

# Annual Report and Accounts

1 April 2018 to 31 March 2019

Improvement

Learning

Change

Growth

Digital

Annual Report and Accounts  
of the Scottish Social Services Council

This report is laid before the Scottish  
Parliament under Schedule 11 Section  
15(2) of the Public Services Reform  
(Scotland) Act 2010

1 April 2018 to 31 March 2019

SG/2019/257

The Interim Accountable Officer  
authorised these financial statements  
for issue after the Council meeting of 29  
October 2019

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# Annual Report

## Chief Executive's foreword

I am pleased to introduce the Scottish Social Services Council's Annual Report and Accounts for 2018/19. Last year's report explained that we had just launched a new strategic plan for 2017 to 2020, in which we set ourselves four ambitious strategic outcomes. This year, we are pleased to report that we have made good progress delivering the projects we prioritised for 2018/19.

This year has been one of change and learning for us. We were pleased and excited to deliver our aims for our digital development work and successfully went live with new and upgraded systems and equipment in February 2019. All of this was achieved alongside our day jobs—made possible by the passion and dedication of our employees.

While this digital development, including a new case management system and improved customer relationship system, is demonstrating benefits such as an easier and more efficient application process and increased staff morale, the oversight and management of the work were the subject of scrutiny during 2018/19.

As a result, we have taken steps to review our governance arrangements to make sure that we meet the high standards of transparency and accountability required of a public body in future.

We are now heading into 2019/20 with a renewed sense of purpose to focus on our customers and build on the investment we have already made in our digital offering to our registrants. We aim to make it easier and more intuitive for our registrants to find content through our online portal that is more personalised to them. We will also continue to embed management and governance improvements to the way we work so that we are efficient, effective and accountable – while keeping our role to protect people who use social services and strengthening the professionalism of the workforce at the core of everything we do.

A handwritten signature in black ink, appearing to read 'Maree Allison', with a stylized, flowing script.

**Maree Allison, Interim Chief Executive  
Scottish Social Services Council**

# Section A: Performance report

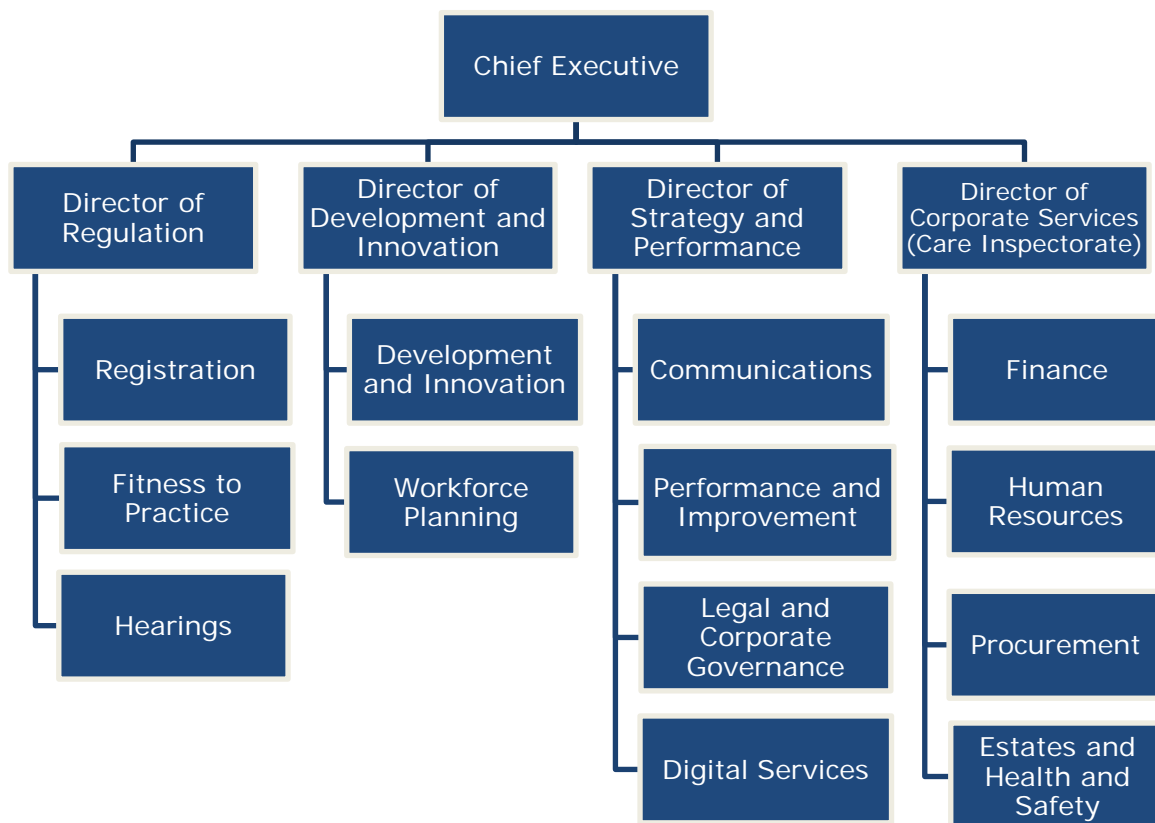
# Performance overview



# 1. Our organisation

- 1.1 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. Through workforce registration and regulation, we help to improve standards in social services and strengthen public protection.
- 1.2 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. We are governed by a council of ten members, including a convener, who are appointed by Scottish Government.
- 1.3 We have 248 full-time equivalent employees based in our office in Dundee. Our staff travel to cover the whole of Scotland to meet with registrants and stakeholders, to deliver learning and development events, and to conduct hearings.
- 1.4 Our staff are split between four directorates to deliver our business functions. The Corporate Services directorate shares some key staff, expertise and costs with the Care Inspectorate.

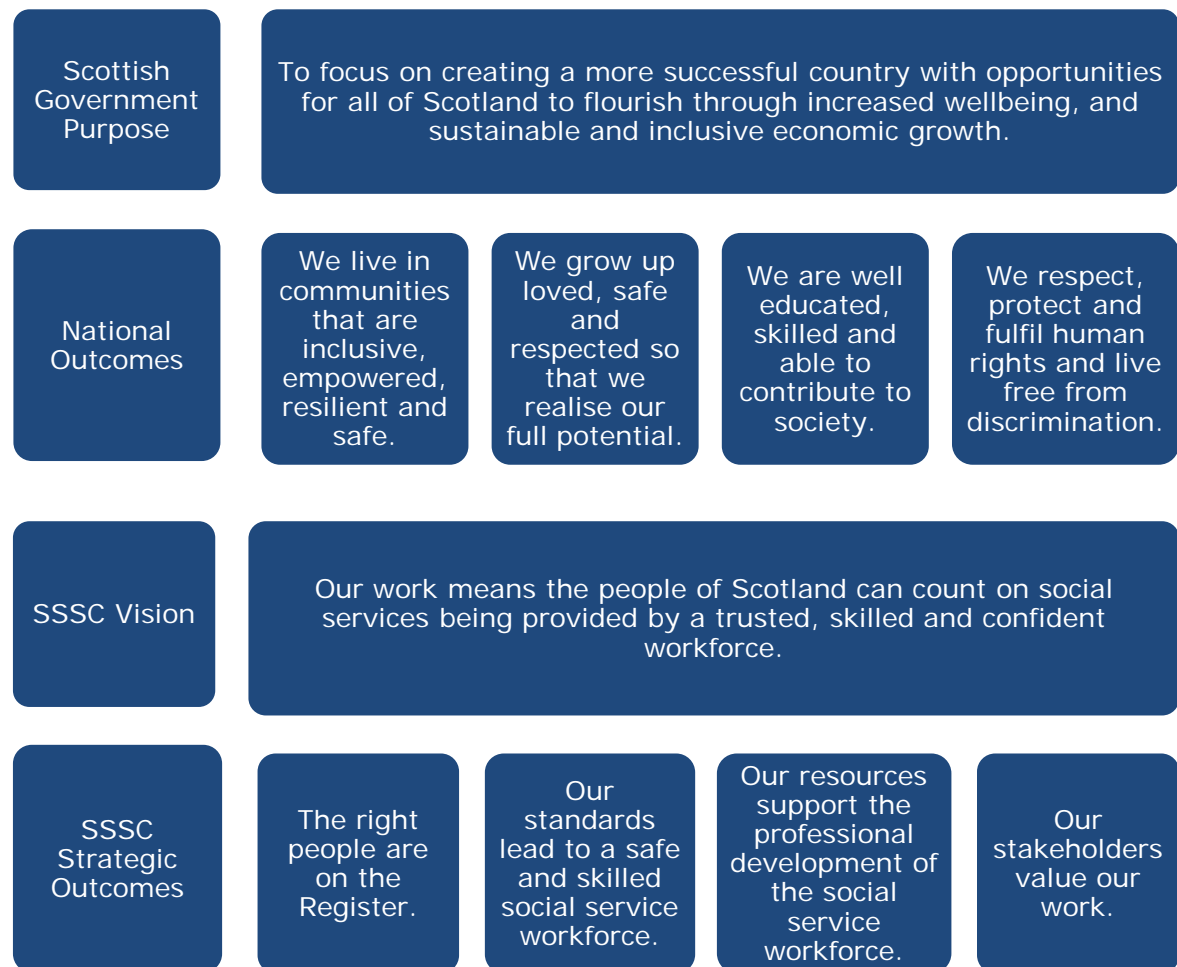
## Organisational structure



## 2. Our work

- 2.1 There are approximately 202,090 people working in social services across Scotland. This workforce includes social care workers, social workers, social work students and early learning and childcare workers. They work across a range of care services, in residential and day centres, community facilities and in people's homes.
- 2.2 We protect the public by 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. 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.
- 2.3 We published a three-year Strategic Plan in 2017. This document sets out our vision: 'Our work means the people of Scotland can count on social services being provided by a trusted, skilled and confident workforce.'
- 2.4 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. Our current Strategic Plan sets four strategic outcomes that we will deliver by 2020. Using the national indicators, we have mapped our vision and four strategic outcomes to the following four specific national outcomes.

## Scottish Government's Purpose and National Outcomes



### 3. Our business model

<b>Our key partners and stakeholders</b> <ul style="list-style-type: none"> <li>• Scottish Government sponsor – Office of the Chief Social Work Adviser</li> <li>• Social service employers' representative groups</li> <li>• People with lived experience</li> <li>• Learning providers and awarding bodies</li> <li>• NHS Education Scotland</li> <li>• Skills Development Scotland</li> <li>• Care Inspectorate</li> <li>• Other regulators within and out with social services and across the UK</li> <li>• Skills for Care and Development</li> <li>• Social Work Scotland</li> <li>• Convention of Scottish Local Authorities</li> </ul>	<b>Key activities</b> <ul style="list-style-type: none"> <li>• Maintain a register of eligible workers</li> <li>• Publish the codes of practice for people working in social services and their employers</li> <li>• Investigate concerns about the fitness to practise of registrants and applicants</li> <li>• Support the professional development of workers</li> <li>• National lead for workforce development and planning for social services in Scotland</li> </ul> <b>Key resources</b> <ul style="list-style-type: none"> <li>• Staff</li> <li>• IT systems and hardware</li> <li>• Office building including hearing rooms</li> <li>• Knowledge and experience</li> </ul>	<b>Value proposition</b> <p>Our work means the people of Scotland can count on social services being provided by a trusted, skilled and confident workforce.</p> <p>We protect the public by registering social service workers, setting standards for their practice, conduct, training and education and by supporting their professional development.</p> <p>Where people fall below the standards of practice and conduct we can investigate and take action.</p>	<b>Who we reach</b> <ul style="list-style-type: none"> <li>• Members of the public</li> <li>• People who use services and their carers</li> <li>• Social service user and carer representative groups</li> <li>• Advocacy and campaigning groups</li> </ul> <b>Our customers</b> <ul style="list-style-type: none"> <li>• The social service workforce in Scotland</li> <li>• Workers applying for registration</li> <li>• Registered workers</li> <li>• Employers of registered workforce</li> </ul>
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#### Budget

Our budgeted expenditure is funded by grant in aid from Scottish Government and fees paid by those on the Register. Our budgeted funding for 2018/19 was £17.4m from grant in aid and £4.6m from fees paid by registrants. We also budgeted to use £0.8m of our general reserve balance to contribute to our digital transformation programme. Section 6 has more detail.

## 4. Key risks




- 4.1 In addition to monitoring and mitigating the effect of issues and risks that may affect our work, as part of our planning work we consider the major strategic risks that could prevent us from achieving our outcomes and look at how we can reduce these. Our current strategic risks are:

Strategic risks
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 our 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 (ie 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.

