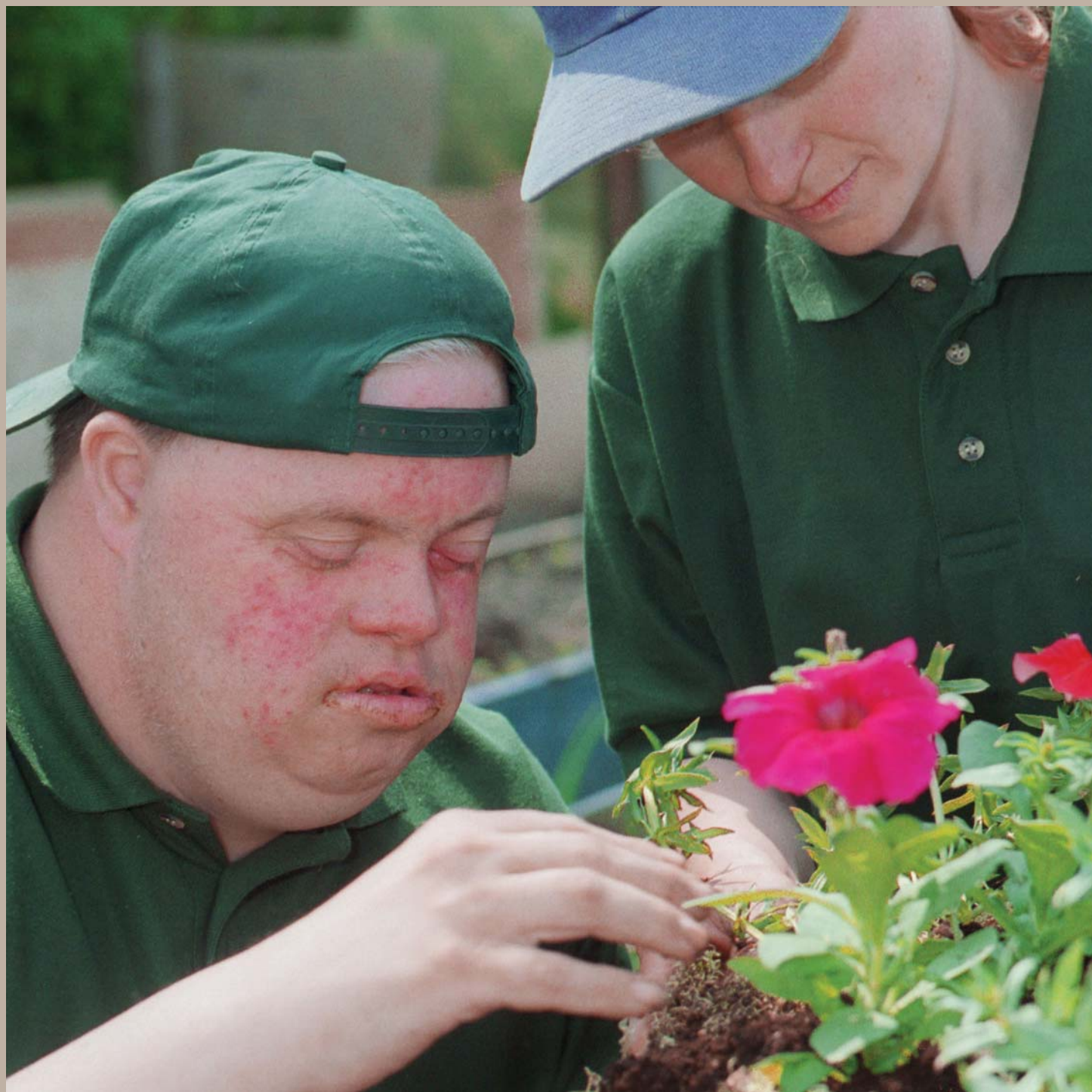


SCOTTISH SOCIAL SERVICES COUNCIL
ANNUAL REPORT 2005/06



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I. CONVENER'S FOREWORD

THIS ANNUAL REPORT HIGHLIGHTS OUR SUCCESSES THROUGHOUT THE YEAR, THE SUBSTANTIAL PROGRESS WE HAVE MADE IN ALL OUR AREAS OF WORK AND THE WORK STILL TO BE DONE.



The Scottish Social Services Council (SSSC) is committed to being open, transparent and accountable in its progress towards achieving its objectives. This annual report highlights our successes throughout the year, the substantial progress we have made in all our areas of work as well as towards meeting our responsibility to protect the people who use social services.

Since we were set up in October 2001, we have made a significant impact in a relatively short but dynamic period, both for us as an organisation and also for the social services sector. But does the work we are doing have a real and positive impact? Does our work make a difference?

Our roles as champion of the sector and as regulator are intertwined.

Through registration and regulation of the workforce, the public and people who use services will know that workers are gaining qualifications that mean they are qualified and competent to deliver high quality social services.

Registered social service workers must uphold high standards of practice and make a commitment to developing and improving practice throughout their careers which ensures that they are delivering better care services. This is also raising the status of social service workers as they increasingly become regulated professionals. This is encouraging more people to work in the sector. And we know, through the series of Care in Scotland roadshows that we held in the last year and the careers information service that we provide, that there are increasing numbers of people who want to work in social services.

We will begin phase two of registration in October 2006 with workers in day care services for children. We have a large and diverse workforce to register but with each part of the Register that opens, we further increase protection for vulnerable people.

Our work in regulating and promoting education and training is ensuring that social service workers have access to appropriate training courses that meet the needs of workers, employers and people who use services. This year we published skill sets that are helping workers and employers to identify and design training appropriate for the services they deliver. In approving and quality assuring social work training we are ensuring that our social workers are prepared and qualified to meet the demands of society now and for the future. The first students on the new courses will graduate in 2006.

Social services is not a sector that shouts loudly about the work it carries out, often under very difficult circumstances. As its champion, the SSSC is able to help the sector celebrate and showcase examples of excellent practice, demonstrating the difference that workforce development, partnership working and involving the people who use social services is making to the sector. The success of the Care Accolades,

now in their third year, is emphasised by the 40% increase in entries over the previous year. This highlights the positive impact these awards are having on the confidence of the sector and the pride that organisations have in the work they are doing.

We know that we can only fully achieve our objectives by listening to our stakeholders and working in partnership and I am proud of the way in which this is an integral part of the way the SSSC works. We have developed strong relationships and new partners. And, through our role as a sector skills council, we will continue to bring together employers, training providers and others to develop a social service workforce fit for the future.

