3,306
Net change in cash and cash equivalent balances	1,597	689
Balance as at 31 March	<b>5,592</b>	<b>3,995</b>
The following balances as at 31 March were held at:		
Government banking service	5,592	3,962
Commercial banks and cash in hand	0	33
Balance as at 31 March	<b>5,592</b>	<b>3,995</b>

## 11 Trade and other payables

11a		2017/18 £000	Restated 2016/17 £000
	<b>Summary of trade and other payables</b>		
	<b>Amounts falling due within one year</b>		
	Trade payables	2,561	2,137
	Accruals and deferred income	2,116	1,043
	Other taxation and social security	171	178
	Other payables	251	312
	VAT	12	9
	<b>Total trade and other payables</b>	<b>5,111</b>	<b>3,679</b>

11b		2017/18 £000	Restated 2016/17 £000
	<b>Analysis of trade and other payables</b>		
	<b>Amounts falling due within one year</b>		
	Bodies external to Government	3,192	2,039
	Higher education institutes (HEIs)	1,220	1,167
	Other Government bodies	547	208
	Local authorities	152	265
	<b>Total trade and other payables</b>	<b>5,111</b>	<b>3,679</b>

Payables and receivables for 2016/17 were restated. The 2016/17 accruals and deferred income figure was reduced by £444k because expenditure was incorrectly treated as a debtor when this should have reduced the creditors balance. There is a corresponding adjustment to trade and other receivables (note 9).

11c A provision for a liability of £25k was created as at 31 March 2018 in relation to a potential settlement agreement arising from an employment tribunal claim raised against the SSSC in December 2017.

<b>Provision for liabilities</b>	<b>2017/18 £000</b>
As at 1 April	0
Addition	25
Amounts charged against the provision	0
Closing balance	<b>25</b>

## 12 Sources of financing

<b>2016/17 Total £000</b>	<b>General Reserve</b>	<b>Ref/ note</b>	<b>Revenue £000</b>	<b>2017/18 Capital £000</b>	<b>Total £000</b>
1,029	Opening balance		1,094	47	1,141
(19,405)	(deficit) for the year	SCNE	(11,476)	(10)	(11,486)
4,496	Pension adjustments and re-measurements	5b	(4,550)	0	(4,550)
15,021	Grants and grant in aid	13a	16,423	0	16,423
<b>1,141</b>	Closing balance		<b>1,491</b>	<b>37</b>	<b>1,528</b>

## 13 Government funding

13a	<b>Grants and grant in aid</b>	<b>2017/18 £000</b>	<b>2016/17 £000</b>
	Grant in aid	14,348	14,208
	Voluntary Sector Development Fund	1,050	0
	Workforce development grant	401	347
	Self-directed support grant	363	268
	Promoting excellence: dementia strategy	164	165
	Enhanced learning and CPD within childcare sector	50	0
	Leadership and integration in primary care	27	29
	Development of a smartphone app on child development	20	0
	Development of framework for Foster Carers in Scotland	0	4
	<b>Total funding from Government</b>	<b>16,423</b>	<b>15,021</b>

All grant conditions have been met. The amounts in the table reflect grants drawn down, net of any repayments. Therefore, as at 31 March 2018 no grants are due for repayment.



13b

Approved grant in aid from Scottish Government	14,348	13,508
Grant drawdown during the year	14,348	14,208
Additional grant in aid approved during the year	<b>0</b>	<b>700</b>

## 14 Capital commitments

There were no capital commitments as at 31 March 2018.

## 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:	2017/18 £000	2016/17 £000
<b>Buildings:</b>		
within 1 year	765	777
within 2 to 5 years	3,059	3,110
beyond 5 years	42	819
	<b>3,866</b>	<b>4,706</b>
<b>Other:</b>		
within 1 year	492	492
within 2 to 5 years	0	0
beyond 5 years	0	0
	<b>492</b>	<b>492</b>

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

### 15b Finance leases

There are no obligations or commitments under finance leases.

## 16 Contingent liability

There were no contingent liabilities as at 31 March 2018.

## **17 Related-party transactions**

The SSSC is a Non-Departmental Public Body (NDPB) sponsored by the Office of the Chief Social Work Adviser of the Children and Families Directorate of the Scottish Government. The SSSC has shared service arrangements with the Care Inspectorate 2017/18 £1,421k (2016/17 £1,235k). 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**

An employment tribunal claim was raised against the SSSC in December 2017. The tribunal claim was settled during August 2018 and a provision of £25k is included in the Statement of Financial Position in expectation of the settlement payment. There were no other events after the Statement of Financial Position date relating to the 2017/18 financial year.

## **Appendix 1**

### **SCOTTISH SOCIAL SERVICES COUNCIL**

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

#### **DIRECTION BY THE SCOTTISH MINISTERS**

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



Signed by the authority of the Scottish Ministers

Dated: 16 January 2006



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please contact the SSSC on 0345 60 30 891