- 4.2 We have a Risk Policy, reviewed annually, that is underpinned by a Strategic Risk Register and Operational Risk Register. Council Members and the Executive Management Team (EMT) agree a Strategic Risk Register documenting the major risks to the SSSC. The Operational Management Team (OMT) reviews, records, and assesses operational risk each month and escalates risks to the EMT. The EMT also reviews risk monthly. 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.

## 5. Performance summary

- 5.1 This section of the performance report presents a summary of performance against the strategic and operational measures agreed by our Council Members in the Strategic Plan 2017-2020. We also present a summary of performance delivering related projects under each of our four strategic outcomes, assessed against the following:

Key	
Milestones were met as planned.	
We are able to demonstrate some evidence of progress by the end of 2018/19, but some milestones have been delayed. Or we are not able to demonstrate significant improvement in the related measures.	
At this time, we are not able to demonstrate that we have made progress delivering the work as planned.	

- 5.2 We selected strategic measures as broad long term indicators of success that would resonate with our registrants and stakeholders. We carry out a survey of registrants to report on these measures.
- 5.3 Some of our work is difficult to quantify through numerical indicators, and for this reason we also monitor and report on project delivery.
- 5.4 We recognise that there is a lot of work that underpins the achievement of these measures that the indicators do not reflect. The performance analysis presents more detail about our operational work during 2018/19.







## 5.5 Strategic Outcome 1: The right people are on the Register

Our work to deliver our first strategic outcome, 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.

Measures	2016/17	2017/18	2018/19
Percentage of registrants who believe that registration with the SSSC provides positive benefits.	Not available	77%	70%
Percentage of cases referred to Fitness to Practise that meet the thresholds.	88%	86%	84%
We see an increase in the number of workers attending Fitness to Practise hearings.	32%	31% <sup>1</sup>	37%
We see an increase in the number of workers represented at Fitness to Practise hearings.	19%	13%	16%
We see a decrease in the average time it takes to conclude fitness to practice investigations.	11.8 months	9.2 months	7.5 months
Projected applications and renewals compared to actual applications and renewals received.	34,950 <sup>2</sup> received  Projection not available	54,864 received  47,167 projected	78,824 received  59,593 projected
Average time to complete the application process.	46.3 days	35.9 days	50.9 days

<sup>1</sup> We now have more accurate data for 2017/18 and 2018/19, resulting from the introduction of our new case management system. The new system has resulted in a change to figures reported in last year's Annual Report and Accounts.

<sup>2</sup> Our systems are live and may be slightly revised as we run validation and quality checks.


Projects 2018/19	Assessment of progress March 2019
Provide improved user experience and functionality through the new website and MySSSC portal.	 MySSSC and new website are now live.
Increase our direct engagement with the sector.	 We contributed to 78 events and continue to engage through established partnerships.
Increase representation at hearings.	 We have not yet demonstrated significant improvement in the related measures, although some progress has been made. We will continue to
Increase attendance at hearings.	 deliver work towards these projects in 2019/20, including monitoring the success of the trial to pay the expenses of hearing attendees.
Improve the information we provide to employers and registered workers, so they have a better understanding of when and how to make a referral.	 We have published guidance for employers and the public about making a referral. We published new Raising Concerns guidance for social service workers and social work students in January 2019.
New materials provide improved advice and guidance to support people through the fitness to practise process.	 We continuously respond to trends in feedback to update letters and guidance. We have surveyed those going through the fitness to practise process and will use the analysis to develop guidance.



## 5.6 Strategic Outcome 2: Our standards lead to a safe and skilled workforce

Strategic outcome two is that our standards lead to a safe and skilled social service workforce. Our priority is to ensure that social service qualifications and standards meet the needs of learners and employers.

Measure	2016/17	2017/18	2018/19
The SSSC is recognised as an organisation that contributes to social service workers having the skills needed to do their jobs.	Not available	72% <sup>3</sup>	48%
Percentage of UK qualification referrals resolved within 28 working days.	93%	94%	94%
Average time to complete the PRTL process.	20 days	33 days <sup>4</sup>	35 days

Project 2018/19	Assessment of progress March 2019	
Registrants and employers increasingly use and understand the revised Codes of Practice.		We promoted resources that support the Codes of Practice.





<sup>3</sup> At the time of last year's Annual Report and Accounts, we had only carried out a partial survey of the Register. We have updated the figure reported last year (78%) to show the result for the whole Register.

<sup>4</sup> Last year's Annual Report and Accounts reported 50 days. Due to a change in our systems, we now have more accurate reporting. We are undertaking a quality assurance check of our reported figures.

## 5.7 Strategic Outcome 3: Our resources support the professional development of the social service workforce

To deliver outcome three, we have continued to work with the Scottish Government and other partners to achieve the outcomes in Social Services in Scotland: A Shared Vision and Strategy 2015-2020.

Measure	2016/17	2017/18	2018/19
Social service workers report that our learning resources have improved their work practice.	Not available	81% <sup>5</sup>	88%






Projects 2018/19	Assessment of progress March 2019	
Develop workforce requirements that reflect developing legislative standards in collaboration with other stakeholders.		We evaluated local learning hubs. Users also tested the outcomes planning resource.
Lead the delivery of recommendations 6 and 7 in the National Health and Social Care Workforce Plan: Part 2.		We published an interim report and we continue to interview key staff at test sites.
Using our business intelligence such as MySSSC transactions, we will develop and publish practice guidance.		We delayed work as we were unable to secure a bidder to carry out the work. We will therefore use mini conferences in 2019/20 to gather intelligence and employ an intern to evaluate our resources.
Undertake research to evaluate the impact of registration on social services, focusing on the adult care workforce.		We have gathered feedback and will be changing our focus to consider the usefulness of our resources.

<sup>5</sup> At the time of last year's Annual Report and Accounts, we had only carried out a partial survey of the Register. We have updated the figure reported last year (83%) to show the result for the whole Register.






## 5.8 Strategic Outcome 4: Our stakeholders value our work

We set two priorities under strategic outcome four, that stakeholders value our work. These are to embed a customer focus within the organisation and ensure high standards of governance.

Measures	2016/17	2017/18	2018/19
Our customers are satisfied with the service they receive from the SSSC.	Not available	72% <sup>6</sup>	79%
External audits provide evidence of good corporate governance and effective use of resources.	Unqualified audit report.	Unqualified audit report. Audit Scotland raised concerns about governance and transparency of digital work.	Unqualified audit report.

Projects 2018/19	Assessment of progress March 2019	
Systematically involve carers and people who use social services in the planning and delivery of our work.		The research is complete, and we will submit a plan to Council in March 2019.
Make the hearings process more efficient and effective.		We have made the Notice of Decisions process more efficient. Hearings Officers are more involved by taking notes in all types of hearings.
Ensure that the SSSC Register remains fit for purpose.		We focused resources on digital development and will now progress this work in 2019/20.
Introduce cards for people registered so there is an increased perception of professionalism.		70,000 cards have been issued to new and renewing registrants. Feedback has been mainly positive.
Transform the way the SSSC works digitally by upgrading our customer relationship management system.		The new systems went live on 11 February 2019.

<sup>6</sup> At the time of last year's Annual Report and Accounts, we had only carried out a partial survey of the Register. We have updated the figure reported last year (75%) to show the result for the whole Register.

Projects 2018/19	Assessment of progress March 2019
Provide the tools our employees require to work in a flexible, agile and mobile manner that meets business and customer needs, including moving to Office 365 and reviewing equipment.	 Equipment has been issued and all systems launched successfully on 11 February 2019.
Develop and implement a customer service quality improvement programme for the SSSC.	 Due to the restructure of the organisation in June 2018, we focused resources developing the department. We are now developing a programme for implementation during 2019/20.
Introduce and roll out the use of performance management software that enables better performance reporting, analysis and accountability.	 This project was put on hold until the delivery of Office 365 and D365, so that we could consider in the context of our improved systems. We will make progress in this project during 2019/20.
Ensure that the SSSC is fully compliant with the new data protection legislation.	 We trained all data champions by March 2019. We monitored the change to the new system to minimise any data protection risks.
Introduce and use new case management system and software to better administer and document fitness to practise cases.	 The case management system is now live and has delivered efficiencies that have avoided us incurring additional annual staffing costs of £415,000.

# Performance analysis

## 6. Financial performance

- 6.1 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.
- 6.2 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.
- 6.3 Our expenditure budget was set with the aim of using all available income and funding to maximise the benefits the SSSC provides to people who use care, social work services, carers and SSSC registrants. Our budgeted income was £22.212m with forecast expenditure of £22.977m resulting in a budgeted deficit of £0.765m.
- 6.4 Our actual deficit for 2018/19 was £0.569m ie £0.196m less than the budgeted deficit position of £0.765m.
- 6.5 The outturn position reflects the Sponsor providing £0.210m additional grant in aid funding which will be used in 2019/20 for a national workforce recruitment marketing campaign. This means the General Reserve will not reduce as much as was anticipated when the 2018/19 budget was set. The closing balance of £0.922m (note 12) is 4.0% of gross expenditure. The SSSC's target range for the revenue element of the general reserve is 2% (£0.444m) to 2.5% (£0.555m) of our gross expenditure budget.
- 6.6 The higher than normal General Reserve balance will fund our national workforce recruitment marketing campaign (£0.210m) as well as help deal with in-year budget pressures.

- 6.7 There was no capital expenditure during the 2018/19 financial year. The following table shows our revenue budget position:

	2018/19 Budget £000	2018/19 Actual £000	Variance £000
Revenue expenditure	22,977	22,847	(130)
Fee income	(4,632)	(4,375)	257
Other income	(222)	(341)	(119)
<b>Net expenditure</b>	<b>18,123</b>	<b>18,131</b>	<b>8</b>
Grant in aid (revenue)	(15,414)	(15,624)	(210)
Specific grant funded projects	(1,944)	(1,938)	6
<b>Total funding</b>	<b>(17,358)</b>	<b>(17,562)</b>	<b>(204)</b>
<b>(Surplus)/deficit for the year</b>	<b>765</b>	<b>569</b>	<b>(196)</b>
<b>Transfer to/(from) General Reserve</b>	<b>(765)</b>	<b>(569)</b>	<b>196</b>

#### 6.8 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:

- (i) For budgeting purposes, we consider grants and grant in aid to be income. The accounting position must present grants and grant in aid as sources of funds and they are credited to the General Reserve on the Statement of Financial Position (SOFP). A review of the accounting treatment of grants, grant in aid and disbursements was carried out in 2018/19. Practice learning fee income of £2.081m is now included in grant in aid, rather than operating income. The 2017/18 accounts are restated accordingly.
- (ii) Post-employment benefits (pensions) must be accounted for using International Accounting Standard 19 "Employee Benefits". IAS 19 requires accounting entries for pensions to be based on actuarial pension expense calculations. Our funding position is based on the

cash pension contributions we make as an employer to the pension scheme.

- (iii) Grant in aid used for the purchase of non-current assets is credited to the General Reserve and the balance is reduced by the amount of depreciation charged each year. The 2018/19 depreciation charge is £10k.

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

	Ref/note	2018/19 £000
Deficit per the SCNE	SCNE	20,414
Funding from grants and grant in aid	13a	(17,562)
Reverse IAS 19 pension accounting adjustments	5b table 2	(2,273)
To fund depreciation of assets	6a	(10)
<b>Deficit on funding and budgeting basis</b>		<b>569</b>

## 6.9 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 2018/19 we paid 99.67% (2017/18: 96.80%) of invoices within ten days.

## 6.10 Going concern

The Statement of Financial Position at 31 March 2019 shows net liabilities of £6.942m (2017/18: £4.090m). 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 2019/20. It is therefore considered appropriate to prepare the accounts on a going concern basis.

## 7. Performance measurement and reporting

- 7.1 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. Public reports are accessible on our website.
- 7.2 Over the last two years, we have been developing our performance management arrangements to provide more information. This work is ongoing and we will make further improvements to our reporting when we launch our new Strategic Plan in 2020.
- 7.3 The indicators we use to report and monitor performance at an operational level are a mix of intelligence information that provides management with information about volume, demand and trends for resourcing and risk purposes, and performance indicators that demonstrate our key results.