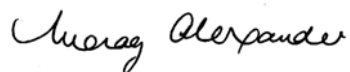
This year saw significant growth for the SSSC, both in its size and its range of responsibilities. We have now grown to become an organisation with over 70 staff and, as the sector skills council, Skills for Care and Development, we have extended our remit in workforce development.

During this period the Scottish Executive has produced two important reports: the National Strategy for the Development of the Social Service Workforce and the 21st Century Social Work Review. We recognise that we have a substantial role to play in achieving the outcomes set out in these reports.

The Council has gained new Council Members, which will further strengthen our governance role, ensuring that we use our resources effectively and provide the strategic direction to take the SSSC forward in to its fifth year in operation.

I am pleased to report that I have received positive feedback from our stakeholders about the SSSC staff, their willingness to help, their knowledge and expertise and their desire to listen to and act on the views of others. An organisation that grows quickly and responds to challenges effectively can do this only with the right staff in place. The SSSC sets rigorous standards for others and we want to be an organisation that leads by example.

The staff and the Council will continue to work with its partners to ensure that social services in Scotland are the best they can be.



Morag Alexander
Convener
Scottish Social Services Council



2. MANAGEMENT COMMENTARY

THERE ARE AROUND 138,000 PEOPLE WORKING IN SOCIAL SERVICES IN SCOTLAND AND THEY PROVIDE SERVICES TO HALF A MILLION PEOPLE.

ABOUT THE SCOTTISH SOCIAL SERVICES COUNCIL

The Scottish Social Services Council (SSSC) was established in October 2001 as part of the UK-wide drive to raise standards in social services.

We are responsible for establishing a register of people who work in social work, social care, early education and child care and school care accommodation in Scotland and for making sure that the education and training of the workforce meet the needs of the sector now and for the future.

Based in Dundee, the SSSC is a non-departmental public body set up under the Regulation of Care (Scotland) Act 2001. Our sponsor is the Social Work Services Policy Division, part of the Scottish Executive Education Department.

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

Our objectives:

- to protect those who use services
- to raise standards of practice
- to strengthen and support the professionalism of the workforce
- and, in doing so, raise public confidence in the workforce.

To achieve our objectives we have a number of responsibilities:

- to publish Codes of Practice for all social service workers and their employers
- to regulate the training and education of the workforce
- to promote education and training
- to undertake the functions of the Sector Skills Council; Skills for Care and Development, this includes workforce planning and development.

We will achieve this by:

- putting people who use services and carers at the heart of everything we do
- being a champion of the social service sector
- promoting the importance of education, training and workforce development as part of the drive to raise standards
- being responsive to policy developments and wider initiatives in the sector
- regulating and registering the social service workforce
- being open, accountable, accessible and responsive
- working in partnership with our stakeholders.

OUR CONTEXT

THE PEOPLE

There are around 138,000 people working in social services in Scotland and they provide services to half a million people.

SOCIAL TRENDS

Some key demographic and technological changes are leading to an increase in the number of people using social services:

- the population is ageing and there are increasing numbers of older people with dementia
- people with disabilities, including those with severe disabilities are enjoying longer life expectancy
- the population is becoming more transient and culturally diverse
- the use of technology is leading to new ways of delivering and using services.

People who use social services also have changing expectations:

- more people want to be supported to remain at home and maintain their independence
- people are becoming more assertive in expressing their choices and challenging poor services
- people expect services to be delivered in a range of ways.

The SSSC must support the social service workforce to respond to these changes and we will take them into account in all areas of our work.

THE POLICY CONTEXT

The Scottish Social Services Council is part of a regulatory and excellence framework for social services, which comprises:

- Care Commission
- Social Work Inspection Agency
- The Scottish Institute for Excellence in Social Work Education
- The Centres for Excellence.

The General Social Care Council, the Care Council for Wales and the Northern Ireland Social Care Council were set up at the same time as the SSSC and are respectively responsible for regulating the social care workforce in England, Wales and Northern Ireland. The SSSC works closely with these bodies to align, where possible, policies in relation to registration and regulation of social service workers.

The SSSC is part of Skills for Care and Development (SfCD), the sector skills council for the care sector. Our partners in SfCD are Skills for Care who deal with adult care in England, the Children's Workforce Development Council in England, the Care Council for Wales and the Northern Ireland Social Care Council.

THE SSSC AS AN EMPLOYER

EQUAL OPPORTUNITIES

The SSSC has an equal opportunities policy. The policy is intended to provide equality in terms of recruitment, training and advancement.

The SSSC pursues positive action in its policies and practices to guard against anyone suffering discrimination – either directly or indirectly, unlawfully or unjustifiably because of their personal status in relation to race, ethnic or national origin, religion, age, gender, sexual or marital status or disability.

PROVISION OF INFORMATION TO EMPLOYEES

The SSSC has adopted the principles of openness and participation in its organisation and places a high level of importance on both informing and consulting staff. It does so by providing access to Council and management papers, through verbal and written briefings at staff meetings and events. Information is only withheld where this can be shown to be justified or where a duty of confidence is owed to a third party. The SSSC has established a formal Partnership Forum, comprising representatives from the recognised trade union. Through the Forum, staff are informed and consulted upon all aspects of their employment, including health and safety at work. A quarterly newsletter is also circulated by the Communications Team as well as an internal email newsletter. All staff have access to the intranet and the SSSC website.

HIGHLIGHTS IN 2005/06

DURING 2005/06, WE MADE SIGNIFICANT PROGRESS TOWARDS RAISING STANDARDS OF PRACTICE, INCREASING THE PROFESSIONALISM OF THE WORKFORCE AND INCREASING THE PROTECTION OF THE PEOPLE WHO USE SOCIAL SERVICES AND CARERS.