### SSSC Planning and performance reporting framework

Planning	Performance	Scrutiny
Directorate Plans: Set out annual improvement and business objectives with resource and intended performance results.	Monthly Operational Report  The performance section of our Directorate Plans present key performance indicators and previous years' results.	Operational Management Team  Executive Management Team
<a href="#">Annual Strategic Delivery Plan</a> : Our annual operational plan that presents the project work that will deliver our Strategic Outcomes.	Monthly Operational Performance Report  <a href="#">Strategic Performance Report</a> (every six months in March and October)	Operational Management Team  Executive Management Team and Council Members
<a href="#">Strategic Plan 2017 to 2020</a> : Sets out our three-year vision and outcomes to deliver this vision.	<a href="#">Strategic Performance Report</a> (every six months in March and October) Annual Report and Accounts (July)	Executive Management Team, Council Members, and the Public

## 8. Registration

- 8.1 One of our primary functions is to register people working in social services. The number of applications and renewals we receive and process during the year continues to grow substantially, with 35% more applications received during 2018/19 than in 2017/18 (54,694 to 73,587). The number of people registered has increased by 21% to 127,863 from 105,352 last year.
- 8.2 The final parts of the Register opened in 2017, we require all support workers in care at home and housing support services to register with us by the end of September 2020. As of the end of March, we have registered or are processing the applications of around 56% of these workers.
- 8.3 We are still processing applications within our sixty-day target but the time to process an application increased to an average of 50 days from 35 days last year. This is due to the increased volume we receive, and the work required to switch to our new customer relationship management system during 2018/19.
- 8.4 This year we focused our resources on the successful re-implementation of Dynamics 365, which is the customer relationship management system we use to process registration applications and renewals. Our staff worked hard to deliver this major programme of work. Despite the scale of the project, there was minimal disruption to staff and users, who expressed positive anecdotal feedback within the first two weeks of going live. Stakeholders inform us that the new portal MySSSC is noticeably improved and more responsive. We have included some examples of this feedback on the next page.
- 8.5 As registrants, employers and staff familiarise themselves with this new system even further, we expect application processing time to reduce again to at least previous performance levels. We are already noticing an increased number of applications are correct on the first attempt. We will be making further improvements to Dynamics 365 and the MySSSC online portal over the next couple of years, to improve the functionality and make the content more personalised for registrants so they can more easily access resources to help them in their work.
- 8.6 To make sure that everyone who should register is registered, we engage with employers and representative groups to raise awareness about the benefits of registration by attending meetings and sector events. We contributed to 78 events in 2018/19, including representing the SSSC at external events as well as our programme of regulation and registration meetings with social service membership and representative groups and employers.

- 8.7 Following research with registrants into how they would like to engage with us and the kinds of information they would find useful, we piloted a roadshow style event in March. The roadshow brought together a SSSC one-stop shop where registrants could meet the Chief Executive and our staff from our Registration, Fitness to Practise and Learning and Development departments.
- 8.8 The event was a success with 76% of the people who rated the event rating it four or five, with five being excellent. 93% of people said they felt more positive about their registration and 88% said it helped them understand registration and regulation better. The workshops also received good feedback with 77% rating them four or five, with five being excellent. We have planned more roadshows for 2019/20.

## Digital development feedback

We have been recording anecdotal feedback from our staff about their experience using our new and upgraded systems and what they are hearing from registrants.

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Countersignatories have said to me that they like being able to see when their new staff have started their application for registration. They feel they can monitor this area more closely and maybe set their own timescale for having the form submitted for endorsement now, then on to SSSC, because they are now aware of when it was started.

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I find the pages load much quicker on Dynamics than our previous system, and although some of the navigation steps are different to before I have found them easy to learn.

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Applicants are reporting that the new application is easy to navigate, there are fewer in-depth questions and they have found the qualification section simple to complete. They also like that, unlike the previous system, if they select the wrong Register part, they can change it. Previously they had to delete their application and begin again. This caused frustration and took up more of their time.

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I like the fact Dynamics keeps a trail of the last records I have accessed in 'Recently Viewed Items'. This is useful when I need to return to a record to make a further change or check some information. This is very handy when I am waiting for further information from an applicant or registrant, I 'pin' their record in Dynamics and as soon as they come back to me, even days later, I can access their record without a further search for them.

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Agency workers have been happy finding out they can make **one** application but include every Register part that they need to apply for their roles—some have three or more roles, which previously would have meant completing three separate applications, even though the information they were providing was exactly the same.

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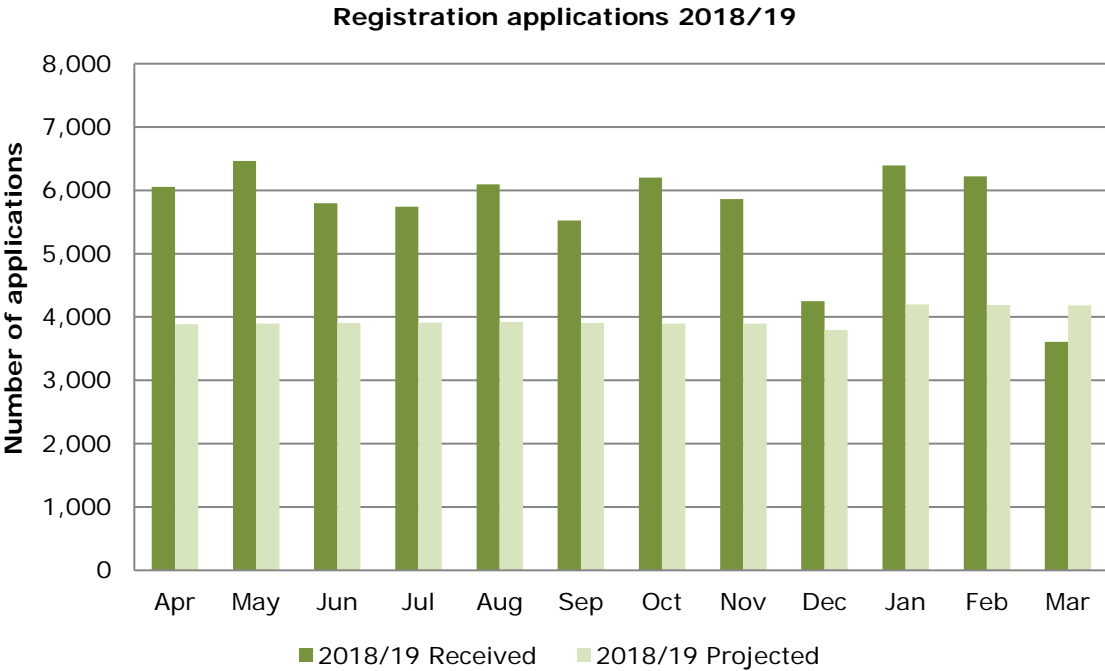
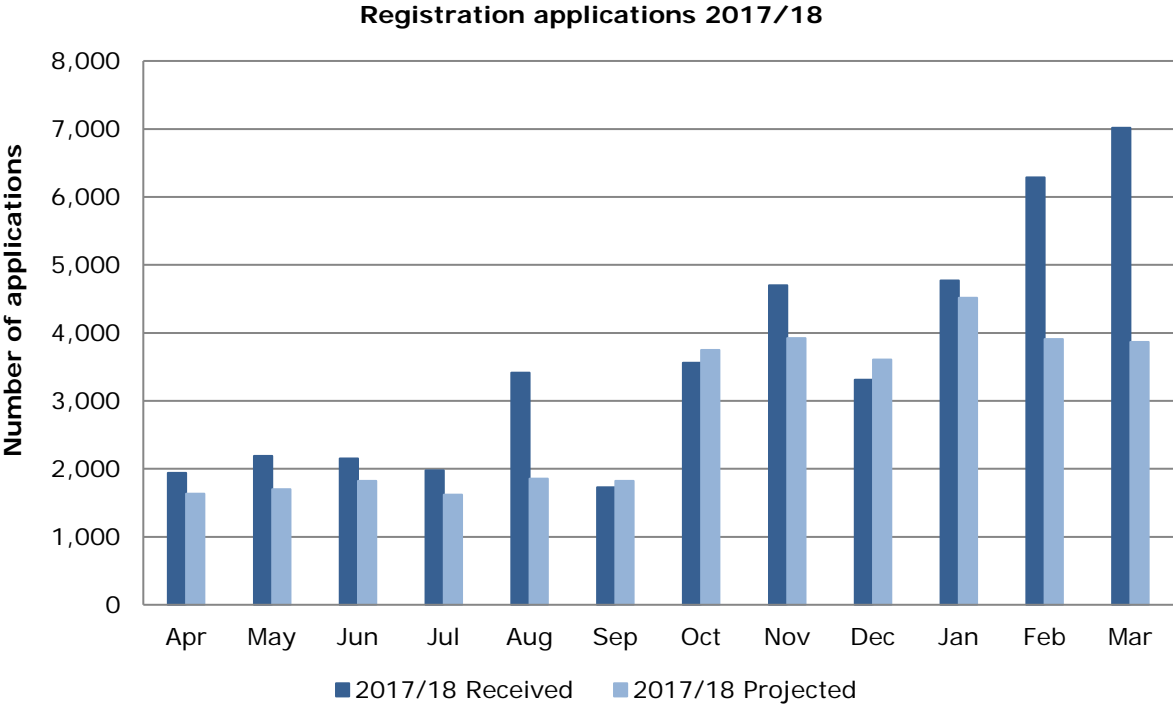
## Registration indicators

	2016/17	2017/18	2018/19
Registration applications received.	27,233	43,042	68,215
Registration renewals received.	7,717	11,822	10,609
Total number of registration applications and renewals received.	34,950 <sup>7</sup>	54,864	78,824
Average number of days to process a registration application (does not include withdrawn, cancelled, or rejected).	46 days	36 days	51 days
Average number of days to process a registration renewal.	30 days	25 days	47 days
Number of unique individuals registered with us.	97,183 people (+4%)	105,352 people (+8%)	127,863 people (+21%)

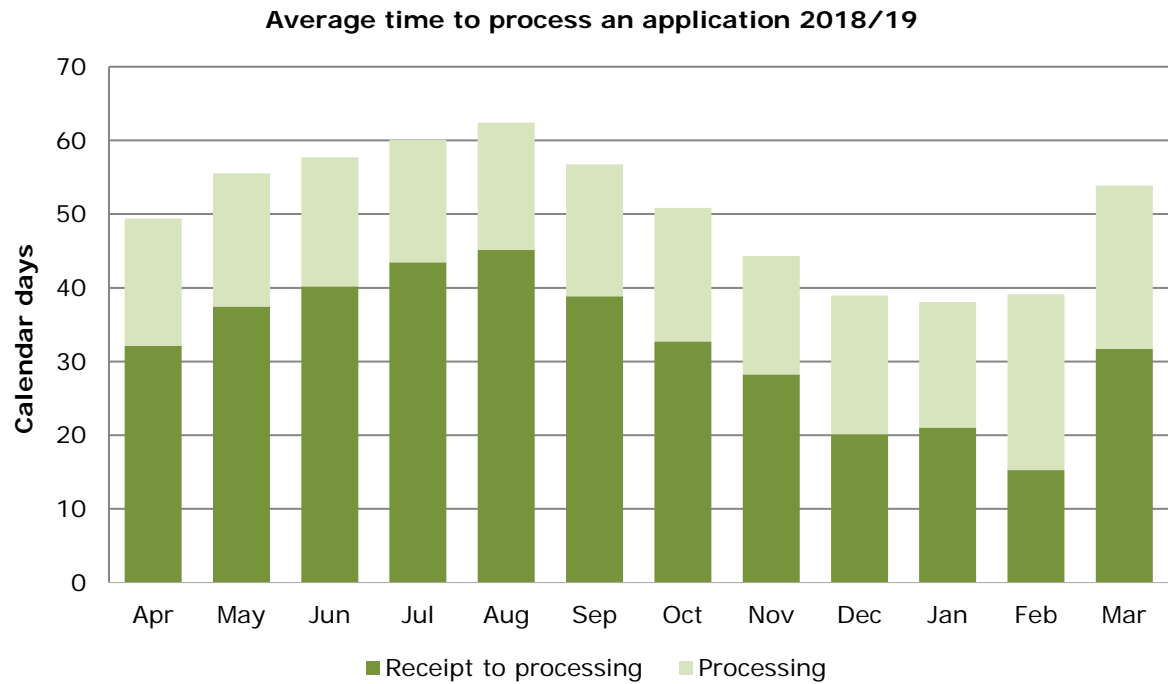
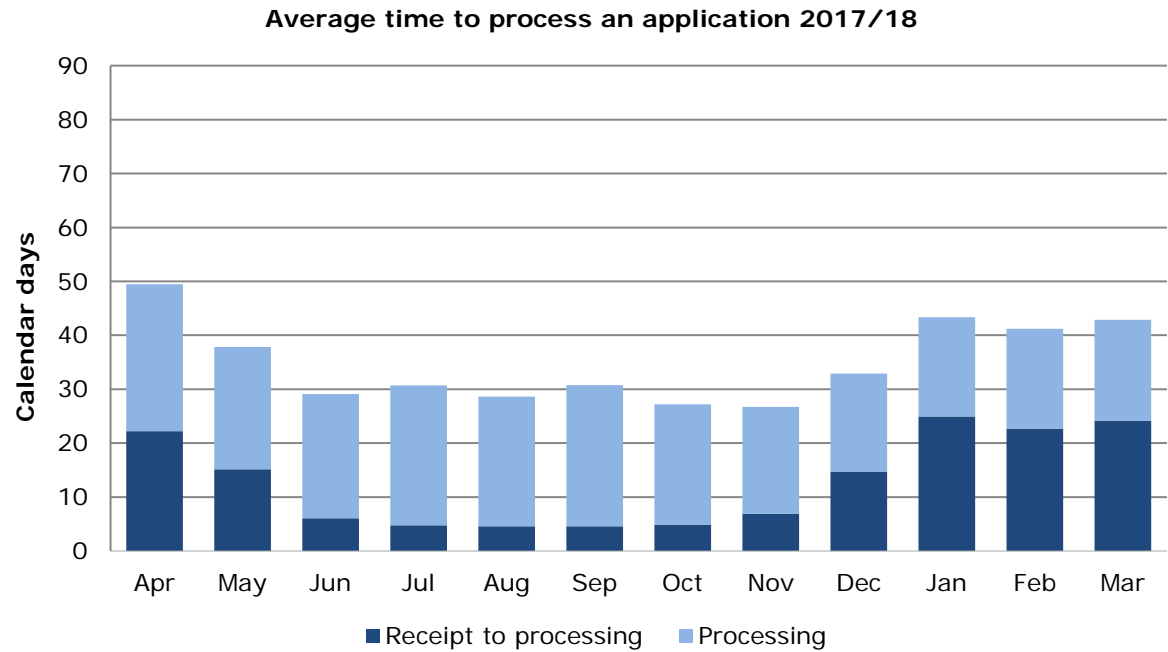
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<sup>7</sup> Our Dynamics 365 system is live and there may be updates to information resulting from validation or data being input later that result in slight updates to figures reported in previous years.

Registration indicators



Registration indicators





## 9. Fitness to Practise

- 9.1 We make sure that those on our Register meet the standards set out in the SSSC Codes of Practice. Where people fall below the standards of practice and conduct we can investigate and take action.
- 9.2 We received 3,617 referrals in 2018/19 compared to 3,001 referrals in 2017/18. This increase reflects the increasing Register size. We can also rely on more accurate referral data because of our new case management system. The new system has improved counting of cases for which we require more information before deciding to progress a case from the referral.
- 9.3 Following the change to our model in 2016 (away from a conduct-based one to one based instead on a worker's fitness to practise), we expected to 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.
- 9.4 This year, we closed on average 16% of cases as not meeting our thresholds compared to an average of 14% last year and 12% in 2016/17. We will continue to work with employers, which make most referrals, to raise awareness about why and when to make a referral. We believe there may be a tolerance range for cases above and below the threshold that provides some measure of comfort that we are not missing borderline cases.
- 9.5 The most frequent reasons for referrals in 2018/19 were:
- assault or violence outside of work
  - inappropriate behaviour towards a colleague
  - other criminal behaviour, such as possession of a knife
  - other practice failings, such as accessing information without authority
  - physical health
  - service user neglect, including leaving someone unattended.
- 9.6 We recognise that being the subject of a fitness to practise investigation is a challenging time for workers and aim to conclude cases as efficiently as possible, but we must balance speed with the time needed to be cautious and thorough. We have further reduced the time taken to close a case to seven and a half months, compared to nine months last year and 12 months in 2016/17. Our new case management system has delivered significant process improvements and we believe this will make us more efficient and potentially reduce case time even further. We also meet with workers and employers to improve understanding of what fitness to practise means and what the process entails if a worker is referred to us.

- 9.7 If an investigation results in a hearing, we encourage and support workers and their representatives to attend. In 2018/19, workers attended 37% of hearings and representatives attended 16% of hearings. This compares to 31% and 13% in 2017/18. We believe we can improve these figures further and will continue our efforts to encourage workers and representatives to attend hearings.
- 9.8 To encourage attendance and remove financial barriers, we have been trialling the payment of travel expenses. Whilst this financial support has not received as much uptake as we hoped and there has not been an increase in attendance, it has enabled those who would otherwise have been unable to participate to do so. We also work with law clinics to encourage representation, for example we carried out some training with Aberdeen Law Clinic, which has now started representing workers.

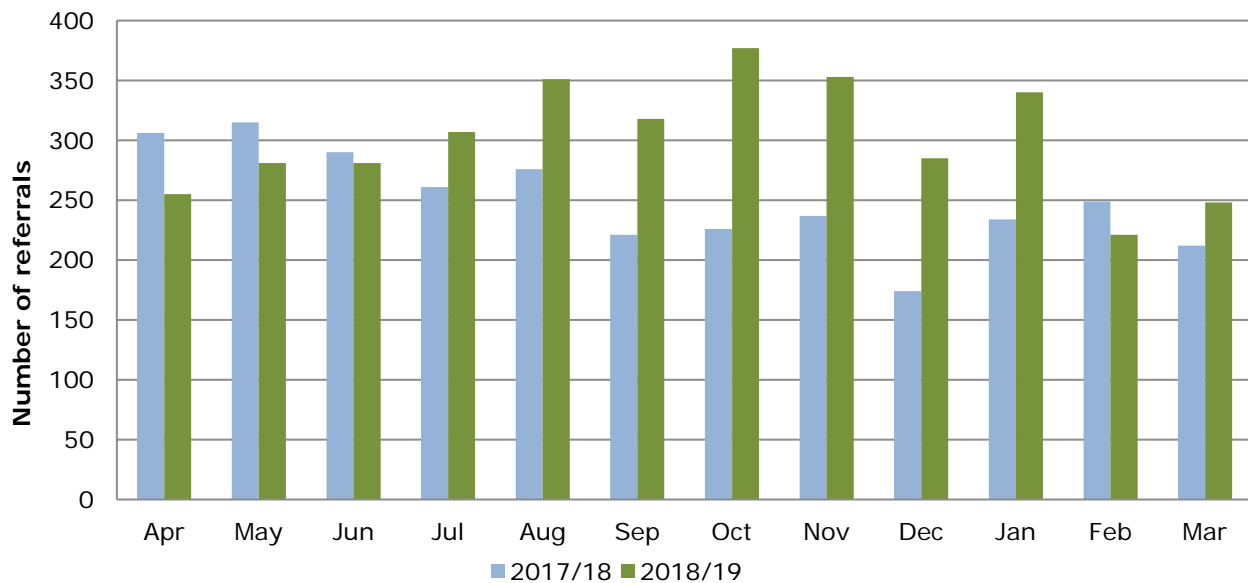
### Outcomes of Fitness to practise investigations

	2016/17	2017/18	2018/19
Register	455	593	518
Register with condition	84	15	27
Refuse registration	6	5	4
Warning, condition or suspension	250	91	113
Removal	86	83	86
No further action	1,311	1,758	1,764

## Fitness to practise indicators

	2016/17	2017/18	2018/19
Number of referrals received.	2,791	3,001	3,617
Percentage of cases closed as below threshold.	12%	14%	16%
Average time to close a fitness to practise case.	11.8 months	9.2 months	7.5 months
Percentage of referrals that result in one or more hearings.	6.4% <sup>8</sup>	4.9%	3.7%
Number of hearings held during the year (referrals may result in more than one hearing).	419	254	321
Percentage of hearings attended by a worker.	32%	31%	37%
Percentage of hearings attended by a representative.	19%	13%	16%

Referrals received per month 2017/18 and 2018/19



<sup>8</sup> Some figures we reported in last year's Annual Report and Account have been revised. We implemented a new case management system in February 2019, which allows us to record and manage our fitness to practise work more accurately. We now record and report all referrals we receive so the percentage of referrals that result in a hearing has reduced. We also now include complaints from members of the public in our referral figure.

## 10. Whistleblowing

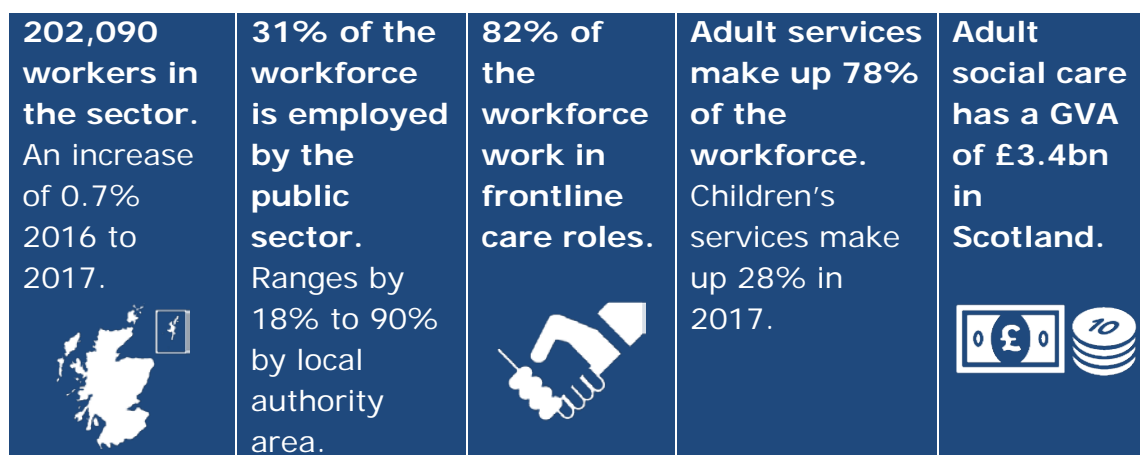
10.1 The SSSC is a prescribed person under the Public Interest Disclosure Act (1998). As part of this role, we are required to publish a report every year detailing referrals that qualify as whistleblowing and the actions we took as a result. In 2018/19, we received seven referrals that qualify as whistleblowing:

- we opened a fitness to practice case for six of these referrals
- the one referral for which we did not open a case fell below our thresholds for investigation
- of the six cases we opened for investigation, we have completed our investigation for four
- in three of these investigated cases, we decided the workers' fitness to practice was not currently impaired and took no further action
- in one of these four cases we did not have sufficient evidence to prove the allegations
- two of the six cases we opened for investigation are still on-going.

10.2 While the numbers of these cases are low, whistleblowing has enabled us to act to protect the public in these cases. Many of the referrals we receive from employers are a result of an employee raising a concern about the practice or behaviour of a colleague to their manager. This indicates openness by employers to act on concerns rather than leaving individuals feeling there is no alternative but to whistleblow to the regulator.

## 11. Development and Innovation

- 11.1 Our statutory functions also include promoting and regulating the learning and development of the social service workforce and acting as the national lead for workforce development and planning for social services in Scotland.



- 11.2 We work with registrants and employers, so they increasingly use and understand our Codes of Practice. We published a new video in January that we filmed in Oranges and Lemons Children's Nursery in Dundee. The video shows the Codes of Practice as part of the day to day work of the staff and has received over 2,500 views to date.
- 11.3 The Codes of Practice require all registrants to maintain and develop their learning and skills, and employers are required to support them. On average, during 2018/19 we took 38 days to complete the post registration training and learning (PRTL) assessment compared to 33 days in 2017/18.
- 11.4 Post registration training and learning requirements have been in place since the register opened in 2003. Feedback from the sector through events and discussions in 2017/18 suggested that many registrants felt the current system was not working. As a result, we are working with five test organisations across the country to [review the arrangements](#): Kennedy Care Homes, Enchanted Forest Nurseries, the Care Inspectorate, the Mungo Foundation and Dundee City Council.
- 11.5 The review aims to:
- develop a new Continuous Learning Requirement that will provide clear expectations for continuous professional development for the social service workforce in Scotland
  - design a new approach to the recording, submitting and monitoring of post registration training and learning.

- 11.6 The review will be evaluated by an external organisation and a report will be published in 2019/20.