- The Register was opened to three new groups of workers, further increasing the protection of people who use services.
- We held a second successful Care Accolades – an awards ceremony that celebrates good practice and excellence in social services.
- Our annual conference addressed the question of how we work towards a confident workforce. The conference provided an opportunity for social service workers to share ideas and to discuss how we achieve our vision of a competent, confident and valued workforce.
- The official launch of the sector skills council for the sector, Skills for Care and Development took place. As the sector skills council, we will work with employers to address workforce development issues in the social services sector.
- We continued to develop 2-way communication with our stakeholders holding a range of consultations throughout the year.
- We provided 16 registration information sessions for over 500 workers ensuring that they have the information to complete the registration process.
- We disbursed £2.2 million in postgraduate bursaries, £1.9 million in grants and £1.4 million in practice learning fees.
- We launched our new website and have seen a substantial increase in the number of people visiting and downloading information from the site.
- We consulted staff on how we can improve our internal communications so we can make sure that we have 2-way communication within the SSSC and that staff have the information they need to do their job and also have an opportunity to influence the work of the SSSC.
- Good information about the workforce is vital to future workforce planning. In conjunction with the Scottish Executive, we produced the Core Minimum Data Set which is a model for collecting workforce information data.
- We exhibited at 100 conferences/events to ensure that we use every opportunity to meet with our stakeholders.
- Distributed over 76,000 newsletters to our stakeholders keeping them informed of new developments and sharing examples of good practice within social services.
- Published the timescales for registering groups of workers in phase two and consulted on registration fees and Post Registration Training and Learning requirements for these workers.
- Set post registration and training learning requirements (PRTL) for newly qualified social workers. In future newly qualified social workers will have to meet additional training requirements, which will build upon and further develop their skills ensuring that they will be competent and confident social workers.
- Announced qualifications requirements for registration of housing support workers.

OUR PERFORMANCE IN 2005/06

The SSSC publishes an annual corporate plan which covers a three-year period. This section outlines our performance against the headline objectives and the key performance indicators set out in our corporate plan.

HEADLINE OBJECTIVES IN THE CORPORATE PLAN

1. Register and regulate key groups of social service workers.
2. Promote and regulate education and training for the social service workforce.
3. Promote workforce development and investment in the social service workforce.
4. Communicate and engage with our stakeholders.
5. Oversee and monitor the effective use of resources to achieve objectives.
6. Enable staff to work effectively to meet the SSSC's objectives.

The following section provides a management commentary on our achievements in relation to our objectives and then provides details of our performance against our key performance indicators.

REGISTER AND REGULATE KEY GROUPS OF SOCIAL SERVICE WORKERS

The registration of the social service workforce began on 1 April 2003. This annual report gives information on the third full year of registration. In the first year of registration, we opened the Register to social workers and in the third year, we opened the Register to the following groups:

- residential child care workers
- managers of adult day care services
- managers of care home services for adults.

OUR PROGRESS

Twenty-three targets were set in relation to this headline objective and 21 were achieved. The two targets not met were:

- agree with the Scottish Executive which workers should be included in phase three of registration.

After discussions with the Scottish Executive, it was decided to consider the outcome of the 21st Century Review of Social Work before making any firm decisions about which groups of workers should be in phase three.

- implement ICT system by March 2006.

The new ICT system will be delivered in three releases. Release one was in place by March 2006, release two is due in October 2006. This new system will make the registration process more efficient and in particular will provide online registration services to applicants, and registrants and their employers.

ACHIEVEMENTS

- Put in place application forms and ICT processes to open the Register to new groups of workers.
- Kept employers and social workers informed on the introduction and implications of the introduction of Protection of the Title "social worker".
- An area of work that will have significant impact on the future of social work is the requirement for newly qualified social workers to complete enhanced post registration and training and learning requirements. We consulted on this requirement in 2005 receiving many responses from social work students who welcomed the proposals.
- In March 2006, launched a consultation on proposed registration fee levels and PRTL requirements for early education and child care workers.
- Registered 7,451 social service workers in this period.
- Publicised the commencement dates for registration of workers in phase two of registration.
- After extensive consultation announced the requirement that five days of PRTL of registered social workers should be focused on enhancing their practice in the protection of children and adults from risk of harm.

PROMOTING AND REGULATING EDUCATION AND TRAINING

A well qualified workforce with workers who have the opportunity to learn throughout their career is essential to raising standards in the sector.

Developing new courses to respond to the changing requirements of people who use services and to support the formal and informal learning of workers will ensure that we have a workforce fit for the future.

OUR PROGRESS

There were nine targets under this objective. Eight of the targets were achieved. The one area where work is still required is:

- implement the new arrangements for the new practice learning qualifications.

ACHIEVEMENTS

- Approved all new degree courses and postgraduate social work courses.
- Held a seminar for Higher Education Institutions providing an opportunity for university staff and employers to find out about the outcomes of the 21st Century Social Work Review and to be briefed on the Quality Assurance Agency's approach to quality assurance and enhancement.
- Consulted upon and set the qualifications required for registration of housing support workers.
- Attended or exhibited at over 60 events to publicise the qualification requirements for early education and child care workers.
- Held a successful conference in April 2005 on 'Leading the Way in Europe: The SCQF in the social services'.
- Consulted upon qualification requirements for the registration of school care accommodation workers.
- Ran a series of workshops with the Scottish Institute for Excellence in Social Work Education to help share good practice in delivering the new honours degree and postgraduate degree in social work.
- Agreed the rules and requirements for specialist training courses for social service workers.

- Published the first newsletter about the Scottish Credit and Qualifications Framework and Social Services Project. This project is working to ensure that all learning undertaken by social service workers can be taken into account and used towards future qualifications.

The Scottish Practice Learning Project (SPLP) produce a separate annual report based on the work to achieve the objectives from "Confidence in Practice Learning". Listed below are achievements from the SPLP during 2005/06.

ACHIEVEMENTS

- Established four regional Learning Networks and a national development group with the support of Scottish Executive funding.
- Produced a Standards and Audit toolkit for practice learning opportunities that is being piloted by the universities offering the honours degree in social work.
- Worked with the Funded Practice Teaching Units to increase the number of practice learning days across the funded units by 5,000 days.
- Offered assistance to all local authorities and large voluntary organisations in producing practice learning plans in line with the expectations within the National Strategy for the Development of the Social Services Workforce.
- With the Association of Directors of Social Work (ADSW), ran five regional events promoting the development of learning organisations and learning cultures.
- Held successful seminars to promote practice learning in the private sector.

PROMOTE WORKFORCE DEVELOPMENT AND INVESTMENT IN THE SOCIAL SERVICE WORKFORCE

Developing the existing social service workforce and planning for the future workforce is a significant role for the SSSC.

The SSSC is part of the sector skills council, Skills for Care and Development (SfCD). As the Sector Skills Council (SSC) we are required to set up employer-led networks to drive forward and support workforce development.

OUR PROGRESS

Fifteen targets were set in this area of work and 14 targets were achieved by March 2006. Work is ongoing on the target not achieved, which is to disseminate findings from the Domiciliary Care Survey.