	2016/17	2017/18	2018/19
Number of PRTL assessments carried out.	141 <sup>9</sup>	339	408
Average number of days taken to complete the PRTL assessment.	20 days	33 days	35 days

- 11.7 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 2018/19, the web platform had 9,552 learners registered—more than double the 4,500 registered at the end of 2017/18. We issued 2,270 badges in 2017/18 and 4,000 in 2018/19.

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

	2016/17	2017/18	2018/19
Average number of qualification referral cases closed per month.	39	41	43
Percentage of UK qualification referrals resolved within 28 working days.	93%	94%	94%

- 11.9 In 2018, we undertook a self-assessment of the current quality assurance arrangements for approved courses based on the Professional Standards Authority Standards of Good Regulation. The self-assessment identified that the current approach was not proportionate and duplicated the internal regulatory requirements of the Quality Assurance Agency for Higher Education and Scottish Qualification Authority. Feedback also highlighted that the current course approval process was too onerous and relied on the same stakeholders taking part in duplicate events.

- 11.10 We have worked in partnership with learning providers to review the quality assurance and approval process to ensure it is proportionate and effective.

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<sup>9</sup> Monitoring of PRTL assessments began in August 2016, so we do not have a full year figure for that financial year.

The new process is based on a risk assessment, which is then linked to a proposed quality assurance cycle of review.

- 11.11 We will assess provider risk levels based on criteria co-produced with existing providers. The review group has identified risk factors, including attrition rates, significant personnel changes, complaints, and course-specific risks such as practice placements, assessors and mentors. This information will be obtained from a variety of sources including annual monitoring information, internal subject review reports, SSSC data and the Social Work Education Partnership.
- 11.12 Our advisers will focus on working with providers to improve and enhance courses and target our resources to support new courses or courses where there have been identified concerns through the review process.

## 12. Social and community impact

- 12.1 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.
- 12.2 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 encourage people from all walks of life to consider a career in care and to develop leadership skills throughout the workforce.
- 12.3 In our fitness to practise work we are compliant with human rights legislation to ensure that the process is fair and accessible. We have been active participants in the ongoing review of the National Care Standards, which is taking a rights-based approach.
- 12.4 Under the Children and Young People (Scotland) Act 2014 we are defined as a corporate parent and have duties 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 comply with these responsibilities. During 2019/20 we will be developing a new more detailed Corporate Parenting Plan alongside preparing for the first required Children's Rights Report which we will publish in 2020.

## 13. Equality

- 13.1 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.
- 13.2 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](#) every four years and publish progress towards the outcomes every two years. We published our most recent [progress report](#) in April 2019.
- 13.3 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.

## 14. Environmental impact

- 14.1 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.
- 14.2 We manage our carbon emissions through a shared service with the Care Inspectorate. This year our Resources Committee agreed a new Carbon Management Plan. We also continue to take the following steps to reduce our environmental impact.
- We have 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 afield, 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%.

14.3 The amount of carbon we produced has reduced by 40% since the baseline year of 2015/16 in which we produced 338.7 tonnes CO<sub>2</sub>.

	2016/17	2017/18	2018/19
Total CO <sub>2</sub> produced (tonnes CO <sub>2</sub> equivalent).	278.1	237.8	204.1
Our total CO <sub>2</sub> is broken down into:			
Travel	107.8	85.2	73.9
Gas and electricity	168.9	151.3	128.6
Water	0.6	0.7	0.7
Waste and recycling	0.8	0.6	0.9



Maree Allison  
Interim Chief Executive and Accountable Officer  
7 November 2019

# Section B: Accountability report

# Corporate governance report

## 15. Directors' report

### 15.1 SSSC Council

Members sitting on the SSSC Council during 2018/19 were:

- Professor James McGoldrick (Convener)
- Theresa Allison (from 1 Sept 2018)
- Professor Alan Baird (from 1 Sept 2018)
- Dame Anne Begg (to 31 Dec 2018)
- Audrey Cowie
- Paul Dumbleton
- Paul Edie (Chair of the Care Inspectorate)
- Linda Lennie
- Professor Joyce Lishman (to 30 Sept 2018)
- Forbes Mitchell
- Keith Redpath (from 1 Sept 2018)
- Andrew Rome
- Harry Stevenson.

### 15.2 Executive Management Team

The Executive Management Team (EMT) are employees of the SSSC. The following individuals served on the EMT during 2018/19:

- Anna Fowlie, Chief Executive (to 22 April 2018)
- Lorraine Gray, Chief Executive (from 23 April 2018)
- Maree Allison, Director of Regulation
- Kenny Dick, Head of Shared Services (shared post with Care Inspectorate)
- Phillip Gillespie, Director of Development and Innovation (from 1 June 2018)
- Elizabeth Mackinnon, Interim Director of Strategy and Performance (from 30 April 2018).

### **15.3 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.

### **15.4 Personal data related incidents**

Four data protection breaches were reported to the Information Commissioner's Office for the year to 31 March 2019.

There are no significant data losses to report for the year to 31 March 2019.

### **15.5 Disclosure of information to auditors**

So far as I, the Interim 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.

### **15.6 Non audit fees**

Grant Thornton UK LLP provided services solely relating to the statutory audit and no further assurance, tax or other services were provided.

### **15.7 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 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.

## 15.8 National Fraud Initiative

The SSSC participated in the National Fraud Initiative during 2018/19. This work is carried out every two years, the next exercise being 2020/21. This is a data matching exercise which assists in the prevention and detection of fraud. No issues were identified.

## 16. Statement of Accountable Officer's responsibilities

- 16.1 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.
- 16.2 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.
- 16.3 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.

- 16.4 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.
- 16.5 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.

## **17. Governance statement**

### **17.1 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**

### **17.2 Organisational structure**

## **Council**

The Council consists of a Convener and nine non-executive Members. The Convener and eight of the Members were appointed by Scottish Ministers. 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 Council also has two members who use, have used or care for people who use care services. The Council remains ultimately responsible and accountable for all the decisions taken in its name, whether directly or through its Committees.

The Council has responsibility for:

- taking forward the strategic aims and objectives as agreed by the Scottish Ministers
- promoting the efficient, economic and effective use of staff and other resources consistent with the Principles of Best Value
- ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control
- demonstrating high standards of corporate governance at all times
- appointing internal auditors to the SSSC.

The Council has delegated certain functions to the following Committees:

### **17.3 Audit Committee**

This committee:

- scrutinises and develops the audit arrangements
- ensures that there is sufficient and systemic review of the internal control arrangements of the organisation, including arrangements for risk management
- reviews the comprehensiveness of assurances and the reliability and integrity of these assurances.

### **17.4 Resources Committee**

This committee:

- develops and scrutinises strategy, budgets and plans ensuring efficient, effective and economical use of the Council's resources
- reports and makes recommendations to Council on its findings
- considers the organisational structure and human resources policies, processes and procedures and agrees modifications as appropriate.



### **17.5 Remuneration Committee**

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

### **17.6 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.

### **17.7 Conduct Committee**

This committee:

- takes an overview of outcomes disposals of the Preliminary Proceedings Sub-committees and Conduct Sub-committees
- considers the training requirements of its Members
- reports to Council on the outcomes and training of its Members.

### **17.8 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. The Fitness to Practise Rules sets out the processes and procedures for dealing with Fitness to Practise matters.

### **17.9 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.

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

This committee provides a mechanism for dealing with employee grievance and disciplinary appeal matters as they arise.

### **17.11 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:

### **17.12 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 does not make decisions. The Forum is not a committee of the Council. An external review of the Policy Forum is being carried out and is expected to report by October 2019.

### **17.13 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 as well as the six core principles set out in the Good Governance Standard for Public Services.

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 2018 and 31 March 2019 (inclusive)**

	Council	Resources Committee		Audit Committee		Employment Appeals Sub committee		Remuneration Committee	
Number of meetings:	5	4		5		2		1	
Council Member	Attended	Member	Attended	Member	Attended	Member	Attended	Member	Attended
Professor James McGoldrick, (Convener)	4	No	1	No	1	No	0	Yes	1
Theresa Allison (started 01/09/18)	3	Yes	2	No	1 (observed)	No	0	No	0
Dame Anne Begg (left 31/12/18)	1	No	0	Yes	1	No	0	No	0
Professor Alan Baird (started 01/09/18)	3	No	1 (observed)	Yes	3	Yes	1	No	0
Audrey Cowie	4	Yes	4	Yes	3	Yes	2	Yes	1
Paul Dumbleton	4	Yes	2	No	0	Yes	1	Yes	1
Paul Edie (Chair, Care Inspectorate)	3	No	0	No	0	No	0	No	0
Linda Lennie	4	No	1 (and 2 observed)	Yes	4	Yes	1	No	0
Professor Joyce Lishman (Vice-chair) (left 30/09/18)	0	No	0	Yes	1	No	0	No	0
Forbes Mitchell	4	Yes	2	Yes	3	No	0	No	0
Keith Redpath (started 01/09/18)	3	Yes	3	No	1 (observed)	No	0	No	0
Andrew Rome	4	No	0	Yes	4	Yes	1	No	0
Harry Stevenson	2	Yes	1	No	0	No	0	No	0

The Registration Committee, Conduct Committee and Special Appeals Committee did not meet in the year to 31 March 2019.

#### **17.14 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. At the time of signing the accounts Maree Allison (Director of Regulation) is Interim Chief Executive and Accountable Officer. The Accountable Officer is personally responsible to Scottish Ministers, who are ultimately accountable to the Scottish Parliament, for securing propriety and regularity in the management of public funds and for the day-to-day operations and management of the SSSC.

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

#### **17.15 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 Regulation, the Director of Development and Innovation, the Head of Shared Services and Interim Director of Strategy and Performance. Each of these officers has responsibility for the development and maintenance of the governance environment within their own areas of control.

#### **17.16 External audit appointment**

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

#### **17.17 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 ongoing basis to reflect evolving risks and changes. The three-year Strategic Internal Audit Plan is also reviewed and approved annually by the Audit Committee.

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 2018/19, our internal auditors take into account:

- all reviews undertaken as part of the 2018/19 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 2018/19 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.'

#### **17.18 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. We will next undertake a review in 2022.

#### **17.19 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.

## **17.20 Information governance**

We have information governance policies and procedures in place to ensure we handle data responsibly and comply with data protection and freedom of information laws. We also have a procedure to respond to suspected data breaches. In the year to 31 March 2019 there were 51 data security incidents which were:

- 34 data breaches
- 17 near misses

Before 2018/19, we classed all incidents reported to the information governance team as data breaches. This financial year, we have split these into actual data breaches and near misses. A near miss is where an incident is reported to the information governance team but the incident was prevented or it did not meet the definition of a personal data breach under GDPR.

We self-reported four incidents to the Information Commissioner's Office (ICO) during 2018/19. To date, the ICO has not taken any further action.

We received 155 Freedom of Information requests compared to 41 in 2017/18. And of these we:

- refused 76 in full
- refused 9 in part
- three went to further review
- one was appealed to the Information Commissioner's Office who decided we were entitled to refuse that request.

All requests were responded to, although a number were refused. The reasons for these refusals were a mixture of the information not being held, excessive cost to comply, refusal under the grounds of the request being vexatious or repeated, refusal due to the request being invalid and refusal as complying would release the personal data of third parties.

	2016/17	2017/18	2018/19
Number of data breaches.	85	58	34
Data breaches referred to the Information Commissioner's Office.	1	0	4
Number of Freedom of information requests received.	30	41	155
Percentage of freedom of information requests responded to on time.	97%	98%	99%

The increase in Freedom of Information requests in 2018/19 reflects an interest in one specific matter rather than suggesting a systemic issue that needs to be addressed.

### 17.21 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 2018/19, the main reason for stage one complaints was the time it takes to process an application. Last year, the main reason was the fitness to practise procedures. At stage two, the main reason for a complaint was our fitness to practise procedures. This was the same reason last year.

	2016/17	2017/18	2018/19
Stage 1 complaints received.	379	292	222
Percentage responded to within 5 working days.	94%	93%	93%
Stage 2 complaints received.	19	24	15
Percentage acknowledged within 3 working days.	84%	96%	93%
Percentage responded to within 20 working days.	89%	96%	87%

### 17.22 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.

### **17.23 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.

### **17.24 Significant issues**

The SSSC were the subject of a Section 22 report on governance and transparency relating to our digital transformation programme. As a result of this report significant work has been undertaken to ensure lessons are learned and our governance framework revised.

### **17.25 Developing the governance framework**



#### Review of Corporate Governance

The annual review of Corporate Governance is scheduled for December 2019 and the review of the Register of Policies will be carried out during October 2019.

#### Quality assurance

We are members of Quality Scotland and have adopted the European Foundation Quality Management (EFQM) framework. Working with Quality Scotland and undertaking a programme of self-evaluation we have identified a number of areas for improvement and are working towards a recognised for excellence award. This work will continue 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.

#### Policy Forum

Following the Audit Scotland section 22 report we have undertaken an external review of the role and purpose of the Policy Forum. This will report by October 2019.

#### Shared Services

We are working with the Care Inspectorate to review our joint shared service strategy and following on from this revise our service agreements and the governance of shared services.

While this review is ongoing we have agreed interim arrangements with the Care Inspectorate to strengthen the current governance arrangements.

### **17.26 Certification**

The SSSC's governance framework has been in place for the year ended 31 March 2019 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 with the exception of the governance of our digital development programme (as identified in the Audit Scotland section 22 report), the SSSC's governance arrangements have operated effectively and that the SSSC complies with all relevant guidance and generally accepted best practice in all significant respects.

# Remuneration and staff report

## 18. Remuneration report

### UNAUDITED INFORMATION

#### 18.1 Introduction

This report provides information on the remuneration of SSSC Council Members and senior managers in 2018/19. Senior managers are members of the Executive Management Team (EMT). The EMT is the Chief Executive, the Director of Strategy and Performance, the Director of Regulation, the Director of Development and Innovation and the Head of Shared Services (interim arrangement). The report contains both audited information and information which is not specifically subject to audit.

#### 18.2 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

#### 18.3 Members

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

## **18.4 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 Regulation, Director of Development and Innovation and Interim Director of Strategy and Performance) who comprised the EMT during 2018/19 are on a salary scale of £59k 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 Head of Shared Services is employed by the Care Inspectorate and works for the SSSC through a shared service arrangement.

## **18.5 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
Theresa Allison	1 <sup>st</sup>	01 Sept 2018	n/a	31 Aug 2021
Professor Alan Baird	1 <sup>st</sup>	01 Sept 2018	n/a	31 Aug 2021
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
Keith Redpath	1 <sup>st</sup>	01 Sept 2018	n/a	31 Aug 2021
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.

## 18.6 Chief Executive

The normal retirement age for this post is 65 and Lorraine Gray will attain normal retirement age in 10.4 years. Termination of the contract requires a notice period of six months by either party.

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

## 18.7 Senior managers

The Director of Regulation, Director of Development and Innovation and Interim Director of Strategy and Performance, 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
Maree Allison	Director of Regulation	1 March 2010	22.0
Phillip Gillespie	Director of Development and Innovation	25 April 2016	17.6
Elizabeth MacKinnon	Interim Director of Strategy and Performance	5 June 2017	22.0

## 18.8 Services from other organisations

Kenny Dick, Head of Shared Services is employed by the Care Inspectorate but provides professional services to the SSSC through a Service Level Agreement (SLA). Kenny Dick served on the EMT throughout 2018/19. The SSSC made payments to the Care Inspectorate for professional services on the EMT as follows:

	2018/19 £000	2017/18 £000
Gordon Weir, Director of Corporate Services	0.0	26.7
Kenny Dick, Head of Shared Services	27.3	0.0

## 18.9 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

### 18.10 Remuneration – SSSC Council Members

Salary 2017/18 £000		Salary 2018/19 £000
25 – 30	Professor James McGoldrick (Convener)	20 – 25
n/a	Theresa Allison (from 01/09/18)	0 – 5
n/a	Professor Alan Baird (from 01/09/18)	0 – 5
0 – 5	Dame Anne Begg (to 31/12/18)	0 – 5
0 – 5	Audrey Cowie	5 – 10
0 – 5	Paul Dumbleton	0 – 5
0 – 5	Linda Lennie	5 – 10
0 – 5	Professor Joyce Lishman (to 30/09/18)	0 – 5
0 – 5	Forbes Mitchell	0 – 5
n/a	Keith Redpath (from 01/09/18)	0 – 5
0 – 5	Andrew Rome	0 – 5
0 – 5	Harry Stevenson (to 31/08/18)	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.



## 18.11 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	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
	£000	£000	£	£	£000	£000	£000	£000
<b>Anna Fowlie</b> Chief Executive (to 22 April 18)	-	80 - 85	0	0	-	27	-	110 – 115
<b>Lorraine Gray</b> Chief Executive (from 23 April 18)	80 - 85	65 - 70	0	0	57	22	135 - 140	85 - 90
<b>Maree Allison</b> Director of Regulation	65 - 70	60 - 65	0	0	25	21	90 - 95	80 – 85
<b>Phillip Gillespie</b> Director of Development & Innovation	60 - 65	55 - 60	0	0	32	n/a	90 - 95	55 - 60
<b>Elizabeth MacKinnon</b> Interim Director of Strategy & Performance	55 - 60	n/a	0	n/a	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 2017/18 comparative figures for the Interim Director of Strategy & Performance as she joined the EMT in 2018/19.

### 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 2018/19.

## 18.12 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 2018/19 and 2017/18. 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 3.25 times greater than the median remuneration of the workforce. One agency employee received remuneration in excess of the Chief Executive during 2018/19 and 2017/18.

	2018/19	2017/18
	£	£
Highest paid employee (mid-point)	82,500	82,500
Median salary	25,353	24,105
Remuneration ratio	<b>3.25</b>	<b>3.42</b>
Staff minimum FTE remuneration	17,316	16,320
Staff maximum FTE remuneration (*agency worker)	*142,200	*118,250

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.

## 18.13 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 2019				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 2019 £000	As at 31 March 2018 £000	Real increase £000
Chief Executive (Lorraine Gray)	30 – 35	0 - 5	2.5 – 5.0	0 – (2.5)	230	178	52
Director of Regulation (Maree Allison)	40 – 45	-	0 – 2.5	-	110	91	19
Director of Development & Innovation (Phillip Gillespie)	35 - 40	25 - 30	0 – 2.5	0 – 2.5	238	209	29
Interim Director of Strategy and Performance (Elizabeth MacKinnon)	25 - 30	-	-	-	19	n/a	19

There are no 2017/18 comparative figures for the Interim Director of Strategy and Performance as she joined the EMT in 2018/19.

#### 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.

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

In 2017/18 provision was made for a senior manager regarding a potential settlement agreement arising from an employment tribunal raised against the SSSC in December 2017. A settlement agreement in line with the provision (£25k) was made in 2018/19.

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

## 19. Staff report

### AUDITED INFORMATION

#### 19.1 Staff numbers, permanent and other

The tables below provide analysis of permanent and non-permanent staff engaged to work for the SSSC during 2018/19 and related costs. Staff numbers are expressed as average full time equivalents (FTE) employed in the year.

	2018/19		
	Permanently Employed FTE	Others FTE	Total FTE
Senior managers	4	0	4
Other employees	222	24	246
Agency workers	0	4	4
Secondments inward	0	1	1
Total staff engaged	226	29	255
Secondments outward	(3)	0	(3)
Net staff engaged on SSSC activity	<b>223</b>	<b>29</b>	<b>252</b>

	2018/19		
	Permanently Employed £000	Others £000	Total £000
Senior manager salaries	266	0	266
Other employee salaries	6,677	610	7,287
Social security costs	695	52	747
Pension service costs	2,620	96	2,716
Total cost directly employed staff	10,258	758	11,016
Council members (i)	0	61	61
Fitness to Practise Panel Members (ii)	0	694	694
External Assessors (ii)	0	5	5
Agency workers	0	293	293
Secondments inward	0	68	68
Total cost of people engaged	10,258	1,879	12,137
Severance costs	8	0	8
Other staff costs	116	0	116
<b>Staff costs (SCNE)</b>	<b>10,382</b>	<b>1,879</b>	<b>12,261</b>
Secondments outward	(138)	0	(138)
<b>Net staff costs</b>	<b>10,244</b>	<b>1,879</b>	<b>12,123</b>

- (i) There was a Convener and nine Council Members during the year. Council Members are office holders and are not included in the staff numbers.
- (ii) Other staff costs include the cost of Fitness to Practise Panel Members who take part in hearings and make decisions about workers' fitness to practise. We engaged 90 panel members in 2018/19 for an average of 23 days. External Assessors review overseas qualifications for registration purposes. We engaged six external assessors during 2018/19.

## 2017/18 Comparative information

	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	1,399	10,865
Severance costs	58	0	58
Other staff costs	122	0	122
<b>Staff costs (SCNE)</b>	<b>9,646</b>	<b>1,399</b>	<b>11,045</b>
Secondments outward	(123)	0	(123)
<b>Net staff costs</b>	<b>9,523</b>	<b>1,399</b>	<b>10,922</b>

- (i) There was a Convener and nine Council Members during the year. Council Members are office holders and are not included in the staff numbers.

- (ii) Other staff costs include the cost of Fitness to Practise Panel Members who take part in hearings and make decisions about workers' fitness to practise. We engaged 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.

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.

## 19.2 Staff composition by gender

The table below provides a gender breakdown of directly employed staff as at 31 March 2019. 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	59	183	3	17	62	200
<b>Total</b>	<b>60</b>	<b>186</b>	<b>3</b>	<b>17</b>	<b>63</b>	<b>203</b>

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

During 2018/19 two staff members left the SSSC with an agreed 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).

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

Exit package cost band	2018/19		2017/18	
	Number of departures	Total cost £000	Number of departures	Total cost £000
Up to £25,000	2	8	4*	58

\*2017/18 included a provision in expectation of a settlement agreement for one departure.

One settlement agreement was paid during 2018/19. A provision was created in expectation of this settlement payment in 2017/18 for £25k (detailed at note 11c) and the provision was used in full when the payment was made during 2018/19. The settlement agreement was agreed by Scottish Government in the interest of value for money.

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.

## UNAUDITED INFORMATION

### 19.4 Sickness absence

We lost 4.3% of working time to sickness absence during 2018/19 which is an improvement over last year's figure of 4.4%.

Our figure for 2018/19 is the same as the Chartered Institute of Personnel Development's 2016 average of 4.3%. However we have a higher sickness absence than the UK average of 1.9% estimated by the Office for National Statistics (ONS) for the UK. The ONS also produces figures by type and size of industry for which the comparable figure to ours is 2.6%.

	2016/17	2017/18	2018/19
Percentage of working time lost to sickness absence	4.7%	4.4%	4.3%

### 19.5 Staff turnover data

The SSSC's voluntary staff turnover was 13.4% in 2018/19. This compares to 9.1% in 2017/18. The median rate for voluntary turnover for all employers was 12.9% in 2018.

### 19.6 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 practise. 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.

#### **19.7 Expenditure on consultancy**

In 2018/19 there was consultancy expenditure of £62k to provide research on Integrated Working and Newly Qualified Social Workers, support the evaluation of Post Registration Training and Learning (PRTL), provide leadership development and tax advice. In 2017/18 there was consultancy expenditure of £93k (restated) to provide research, leadership development, support the development of integration as well as tax and health and safety advice.

### **FACILITY TIME STATEMENT**

#### **The Value of facility time**

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

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

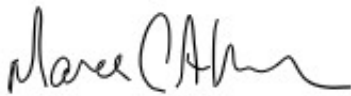
The NatCen study<sup>1</sup> highlighted four main benefits from the use of facility time:

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

The Fair Work Convention 2 highlights these points through its 'effective voice' principle. As they state: 'It is clear from international evidence that employees and workers want a voice, not only to resolve problems and conflicts (which is important) but also to engage and participate constructively in organisations.'

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

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



Maree Allison  
Interim Chief Executive



Clive Pegram  
Branch Secretary, UNISON src branch  
Joint Chair (Staffside) CI & SSSC Partnership Forum

## Trade Union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations require public sector employers to publish specific information related to facility time provided to trade union officials. The information for 2018/19 follows.

### Relevant union officials

The total number of SSSC employees who were relevant union officials during the 2018/19 financial year is detailed below:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2.0	2.0

### Time spent on facility time

The table below provides the number of our employees who were relevant union officials employed during 2018/19 and the percentage of their working hours spent on facility time.

Percentage of time	Number of employees
0%	0
1-50%	2
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	£0.002m
Total pay bill	£9.499m
Percentage of the total pay bill spent on facility time	0.023%

### Paid trade union activities

The table below provides hours spent by employees who were relevant union officials during the 2018/19 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	36.6%
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# Parliamentary accountability report

## 20. Losses and special payments

There were no reportable losses or special payments in the year to 31 March 2019 (nil for the year to 31 March 2018).