ACHIEVEMENTS

- Developed networks to consult and work with employers.
- Established the Core Minimum Data Set for social services, which provides a model for collating information for the social service sector.
- In partnership with the Scottish Executive, produced a workforce intelligence report on social workers in Scotland.
- As the sector skills council, Skills for Care and Development, launched a new range of Scottish Vocational Qualifications (SVQs) in children's care, learning and development jointly with the Scottish Qualifications Authority.
- Held five events throughout Scotland to consult with employers and other stakeholders about the SSSC's role as a Sector Skills Council.
- In conjunction with employer representatives, the Scottish Centres for Excellence, SQA Care Scotland and City Guilds in Scotland launched the first Skills Sets for the social service workforce in Scotland. Skill Sets are guidance notes to help employers, assessors and candidates identify the SVQ units and underpinning knowledge most relevant to their area of practice.
- Produced a guide for private providers of social care on the various funding streams, which employers can access to support the training and education of their staff.

COMMUNICATE AND ENGAGE WITH OUR STAKEHOLDERS

Developing and maintaining 2-way communication with our stakeholders is an important part of the work of the SSSC.

We produce an annual communication strategy that lists our stakeholders along with the methods used to communicate with them. Separate communication strategies have been developed in respect of our main objectives and in addition, one for people who use services and carers.

OUR PROGRESS

The target set within the corporate plan is to produce and implement a communication strategy and this was achieved. The Communications Strategy set out a programme of activities to communicate with our stakeholders and to encourage 2-way communication.

ACHIEVEMENTS

- Used a range of methods and formats to communicate with our stakeholders including a CD Rom.
- Launched the new website which saw an 87% increase in the number of visits.
- Over 8,000 career packs were downloaded from the website and we sent out 600 career packs to people interested in a career in social services.
- Held the second Care Accolades in Glasgow, and launched the third Care Accolades to be held in June 2006. By the closing date in February 2006, we received 40% more applications than in the previous year.
- Distributed 103,165 Codes of Practice bringing the total of Codes of Practice sent out to 383,708.
- Exhibited at 100 conferences and events with the aim of communicating with and providing information to a range of our stakeholders.
- Worked with the Registration section to provide 16 information sessions for residential child care workers and managers of adult residential care and adult day care services with over 500 people attending.
- Over 300 people attended our conference 'Building a confident social service workforce'.
- Responded to 1,454 calls about qualifications required for registration, this represents a 68% increase from the previous year.
- All publications now contain a statement that all our publications are available in other formats and languages.
- Responded to all requests for information and publications in other formats and languages.

OVERSEE AND MONITOR THE EFFECTIVE USE OF RESOURCES TO ACHIEVE OBJECTIVES

As a non-departmental public body, ensuring the effective use of resources and the good governance of the SSSC is at the forefront of our work.

The SSSC must comply with the Freedom of Information Act and deal accordingly with any requests for information. The SSSC is an open and accessible organisation with the view that as much information as possible should be easily available to the public.

PERFORMANCE MANAGEMENT

The SSSC has in place a performance management framework, which provides comprehensive monitoring on all aspects of business performance. This includes:

- production of work plans and objectives for all parts of the organisation which are monitored by the senior management team and committees
- quarterly reporting to committees and Council on financial performance and achievement of objectives
- publication of an annual report and accounts to Council, Scottish Parliament and other stakeholders
- reporting to Council on complaints received
- quarterly reports to committees and Council on monitoring risk
- a formal performance development review system for all staff
- a system of regular supervision meetings between managers and their staff to review progress of an individual's objectives.

OUR PROGRESS

We achieved nine targets in this area of work from the 10 targets that were set.

The one target still outstanding is to compile a Best Value plan and strategy. This has been delayed pending further guidance from the Scottish Executive and attendance by officers at Scottish Executive led Best Value events. However, officers have been working to adopt and integrate Best Value principles into their work.

ACHIEVEMENTS

- Produced a corporate plan that provided challenging objectives as well as outlining the difference the SSSC aims to make to people who use services and carers.
- To ensure effective governance and the management of resources, the SSSC has in place a Risk Strategy and a Business Continuity Plan.
- Responded within the timescales to all Freedom of Information requests.
- Produced an annual report to Council showing the successful implementation of the Equality Action Plan.
- Produced a training plan for Council and Committee members.
- Provided postgraduate funding to 296 social work students.

PRINCIPAL RISKS AND UNCERTAINTIES

As part of our corporate planning process we developed a risk strategy with senior managers and Council Members which identifies and scores the top 16 risks which might prevent us from achieving our objectives. Work is ongoing to develop strategies for dealing with the identified risks.

ENABLE STAFF TO WORK EFFECTIVELY TO MEET THE SSSC'S OBJECTIVES

Our ability to meet our objectives is dependent upon having motivated and skilled staff who understand how their role contributes to the vision of the SSSC.

We are working to ensure that we lead by example. We set significant goals for other organisations and we will operate to the highest standards at the SSSC.

OUR PROGRESS

In this area of work, 11 targets were set and 10 were achieved. There has been a delay in conducting a full Investors in People assessment. However, work has taken place in anticipation of the assessment and an employee survey was carried out in January 2006.

ACHIEVEMENTS

- The SSSC is a learning organisation; all employees have a learning and development plan, which is monitored and reviewed.
- The views of staff have been sought on two major initiatives during this period:
 - how to improve internal communications making sure that staff get the right information at the right time to do their job
 - carried out an employee survey in preparation for our Investors in People assessment.
- Absence levels are below 3% with the average in the public sector being 4.5%.
- We met all requests for flexible working hours, demonstrating the SSSC's commitment to being a family friendly organisation and supporting staff to achieve an appropriate work life balance.
- Promoted LifeWorks to all staff, an independent and confidential advice and support service.
- Reviewed the induction process to focus on the culture, values and ethos of the organisation.
- Encouraged cross-departmental training which has increased the sharing of skills and information across the organisation.
- Provided training to all staff and managers on the implementation of the Performance Development Review System, which included guidance on setting individual performance outcomes as they relate to the corporate plan and highlighting how staff contribute to the achievement of the SSSC's objectives.

PERFORMANCE OBJECTIVES AND KEY INDICATORS

This section of the annual report provides details on our progress in meeting our key performance indicators.

The performance objectives are the headline objectives that cover the key functions of the SSSC. They are:

1. register and regulate key groups of social service workers
2. promote and regulate education and training for the social service workforce
3. promote workforce development and investment in the social service workforce.

PERFORMANCE OBJECTIVE: REGISTER AND REGULATE KEY GROUPS OF THE SOCIAL SERVICE WORKFORCE

Key performance indicator

1. Process 95% of completed applications for registration, which do not require to be referred to a Registration Sub-committee within 60 working days.*

*This does not include the time taken to obtain a disclosure from Disclosure Scotland, or to obtain further information, which the SSSC considers necessary.