## 21. Fees and charges

The SSSC charges fees to individual social service workers applying to join the Register. Once registered an annual continuation of registration fee is charged and following a set number of years (currently either three, or five years dependent on the part of 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 2018/19 budget was based on funding of 70% from grant in aid, 21% from fees charged to applicants and registrants and 9% from specific grants (2017/18; 78% grant in aid, 13% fees and 9% specific grants).

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

	2018/19			2017/18		
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000
Registration fees	4,632	4,375	257	2,743	2,598	145



Maree Allison  
Interim Chief Executive and Accountable Officer  
7 November 2019

# Independent Auditor's Report

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

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 2019 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 2018/19 Government Financial Reporting Manual (the 2018/19 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 2019 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 2018/19 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

November 2019

# Annual Accounts

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2019**

		2018/19 £000	Restated 2017/18 £000
<b>Income</b>			
Registration fees	2a	(4,375)	(2,598)
Other operating income	2b	(341)	(288)
		<u>(4,716)</u>	<u>(2,886)</u>
<b>Expenditure</b>			
Staff costs	3a	12,261	11,045
Operating expenditure	6a	5,873	4,914
Postgraduate bursaries	6b	2,355	2,574
Practice learning fees	6b	2,258	2,317
Voluntary Sector Development Fund	6b	1,270	1,046
Other disbursements	6b	293	162
		<u>24,310</u>	<u>22,058</u>
<i>Net operating cost on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities</i>		19,594	19,172
Bank charges		33	26
Net interest on defined pension (asset)/liability	5b	131	268
		<u>19,758</u>	<u>19,466</u>
<i>Net operating cost on ordinary activities after interest and net interest on pension scheme net liabilities</i>		19,758	19,466
Total actuarial re-measurements on defined pensions (asset)/liability	5b	656	(5,899)
<b>Total comprehensive net expenditure before Government funding</b>		<u>20,414</u>	<u>13,567</u>

\*Other operating income is restated for 2017/18 (see note 2b)

All operations are continuing

The notes on pages 89 to 113 form an integral part of these accounts

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

	Ref/ note	2018/19 £000	2017/18 £000
<b>Non-current assets</b>			
Property, plant and equipment	7	27	37
Intangible assets	8	0	0
Prepayments - greater than one year	9	11	5
<b>Total non-current assets</b>		38	42
<b>Current assets</b>			
Trade and other receivables	9	1,407	1,030
Cash and cash equivalents	10	4,564	5,592
<b>Total current assets</b>		5,971	6,622
<b>Total assets</b>		6,009	6,664
<b>Current liabilities</b>			
Trade and other payables	11	(5,060)	(5,111)
Provision	11c	0	(25)
<b>Total current liabilities</b>		(5,060)	(5,136)
<b>Assets plus current liabilities</b>		949	1,528
<b>Non-current liabilities</b>			
Pension (liabilities)/assets	5a	(7,891)	(5,618)
<b>Total non-current liabilities</b>		(7,891)	(5,618)
<b>Net (liabilities)/assets</b>		(6,942)	(4,090)
<b>Taxpayers' equity</b>			
Pensions reserve	SOCTE	(7,891)	(5,618)
General reserve	12	949	1,528
		(6,942)	(4,090)

The notes on pages 89 to 113 form an integral part of these accounts

Maree Allison  
Interim Chief Executive and Accountable Officer  
7 November 2019

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

	Ref/ note	2018/19 £000	Restated 2017/18 £000
<b>Cash flows from operating activities</b>			
Net operating cost before Government funding	SCNE	(20,414)	(13,567)
Adjustments for non-cash items:			
Pension adjustments and re-measurements	5b, table 2	2,273	(4,550)
Depreciation	7, 8	10	10
(Increase)/decrease in trade and other receivables	9a	(383)	(257)
Increase/(decrease) in trade and other payables	11a	(51)	1,432
Increase/(decrease) in provisions	11c	(25)	25
<b>Net cash outflow from operating activities</b>		<b>(18,590)</b>	<b>(16,907)</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</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Funding from Government	13a	17,562	18,504
<b>Net financing</b>		<b>17,562</b>	<b>18,504</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	10	<b>(1,028)</b>	<b>1,597</b>
Cash and cash equivalents at the beginning of the period	10	5,592	3,995
Cash and cash equivalents at the end of the period	10	4,564	5,592

\* funding from Government is restated for 2017/18 (see note 13b)  
The notes on pages 89 to 113 form an integral part of these accounts

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

		Pension Reserve £000	General Reserve £000	Total Reserves £000
<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 (restated)*	SCNE	0	(13,567)	(13,567)
<b>Total recognised income and expense for 2017/18</b>		<b>4,550</b>	<b>(18,117)</b>	<b>(13,567)</b>
Funding from Government (restated)*	13a	0	18,504	18,504
<b>Balance at 31 March 2018</b>		<b>(5,618)</b>	<b>1,528</b>	<b>(4,090)</b>
<b>Changes in taxpayers' equity for 2018/19</b>				
Pensions adjustment and re-measurement	5b table 2	(2,273)	2,273	0
Total comprehensive net expenditure	SCNE	0	(20,414)	(20,414)
<b>Total recognised income and expense for 2018/19</b>		<b>(2,273)</b>	<b>(18,141)</b>	<b>(20,414)</b>
Funding from Government	13a	0	17,562	17,562
<b>Balance at 31 March 2019</b>		<b>(7,891)</b>	<b>949</b>	<b>(6,942)</b>

\* Total comprehensive net expenditure and funding from Government is restated for 2017/18 (see note 13b)

The notes on pages 89 to 113 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. No significant impact on future periods' financial statements is anticipated. The following standard has been considered:

- IFRS 16 Leases (from January 2019)

### 1.3 Accounting convention

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

### 1.4 Going concern

The accounts have been prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future. Further explanation of the adoption of the going concern basis is contained in the Financial Performance section (pages 22 to 25).

## **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 and ICT costs. The SSSC withdrew from the ICT shared service arrangement on 31 March 2019.

#### **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 i.e. recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the SSSC as at 31 March 2019 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 has been one change in accounting policy during the year. Practice learning income is now included in grant in aid rather than being treated as operating income (see note 2b and note 13b).

### 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 2019.

## 2 Operating income

	2018/19 £000	Restated 2017/18 £000
2a Registration fees	4,375	2,598
2b Other operating income: (i)		
Modern apprenticeship fees	171	149
Recharges for seconded staff	138	123
Protection of Vulnerable Groups (PVG) fee recovery	20	8
Other income	12	8
	<b>341</b>	<b>288</b>

- (i) A review of the accounting treatment of grants, grant in aid and disbursements was undertaken in 2018/19. It was identified that £2.081m of Practice Learning Fee funding from the Scottish Government was recognised at other operating income in 2017/18. In accordance with the FReM, grants and other grant in aid received from the Scottish Government should be recognised as funding through resource allocation. As a consequence, the Practice Learning Fee funding should have been recognised as funding through grant in aid rather than through other operating income. In accordance IAS 8, the 2017/18 financial statements have been restated to recognise the Practice Learning Fee

funding as part of Scottish Government grant in aid rather than income. The impact of the prior year adjustment was to reduce 2017/18 other operating income within the Statement of Comprehensive Net Expenditure by £2.081m and recognise a corresponding increase in grant in aid of £2.081m (Note 13b). The impact of the adjustment was to increase Total Comprehensive Net Expenditure before Government Funding of £2.081m. There is no impact on the Statement of Financial Position and reserves as the increased net operating expenditure is offset by the adjustment to resource allocation, as shown below:

	2017/18 £'000	Adjustment £'000	Restated 2017/18 £'000
Total comprehensive net expenditure before Government funding	11,486	2,081	13,567
Funding from Government (SOCTE)	(16,423)	(2,081)	(18,504)
<b>Net movement on reserves (Before Pension adjustment)</b>	<b>(4,937)</b>	<b>0</b>	<b>(4,937)</b>

### 3 Staff numbers and costs

- 3a An analysis of staff numbers and costs is disclosed in section 19.1 (pages 71 and 72) (staff numbers by permanent and other) of this report. A summary of cost is provided in the table below:

Staff cost summary	2018/19 £000	2017/18 £000
Directly employed staff	11,016	10,221
Other people engaged	1,121	644
Other staff costs	124	180
<b>Total staff costs</b>	<b>12,261</b>	<b>11,045</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.

Analysis of impact of actuarial pension valuation adjustments on staff costs (note 5)	2018/19 £000	2017/18 £000
<b>Actual payments</b>		
Employer pension contributions actually paid	1,224	1,195
Unfunded pension payments actually paid	26	25
Total pension related payments actually paid	1,250	1,220
<b>Accounting entries (IAS 19 note 5)</b>		
Service costs included in staff costs (SCNE)	2,721	2,293
Variance between actual costs and accounting basis	<b>1,471</b>	<b>1,073</b>

#### 4 Severance and settlement costs

The total cost of exit packages and settlement agreements in 2018/19 was £8k (2017/18: £58k). Details of exit packages are disclosed in section 19.3 (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 was completed. Employer contribution rates were 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 2019 were £1,224k representing 17.0% of pensionable pay (2017/18: £1,195k 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 2019 £000	As at 31 March 2018 £000
Present value of funded obligation	44,201	38,999
Fair value of scheme assets (bid value)	36,683	33,767
<b>Net liability</b>	<b>7,518</b>	<b>5,232</b>
Present value of unfunded obligation	373	386
<b>Net liability in Statement of Financial Position</b>	<b>7,891</b>	<b>5,618</b>

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

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

5b **Statement of Comprehensive Net Expenditure costs for the year to 31 March 2019**

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

Table 1:	Year to 31 March 2019		Year to 31 March 2018	
	£000	£000	£000	£000
Service costs		2,721		2,293
Administration expenses		15		8
Net interest on defined liability/(asset)		131		268
Difference between actual employer's contributions plus unfunded payments and actuarial assumptions	(7)		(5)	
Return on plan assets in excess of interest	(717)		(725)	
Other actuarial (losses)/gains on assets	0		(4,676)	
Change in financial assumptions	2,656		(1,988)	
Change in demographic assumptions	(1,276)		(1,918)	
Experience loss/(gain) on defined benefit obligation	0		3,413	
Total re-measurements		656		(5,899)
<b>Total</b>		<b>3,523</b>		<b>(3,330)</b>
Actual return on scheme assets		(1,612)		(1,478)

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

Table 2:		2018/19	2017/18
Actuarial adjustments are made for:	note	£000	£000
Staff costs	3b	1,471	1,073
Administration expenses	5b table 1	15	8
Net interest on defined liability/(asset)	5b table 1	131	268
Total re-measurements	5b table 1	656	(5,899)
<b>Total actuarial adjustments</b>		<b>2,273</b>	<b>(4,550)</b>

5c **Asset & benefit obligation reconciliation for the year to 31 March 2019**

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

	Year to 31 March 2019 £000		Year to 31 March 2018 £000	
<b>Opening defined benefit obligation</b>		<b>39,385</b>		<b>36,378</b>
Current service costs		2,400		2,293
Past service costs including curtailments		321		0
Interest costs		1,026		1,021
Estimated benefits paid net of transfers in	(375)		(248)	
Contributions by scheme participants	458		454	
Unfunded pension payments	(21)		(20)	
Total scheme transactions		62		186
Change in financial assumptions	2,656		(1,988)	
Change in demographic assumptions	(1,276)		(1,918)	
Experience loss/(gain) on defined benefit obligation	0		3,413	
Total actuarial (gains)/losses		1,380		(493)
<b>Closing defined benefit obligation</b>		<b>44,574</b>		<b>39,385</b>

5d **Fair value of fund assets reconciliation for the year to 31 March 2019**

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

	Year to 31 March 2019 £000		Year to 31 March 2018 £000	
<b>Opening fair value of fund assets</b>		<b>33,767</b>		<b>26,210</b>
Interest on assets		895		753
Estimated benefits paid plus unfunded net of transfers in	(396)		(268)	
Contributions by employer including unfunded	1,257		1,225	
Contributions by scheme participants	458		454	
Total scheme transactions		1,319		1,411
Return on assets less interest		717		725
Other actuarial gains		0		4,676
Administration expenses		(15)		(8)
<b>Closing fair value of fund assets</b>		<b>36,683</b>		<b>33,767</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	2,602
Net Interest on the defined liability/(asset)	179
Administration expenses	16
<b>Total</b>	<b>2,797</b>
Employer contributions	1,168

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2019.