Our performance

The target was achieved for Care Commission officers but not achieved for social workers and students.

SOCIAL WORKERS

The introduction of protection of the title "social worker" in September 2005 resulted in a large increase in applications from social workers. The SSSC anticipated this increase and informed social workers and their employers at the start of 2005 that it could only guarantee that applications received on or before 1 May would be considered in advance of 1 September.

In the eight month period between 1 April and the 1 September 2005, a total of 6,247 applications were received which was over three times the applications that were received in the previous 21 months, ie from the commencement of registration in April 2003. To deal with this increased volume of applications resources had to be moved from processing applications through to completion, to entering sufficient information about each applicant on to the ICT system to allow acknowledgment letters to be sent and fees to be processed.

SOCIAL WORK STUDENTS

There was a significant improvement in the number of student applications that we received on time this year. However, we had to contact a large number of applicants because they had not provided the required information or their application was not endorsed correctly. We put in place a team of registration staff to deal solely with student applications so that this work was progressed within expected timescales.

This approach proved effective and during the reporting year, 92.75% of the applications from students, which were not subject to further enquiries, were processed within 60 days. The team has also developed good working relationships with relevant university staff that in turn have played an increasing role in supporting their students to submit their applications for registration.

CARE COMMISSION OFFICERS

One hundred percent of applications were completed within the 60 day period.

CATEGORY OF WORKER	PERCENTAGE COMPLETED WITHIN 60 DAYS
Social workers	31%
Students	92.75%
Care Commission Officers	100%

Key performance indicator

2. Deal with matters of conduct in relation to registered social service workers in accordance with timescales set in the Council's Conduct Rules.

Our performance

This target was achieved.

Key performance indicator

3. Implement the third year of the five year plan agreed with the Care Commission for how it will take account of the SSSC's Codes of Practice in its registration and inspection of services.

Our performance

As part of taking account of the Council's Codes of Practice for Social Service Workers and Employers of Social Service Workers, the Care Commission monitored through Pre Inspection Returns whether employers are implementing the policies they are required to have in place as set down in 2.1 of the Code of Practice for Employers of Social Service Workers.

It was also agreed with the Care Commission that they would undertake thematic inspections to monitor how providers of regulated services are adhering to 1.1, 1.2 and 1.3 of the Code of Practice for Employers (see below), which sets out requirements in relation to safe recruitment. These themed inspections started in April 2006.

- 1. As a social service employer you must make sure people are suitable to enter the social service workforce and understand their roles and responsibilities.**

This includes:

- 1.1 Using rigorous and thorough recruitment and selection processes focused on making sure that only people who have the appropriate knowledge and skills and who are suitable to provide social services are allowed to enter your workforce;
- 1.2 Checking criminal records, relevant registers and indexes and assessing whether people are capable of carrying out the duties of the job they have been selected for before confirming appointments;
- 1.3 Seeking and providing reliable references.

PERFORMANCE OBJECTIVE: TO PROMOTE AND REGULATE EDUCATION AND TRAINING AS A CONTRIBUTION TO DELIVERING A BETTER TRAINED AND QUALIFIED WORKFORCE

Key performance indicator

1. The SSSC's quality assurance and quality enhancement systems are in place, a workplan agreed and implemented by March 2006.

Our performance

This key performance indicator was achieved. The quality assurance document, Annual Monitoring Return (AMR) has been agreed with the Higher Education Institutes (HEIs) and was returned to the SSSC by March 2006. In agreeing the AMR, the SSSC consulted with the universities and held a seminar.

The AMR ensures that universities are meeting the standards expected. The SSSC has designed the quality assurance processes to enhance course provision in three key areas; widening access, risk assessment and management and academic leadership.

Key performance indicator

2. The postgraduate bursaries scheme reviewed and changes to the scheme implemented by June 2005.

Our performance

Completed the review and implemented the findings.

Key performance indicator

3. The Scottish Practice Learning Project (SPLP) to produce its third report to Scottish Ministers by October 2005, the report to outline progress in developing innovative and creative approaches to practice learning.

Our performance

Completed third report to Scottish Ministers in November 2005. The SPLP has been successful in securing additional funding to support SPLP work until March 2008.

Key performance indicator

4. The new arrangements for practice learning consulted upon and work to develop the qualification completed and the first candidates registered on the new qualifications from June 2006.

Our performance

Consulted upon the new arrangements and the Scottish Institute for Excellence in Social work Education has completed the commission to develop the qualifications. The design and development of the new Practice Learning Qualification (Social Services) is completed. However, the new qualifications will not be available in June 2006. Discussions with the Scottish Executive about funding for development and delivery costs are ongoing. Future challenges will include working in collaboration with stakeholders to deliver the new qualifications.

PERFORMANCE OBJECTIVE: TO PROMOTE AND ENCOURAGE WORKFORCE DEVELOPMENT AND TRAINING AS PART OF THE CREATION OF A LEARNING CULTURE

Key performance indicator

1. The Sector Skills Council for Care and Development is established, systems and structures are in place for working with employers and other SSCs by June 2005.

Our performance

The Workforce Development Manager was appointed in June 2005 and the business plan is being implemented. The Learning Network infrastructure will provide the initial framework for employer engagement.

Key performance indicator

2. Continuous Professional Development (CPD) proposals are implemented as set out in the workplan by March 2006.

Our performance

The strategy is being implemented. The need for standards for advance practice is the subject of discussion with the Scottish Executive.

Key performance indicator

3. Work to implement the Scottish Credit and Qualifications Framework (SCQF) in the social service sector is progressing, employers are informed and contributing to the implementation by December 2005.

Our performance

Work to implement the Scottish Credit and Qualifications Framework (SCQF) in the social service sector is progressing. Employers are collaborating in projects which contribute to the SCQF implementation. The SSSC has secured additional funding to support the SCQF until March 2008.

Key performance indicator

4. The arrangements for workforce planning for social workers are in place to identify demand, supply and training needs by March 2006.

Our performance

Completed a preliminary report on the supply of social workers in March 2006. Further developments in workforce planning will form part of the Sector Skills Agreement (SSA). The SSA will require us to identify the training needs of the whole sector, the courses currently available to meet those needs and the creation of a plan to address the gaps.

We published the second Labour Market Survey in February 2006.

A RESPONSIBLE ORGANISATION

We want to ensure that as an organisation we have a positive impact on the environment and our communities.

THE ENVIRONMENT

The SSSC has in place an environmental policy which sets out how the organisation will aim for best practice environmental solutions and minimise the impact of our operations on the environment.