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 2019		31 March 2018	
	£000	%	£000	%
Equities	25,340	69%	23,339	69%
Gilts	525	1%	1,790	5%
Other bonds	5,504	15%	3,909	12%
Property	4,579	12%	3,979	12%
Cash	648	2%	746	2%
Alternatives	87	0%	4	0%
<b>Total</b>	<b>36,683</b>	<b>100%</b>	<b>33,767</b>	<b>100%</b>

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

5g **Financial assumptions as at 31 March 2019**

The financial assumptions used for IAS 19 calculations are below.

Assumptions at:	31 March 2019 % p.a.	31 March 2018 % p.a.	31 March 2017 % p.a.
Discount rates	2.45%	2.60%	2.80%
Pensions increases	2.40%	2.30%	2.70%
Salary increases	3.40%	3.30%	3.70%

These assumptions are set with reference to market conditions at 31 March 2019. The estimate of the duration of the employer's past service liabilities is 25 years.

An estimate of the employer's future 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 bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach used at the previous accounting date.

Similarly, the approach used to derive the discount rate, the Retail Price Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the notional cashflows described above. 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. This is consistent with the approach used at the previous accounting date.

As future pension increases are expected to be based on Consumer Price Index (CPI) rather than RPI, CPI is assumed to be 1.0% below RPI i.e. 2.4% 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 consistent with the approach used at the previous accounting date.

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

#### 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 2018 Model, allowing for a long-term rate of improvement of 1.5% per annum.

The assumed life expectations from age 65 are shown below:

<b>Life expectancy from age 65</b>		<b>31 March 2019 years</b>	<b>31 March 2018 years</b>
Retiring today	Males	19.6	20.3
	Females	21.6	22.2
Retiring in 20 years	Males	21.3	22.1
	Females	23.4	24.1

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
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

## 5i Sensitivity analysis

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

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	43,490	44,574	45,686
Projected service cost	2,528	2,602	2,678
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	44,730	44,574	44,419
Projected service cost	2,603	2,602	2,601
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	45,530	44,574	43,643
Projected service cost	2,677	2,602	2,529
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	46,146	44,574	43,056
Projected service cost	2,691	2,602	2,515

## 5j Identified Risk

The Court of Appeal has recently ruled transactional protections granted to older members of the Judicial Pension Scheme and the Firefighters Pension Scheme give rise to unlawful discrimination. As the Local Government Pension Scheme (Scotland) (LGPS) has similar transitional protection arrangements there is likely to be a read across and the implications of remedying the unlawful discrimination will be similar.

The implications are it is likely to result in increases to scheme liabilities and service costs. Ultimately this may lead to future increases in employer contribution rates.

As there is significant uncertainty associated with this risk and the financial implications cannot be reasonably quantified at this stage this issue has been disclosed as a contingent liability in note 16 to these accounts. Further detail is in note 16.

## 6 Analysis of operating costs

6a		2018/19	2017/18
	Operating expenditure	£000	£000
	Supplies and services	3,868	2,472
	Administration costs	992	1,419
	Property costs	776	780
	Transport costs	209	210
	Pension administration costs (IAS 19)	15	8
	Depreciation of assets	10	10
	Changes in debt impairment allowance	3	15
		<b>5,873</b>	<b>4,914</b>

The above total includes £19.6k (2017/18: £19.2k) for external auditor's remuneration paid to Audit Scotland. Grant Thornton UK LLP (appointed auditors) did not receive any fees in relation to non-audit work.

### 6b Analysis of disbursements

During 2018/19 postgraduate bursaries totalling £2.355m (2017/18: £2.574m) were managed by the SSSC. Of this £1.385m (2017/18: £1.554m) was paid directly to students undertaking postgraduate social work training and £0.970m (2017/18: £1.020m) to universities for tuition fees.

A total of £2.258m (2017/18 £2.317m) was paid to universities to support practice learning opportunities during the year.

A total of £1,270m (2017/18 £1.046m) was paid to voluntary organisations to provide training for support workers in housing support and care at home services from the Voluntary Sector Development Fund.

Disbursements totalling £0.293m were paid in 2018/19 (2017/18 £0.162m): We contributed £0.135m to three pilot sites for a supported and assessed year for Newly Qualified Social Workers in 2018/19. Scottish Care received £0.080m for Workforce Development Matters activity (2017/18 £0.080m) and the Coalition of Care and Support Providers in Scotland (CCPS) received £0.070m for workforce development training and learning support activity (2017/18 £0.070m). We contributed £0.008m to the Skills for Care and Development Partnership (2017/18 £0.012m).



## 7 Property, plant and equipment

	Plant & equipment £000	Furniture & fittings £000	Total £000
<b>Cost or valuation:</b>			
At 1 April 2018	145	154	299
Additions	0	0	0
Disposal/de-recognition	0	0	0
<b>At 31 March 2019</b>	<b>145</b>	<b>154</b>	<b>299</b>
<b>Depreciation:</b>			
At 1 April 2018	145	117	262
Charged in year	0	10	10
Disposal/de-recognition	0	0	0
<b>At 31 March 2019</b>	<b>145</b>	<b>127</b>	<b>272</b>
<b>Net book value:</b>			
<b>At 31 March 2019</b>	<b>0</b>	<b>27</b>	<b>27</b>
At 31 March 2018	0	37	37

	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

## 8 Intangible assets

Information technology £000	
<b>Cost or valuation:</b>	
At 1 April 2018	1,071
Additions	0
Disposal/de-recognition	0
<b>At 31 March 2019</b>	<b>1,071</b>
<b>Amortisation:</b>	
At 1 April 2018	1,071
Charged in year	0
Disposal/de-recognition	0
<b>At 31 March 2019</b>	<b>1,071</b>
<b>Net book value:</b>	
<b>At 31 March 2019</b>	<b>0</b>
At 31 March 2018	0

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

## 9 Trade and other receivables

9a	Summary of trade and other receivables	2018/19 £000	2017/18 £000
	<b>Amounts falling due within one year</b>		
	Prepayments and accrued income	843	574
	Trade receivables	536	381
	Other receivables	28	75
	Total unimpaired receivables	564	456
		<b>1,407</b>	<b>1,030</b>
	<b>Amounts falling due after more than one year</b>		
	Prepayments	11	5
	<b>Total trade and other receivables</b>	<b>1,418</b>	<b>1,035</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.

9b	Provision for impairment of receivables	2018/19 £000	2017/18 £000
	As at 1 April	(50)	(34)
	Charge for the year	(229)	(172)
	Unused amounts reversed	12	6
	Uncollectable amounts written off	214	150
	As at 31 March	<b>(53)</b>	<b>(50)</b>

As at 31 March 2019, trade and other receivables of £53k (2017/18: £50k) were past due and impaired. The amount of the provision is £53k (2017/18: £50k). The ageing analysis of these receivables is as follows:

Aged analysis of past due and impaired receivables	2018/19 £000	2017/18 £000
Up to 3 months past due	20	34
3 to 6 months past due	6	4
6 to 12 months past due	9	3
Over 12 months past due	18	9
	<b>53</b>	<b>50</b>

As at 31 March 2019, trade and other receivables of £564k (2017/18: £456k) were due but not impaired. The ageing analysis of these receivables is as follows:

	2018/19	2017/18
Aged analysis of unimpaired receivables due	£000	£000
Not yet due	384	342
Up to 3 months past due	145	90
3 to 6 months past due	20	18
6 to 12 months past due	11	4
Over 12 months past due	4	2
	<b>564</b>	<b>456</b>

9c

	2018/19	2017/18
Analysis of trade and other receivables	£000	£000
<b>Amounts falling due within one year</b>		
Bodies external to Government	1,278	979
Other Government bodies	125	49
Local authorities	4	2
	<b>1,407</b>	<b>1,030</b>
<b>Amounts falling due after more than one year</b>		
Bodies external to Government	11	5
<b>Total trade and other receivables</b>	<b>1,418</b>	<b>1,035</b>

## 10 Cash and cash equivalents

	2018/19 £000	2017/18 £000
Balance as at 1 April	5,592	3,995
Net change in cash and cash equivalent balances	(1,028)	1,597
Balance as at 31 March	<b>4,564</b>	<b>5,592</b>
The following balances as at 31 March were held at:		
Government banking service	4,563	5,592
Commercial banks and cash in hand	1	0
Balance as at 31 March	<b>4,564</b>	<b>5,592</b>

## 11 Trade and other payables

11a	Summary of trade and other payables	2018/19 £000	2017/18 £000
	<b>Amounts falling due within one year</b>		
	Trade payables	1,579	2,561
	Accruals and deferred income	2,981	2,116
	Other payables	290	251
	Other taxation and social security	193	171
	VAT	17	12
	<b>Total trade and other payables</b>	<b>5,060</b>	<b>5,111</b>

11b	Analysis of trade and other payables	2018/19 £000	2017/18 £000
	<b>Amounts falling due within one year</b>		
	Bodies external to Government	3,364	3,192
	Higher education institutes (HEIs)	1,073	1,220
	Other Government bodies	477	547
	Local authorities	146	152
	<b>Total trade and other payables</b>	<b>5,060</b>	<b>5,111</b>

- 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. The provision was used in full during the 2018/19 financial year.

Provision for liabilities	2018/19 £000	2017/18 £000
As at 1 April	25	0
Addition	0	25
Amounts charged against the provision	25	0
Closing balance	<b>0</b>	<b>25</b>

## 12 Sources of financing

12a

Restated 2017/18 Total £000	General Reserve	Ref/ note	2018/19 Revenue £000	Capital £000	Total £000
1,141	Opening balance		1,491	37	1,528
(13,567)	(deficit) for the year	SCNE	(20,404)	(10)	(20,414)
(4,550)	Pension adjustments and re-measurements	5b	2,273	0	2,273
18,504	Grants and grant in aid	13a	17,562	0	17,562
<b>1,528</b>	Closing balance		<b>922</b>	<b>27</b>	<b>949</b>

\* 2017/18 Grant in aid and the deficit for the year were restated (see note 13b)

## 13 Government Funding

13a

Grants and grant in aid	2018/19 £000	Restated 2017/18 £000
Grant in aid	15,624	16,429
Voluntary Sector Development Fund	1,266	1,050
Workforce development grant	462	401
Self-directed support grant	185	363
Leadership and integration in primary care	18	27
Cyber resilience	7	0
Promoting excellence: dementia strategy	0	164
Enhanced learning and CPD within childcare sector	0	50
Development of a smartphone app on child development	0	20
<b>Total funding from Government</b>	<b>17,562</b>	<b>18,504</b>

\*Grant in aid for 2017/18 has been restated (see note 13b)

All grant conditions have been met. The amounts in the table reflect grants drawn down, net of any repayments. Therefore, as at 31 March 2019 no grants are due for repayment.

13b

	2018/19	Restated 2017/18
Grant in aid analysis	£000	£000
Approved grant in aid from Scottish Government	15,414	16,429
Grant drawdown during the year	15,624	16,429
Additional grant in aid approved during the year	<b>210</b>	<b>0</b>

A review of the accounting treatment of grants, grant in aid and disbursements was carried out in 2018/19. Practice learning fee income amounts of £2.081m were included in operating income (note 2b), when it should have been accounted for as grant in aid. Grant in aid for 2017/18 is restated above to recognise the increase of £2.081m. Details of the prior adjustment are disclosed in Note 2b.

For accounting purposes grants and grant in aid are treated as sources of funds and are credited to the general reserve on the Statement of Financial Position (SOFP). The impact of this change in accounting treatment is to increase total comprehensive net expenditure before Government funding on the Statement of Comprehensive Net Expenditure (SCNE). This deficit is then funded by grants and grant in aid, therefore there is no impact of these adjustments on the general reserve.

## 14 Capital commitments

14a There were no capital commitments as at 31 March 2019.

## 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:	2018/19 £000	2017/18 £000
<b>Buildings:</b>		
within 1 year	772	765
within 2 to 5 years	2,359	3,059
beyond 5 years	0	42
	<b>3,131</b>	<b>3,866</b>
<b>Other:</b>		
within 1 year	0	492
within 2 to 5 years	0	0
beyond 5 years	0	0
	<b>0</b>	<b>492</b>

Other leases comprise the charges from the Care Inspectorate for Information and Communications Technology (ICT) services. The SSSC withdrew from the ICT shared service with the Care Inspectorate on 31 March 2019.

### 15b Finance leases

There are no obligations or commitments under finance leases.

## 16 Contingent liability

16a There were no contingent liabilities as at 31 March 2019.

## 17 Related-party transactions

17a 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 2018/19 £1,551k (2017/18 £1,421k). 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**

- 18a There were no events after the Statement of Financial Position date relating to the 2018/19 financial year.

### 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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