The environmental management system will follow the requirements of the international standard ISO 14001 and ensure that environmental impact is identified, measured and managed. The senior management team is responsible for the implementation of the policy.

The primary focus of improvement will be:

- energy use
- waste
- transport
- procurement.

All staff will receive training so they are aware of their responsibilities and can contribute to the setting and achievement of environmental targets.

In the period 2005 – 2006, the policy was produced and agreed by the senior management team and data gathered to begin to set targets for 2006 – 2007.

SOCIAL AND COMMUNITY ISSUES

Protecting people who use services is our main objective. Social service workers provide care and services to the young, the elderly and often the most vulnerable in our society. These services are provided in the community and in people's homes. The SSSC will, through registration and regulation of the workforce and by assisting organisations to develop their staff, help to ensure that people who use services and their carers can rely on the highest standards and services that meet their individual needs.

The SSSC is committed to working with people who use services, representative groups and community groups to ensure that their views inform our work. We provide speakers to groups, produce articles for newsletters and actively work to find opportunities to inform people who use services of our work.

In addition, we are working with our partners to encourage people into social services from a diverse range of backgrounds to reflect the nature of our communities.

PLANNING FOR THE FUTURE

To stay effective, the SSSC must plan for the future. Opportunities and challenges will arise and we want to ensure that we are ready to deal with these opportunities and challenges.

Over the next three, five and 10 years the following changes are likely to take place:

- increase our role in promoting education and training
- become one of the champions of the sector
- grow as an organisation
- assume responsibility for workforce planning
- expand our registration functions
- work with a wider range of national bodies
- contribute to and take the lead role in national initiatives
- increase our communication role as one of the major sources of information about the sector and about training and careers
- expand our finance functions (for bursary scheme and possibly other training funds)
- work with other sector skills councils (SSCs), in particular Skills for Health, Skills for Justice and the SSC for Lifelong learning
- be required to respond to changes on tertiary education
- have to operate in a changing resource climate
- see increasing use of technology in delivering teaching and learning.

During the period this report covers, the Scottish Executive published two reports that will have a major influence on the work of the SSSC.

Significant pieces of work will be required as a result of the outcomes of the 21st Century Social Work Review. These include:

- continuous professional development and post registration and training qualifications
- outlining career pathways for social service workers
- developing strategies and supporting employees around recruitment and retention.

The publication of the National Strategy for the Development of the Social Service Workforce in Scotland – A Plan for Action 2005 – 2010 also sets targets for us to achieve in 2006.

As the regulator of the early education and child care sector and also in our capacity as Skills for Care and Development, the publication of the National Review of the Early Education and Child Care Workforce in 2006 will influence our work for the coming year.

GOVERNANCE OF THE SCOTTISH SOCIAL SERVICES COUNCIL

The SSSC is accountable to the Scottish Executive through the Sponsorship branch: the Social Work Services Policy Division. Our Corporate Plan is agreed with the sponsors and we are accountable to them in the achievement of our objectives set out in this.

THE COUNCIL

The Council is made up of a Convener and 11 Members, all of whom are appointed by Scottish Ministers through open competition. The membership reflects a wide range of interests in the field of social care, including service users, carers, those involved in service delivery, trade unions, professional bodies and those delivering education and training for the social service workforce. The Council Members work together to achieve the corporate vision of the Scottish Social Services Council.

The quarterly Council meetings are held in public and the minutes of each meeting are available on our website www.sssc.uk.com

THE SSSC COMMITTEES

The SSSC has a number of committees with a variety of responsibilities set up to take an overview and monitor the work of the SSSC.

AUDIT COMMITTEE

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

FINANCE AND RESOURCES COMMITTEE

Established to take an overview of how the Council conducts its business, overseeing on behalf of the Council, the preparation of work and business plans, including budgets and resource requirements and the effective, efficient and economical use of the Council's money and to agree the organisational structure and HR policies, processes and procedures.

LEARNING AND DEVELOPMENT COMMITTEE

Established to support the delivery of high quality social work and social services, working with employers to develop and maintain a competent and appropriately qualified workforce in all sectors. To oversee workforce analysis and planning, employment and training initiatives and the development of appropriate and accessible National Occupational Standards.

This committee also oversees the work of the Council in relation to the development as a sector skills council, Skills for Care and Development.

REGISTRATION AND REGULATION MONITORING COMMITTEE

Established to monitor and report to Council on the quality and effectiveness of the systems, processes and procedures used in the registration and regulation of the social service workforce and to advise Council on the development of policy in relation to regulation and registration of the social service workforce.

REGISTRATION COMMITTEE

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

CONDUCT COMMITTEE

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

COUNCIL MEMBERS

MORAG ALEXANDER OBE

Convener of the SSSC since 1 August 2001, Morag was Chair of Fair Play Scotland and is a Member of the Governing Body of Queen Margaret University College. She is also a member of the Board of the Scottish Commission for the Regulation of Care.

From 1995 to 2003, she was Chair of the Early Years Advisory Group of Children in Scotland and between 1996 and 2005, a Board Member of Turning Point Scotland. Morag was also previously a Board Member of Partnership for a Parliament, a Member of the Expert Panel on Procedures and Standing Orders in the Scottish Parliament and a Member of the Scottish Committee of Inquiry into Student Finance (Cubie Committee).

Morag was formerly Director of the Equal Opportunities Commission, Scotland.

ELIZABETH BRIDGEFORD OBE

Retired Director of Social Work, Perth & Kinross Council, Betty has a wealth of knowledge and expertise gained over many years of working in the social services sector. Betty is on the Boards of a number of voluntary organisations involving adults and children and is presently Chair of Age Concern Scotland.

MARY HARTNOLL

Convener of the Care Commission who are responsible for regulating a wide range of services including child care, care homes and independent healthcare. Mary was previously Director of Social Work in Grampian, Strathclyde and Glasgow and has served on numerous working groups and national bodies during an extensive career in the social services.

PATRICK KELLY

Former Director of Priority Services and Chief Nursing Adviser at Dumfries and Galloway Health Board, Pat is a panellist for the Nursing and Midwifery Council (NMC) and the Mental Health Tribunal Scotland. Pat is Chair of the Registration and Regulation Monitoring Committee.

MICHAEL KIRBY

A practice team leader with Glasgow City Council Social Work Services in the east end of Glasgow, working with children and families, Mike is Scottish Convener of UNISON and a member of the General Council of the STUC. Mike is Chair of the Learning and Development Committee.

JAMES MCINTOSH MBE

Jimmy was born in 1939 in Inverness. He was diagnosed as having cerebral palsy and as a result of this, spent a total of 40 years in hospitals and residential care homes all over Scotland. While in Gogarburn hospital, Jimmy was deputy chairperson of the patients' committee and then took the lead role for his final year as a resident in the hospital. Since becoming a resident at Gogarburn in 1956 Jimmy campaigned long and hard for release from hospital.

Latterly he was allowed to attend a day centre outwith the hospital and there he also became chairperson of the members' committee. In 1982, along with two other steadfast campaigners, Jimmy fought through the Sheriff Court against the ruling that denied residents of a long-stay hospital the right to vote. Finally, in 1983 Jimmy married and gained his long-awaited freedom from residential care. He continued to attend New Trinity day centre until 1998. In this year Jimmy was accepted as a recipient and pioneer of the relatively new direct payment scheme which gives users the freedom to employ their own assistants and live independently.

Jimmy has also played a lead role in the setting up of two user led organisations in Edinburgh: Sticking up for Your Rights Group and Surging Ahead. In 2001 Jimmy found his first independent employment as a Council member of the SSSC. He also continues to be involved as a member and board member of many organisations and advocacy groups in his fight for equal rights for people with disabilities. In early 2006, Jimmy's campaigning on behalf of disabled people was recognised when he was awarded the MBE in the new year's honours.

JUDITH MIDGLEY

Judith is Practice Development Manager for Enable Scotland, a voluntary sector provider of services for adults with learning disabilities. A qualified solicitor and housing professional, Judith worked in housing prior to moving into the social services sector. Judith chairs the Conduct Committee.

KATE PRYDE

Kate is a registered social worker and was the first Scottish Chair of the British Association of Social Workers. She is Chair of the Post Qualifying Consortium for Social Work in Scotland and is a General Member of the Mental Health Tribunal. Kate chairs the Finance and Resources Committee and the Registration Committee.

CHERRY ROWLINGS

Professor of Social Work at the University of Stirling since 1991, Cherry is a qualified social worker with particular interest in social work practice and services for older people, and practice and management in residential and day care services. She was previously a Member and Vice-Chair of the Central Council for Education and Training in Social Work (CCETSW) and Non-Executive Director of an NHS Primary Care Trust.

BRYAN WILLIAMS OBE

Professor of Social Work at Dundee University since 1989 and seconded by the university to be the founding Director of the Scottish Institute for Excellence in Social Work Education (the Institute). This collaborative initiative was originally established to bring about transformation in the learning outcomes and processes associated with the new social work honours degree. The Institute is now engaged in a range of work focused on improving services and supporting workforce development through strengthening the evidence base practice. It works closely with the SSSC on all matters concerned with raising standards in education, training and practice. The two bodies jointly manage the Scottish Practice Learning Project. Bryan is Chair of the Audit Committee and of the Practice Implementation Group. He was awarded the OBE in 2003 for 'services to social work education'.

MARGARET MCKAY

Margaret is Chief Executive of Children 1ST, one of Scotland's leading child welfare charities. Before this she was Chief Executive of Children's Hospice Association Scotland and founding Director of ChildLine Scotland. Margaret is also a carer.

IAN DOIG

Ian Doig is an independent consultant, specialising in strategy, finance and corporate governance in the public services. Ian is an accountant and was formerly the Director of CIPFA in Scotland; CIPFA is a major professional accountancy body and is both an examining body and a regulating body for practitioners. Ian has wide experience in public services, including financial management, professional education and training and CPD.

Ian's experience includes assisting public service bodies to improve the delivery of services, improve public value outcomes, deliver strategic objectives, build partnerships and collaborative working and develop staff competencies and profile. Ian is also a Board Member of SEPA and is a Co-opted member of the Audit Committee of the Care Commission.

SCOTTISH SOCIAL SERVICES COUNCIL

COUNCIL MEMBERS' REGISTER OF INTERESTS

The SSSC keeps a register of Council Members' interests. This is open to the public and available on our website www.sssc.uk.com

FINANCIAL REVIEW

CURRENT AND FUTURE

FUNDING

The Scottish Social Services Council is funded mainly by Grant in Aid and grants for specific projects from the Scottish Executive. There is a small proportion of income received from registration fees and other sources.

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

FINANCIAL POSITION

The SSSC's total income during the 2005/06 financial year was £10.8m. Of this, £10.3m was received as Grant in Aid and other grants from the Scottish Executive. Registration fees amounted to £0.2m and there was other income of £0.3m.

The SSSC's expenditure for the year ended 31 March 2006 totalled £10.4m. Staff costs amounted to £2.7m (after pension scheme valuation adjustments). Operating expenditure was £2.0m (excluding notional items) and payments of grants, awards and bursaries totalled £5.7m.

The SSSC's financial position at the end of 2005/06 was a surplus of £0.5m. The Sponsor has agreed to this surplus being transferred to Specific Reserves to fund future years' legal fees (£120k) and the Development of the On-line Social Care Register (OSCAR) System (£375k).

2005/06 Grant in Aid was drawn down at the end of March 2006 to meet cash flow requirements in early April 2006. This Grant in Aid was repaid along with other Grant in Aid that was surplus to requirements as a result of underspends. The total amount repaid was £467k.

Work on a job evaluation exercise was commenced during 2005/06 and this will conclude with a new pay and grading structure being implemented during 2006/07. This is the first review of the pay and grading structure since the SSSC commenced operations in 2001 and the review is required to ensure compliance with equal pay requirements. There is an agreed three year salary protection policy in place and therefore there will be a cost associated with implementing the revised pay and grading structure, at least in the short term.

The OSCAR system is a registration system being developed for the social care councils in Scotland, England, Wales and Northern Ireland by the General Social Care Council. It is a replacement for the existing registration system and was originally scheduled for completion in 2005/06. The project will now be completed in 2006/07 and the remaining funding for the project of £375k has been transferred to a Specific Reserve to be drawn on as the project progresses.

The number of new registrations is increasing each year as new sectors of workers are required to register. This will mean an increase in the number of registration staff and related overhead costs which will be partially offset by an associated increase in registration income.

The intention when the SSSC was set up in October 2001 was to move to a position where the fees charged to registrants would be sufficient to fund the cost of their registration. The Minister has decided that registration fees should be set at a level that meets registration costs by 2011/12.

ACCOUNTING POLICIES

The accounting policies are set out in the Notes to the Accounts (pages 66 to 68).

GOING CONCERN

The balance sheet at 31 March 2006 shows net liabilities of £0.858m. This reflects the inclusion of liabilities falling due in future years of £1.841m in respect of pension liabilities arising from the application of the accounting standard FRS 17.

The pension fund that the SSSC participates in is the subject of an actuarial valuation every three years and employer contribution rates are set at levels designed to bring fund assets and liabilities into balance for the fund as a whole. Therefore the liability will be reduced through the payment of employer contributions each year.

Increases in employer contributions will require to be reflected through the Grant in Aid agreed with the Sponsor Department.

The SSSC, in common with other NDPBs is the subject of formal five year reviews. This review addresses fundamental issues such as if there is still a requirement to have the SSSC as an organisation and if so whether or not the current structure is fit for purpose.

The Council has no reason to believe the Sponsor Department and Scottish Ministers have any intention to withdraw or reduce support to the SSSC. In addition the Sponsor has confirmed Grant in Aid figures for 2006/07 and provided indicative figures for 2007/08. It is therefore considered appropriate to prepare the accounts on a going concern basis.

PENSIONS

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

The local government pension scheme is a defined benefit scheme that provides pension benefits based on final pensionable remuneration. There were 61 employees that were active members of the Tayside Superannuation Fund as at 31 March 2006.

The actuaries Barnett Waddingham have recently completed an actuarial valuation of the Fund as at 31 March 2005 and have set provisional employer contribution rates as follows:

YEAR ENDED	EMPLOYER CONTRIBUTION RATE
31 March 2007	16.5%
31 March 2008	17.7%
31 March 2009	18.9%

The employer contribution rate for 2005/06 was 16.5%. The rates are provisional as there are proposals on changes to the local government pension scheme currently being discussed. If these changes were implemented the expectation is that the increase in employer rates would be reduced.

The pension liability on the balance sheet has increased significantly since 2004/05. The fundamental reason for this is a change to the discount rate used by the actuaries when performing the FRS 17 valuation. In 2004/05 a discount rate of 3.5% was used but the local government scheme guidance now requires the use of the much more prudent yield available on AA rated corporate bonds. The rate calculated and used by the actuaries was 1.8%. The effect of introducing this more prudent discount rate was to increase the pension liability by £0.7m.

The disclosures required by accounting standard FRS 17 "Retirement Benefits" are contained in Note 13 of the accounts.

AUDITORS REMUNERATION

Under the Public Finance and Accountability (Scotland) Act 2000 the Auditor General for Scotland appoints the auditors of the SSSC. For the financial years 2002/03 to 2005/06 the Auditor General appointed Audit Scotland to undertake the statutory audit of the SSSC.

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

The cost of statutory audit for 2005/06 was £ 17.9k (2004/05 £ 17.4k). Audit Scotland provided services solely relating to the statutory audit. No further assurance, tax or other services were provided.

Chiene and Tait have been appointed the SSSC's internal auditors for a 3 year period 2003/04 to 2005/06 and the option to extend for a further 2 years has been exercised. The cost of internal audit for 2005/06 was £ 12.1k (2004/05 £ 12.1k).

All reports by Internal and External Audit are considered by the Audit Committee.

POST BALANCE SHEET EVENTS

There were no important events requiring adjustment to/disclosure in the financial statements occurring after the year end.

STATEMENT OF COMPLIANCE WITH BEST PRACTICE

The management commentary has been prepared in accordance with the Accounting Standards Board's Reporting Statement: Operating and Financial Review 2006 as far as practicable. Adjustments have had to be made to reflect the public sector context.

PAYMENT OF CREDITORS

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 according to the agreed contract conditions. Where there is no contract or other understanding, suppliers are paid within 30 days of either receipt of the goods or services, or when they present a valid invoice or similar demand, whichever comes later.

We have paid 87% of invoices within 30 days (2004/05 63%) and 80% of invoices within agreed payment terms (2004/05 57%). These calculations are based on the date of the invoice and will therefore marginally understate the SSSC's performance as the invoice date will normally be earlier than the date the invoice is received.

We aim to ensure continuous improvement in payment performance.



Carole Wilkinson
Chief Executive
26 October 2006



INTRODUCTION

This report provides information on the remuneration of Scottish Social Services Council (SSSC) Council Members and senior managers. The senior managers are the Chief Executive, the Registrar (Depute Chief Executive) and the Head of Learning and Development.

REMUNERATION COMMITTEE

During 2005/06 Council agreed that a Remuneration Committee be established to determine the performance element of the pay of the senior management team excluding the pay of the Chief Executive.

The following Council Members have been appointed to sit on the Remuneration Committee from March 2006:

Morag Alexander (SSSC Convener)

Kate Pryde (Chair of Finance and Resources Committee)

Ian Doig (Depute Chair of Finance and Resources Committee)

Michael Kirby (Chair of Learning and Development Committee)

Patrick Kelly (Chair of Registration, Regulation & Monitoring Committee).

The Committee is advised by the following officers:

Chief Executive

Senior HR Advisor

Until a separate Remuneration Committee was established the functions of the Remuneration Committee were undertaken by the Finance and Resources Committee.

REMUNERATION POLICY

Members

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

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 Executive to allow the Chief Executive's remuneration to be agreed.

The senior management team

The senior management team are on a salary scale and progression to the maximum of the scale is determined by performance. Performance is assessed by the SSSC's "Performance Development Review System" and is subject to agreement of the Remuneration Committee. The SSSC's pay strategy is approved by the Scottish Executive. Subject to that approval, a pay award package is negotiated with trade unions. When the pay award package has been agreed by the trade unions it is applied to the remuneration of senior managers and the main body of SSSC staff.

NOTICE PERIODS

Members

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

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

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

Name	Current Term	Date of Initial Appointment	Date of Re-Appointment	Date of Termination of Appointment
Alexander, Morag (Convener)	2nd	01 Aug 2001	01 Aug 2004	31 July 2007
Bridgeford, Elizabeth	2nd	01 Sept 2001	01 Sept 2003	31 Aug 2006
Corker, Ursula	2nd	01 Sept 2001	01 Sept 2004	31 Aug 2005
Doig, Ian	1st	01 Nov 2005	n/a	31 Oct 2008
Hartnoll, Mary	2nd	01 Aug 2001	01 Aug 2004	31 July 2007
Kelly, Patrick	2nd	01 Sept 2001	01 Sept 2003	31 Aug 2006
Kirby, Michael	2nd	01 Sept 2001	01 Sept 2004	31 Aug 2007
Lynch, Thomas	2nd	01 Sept 2001	01 Sept 2003	31 Aug 2005
McIntosh, James	2nd	01 Sept 2001	01 Sept 2003	31 Aug 2006
McKay, Margaret	1st	01 Nov 2005	n/a	31 Oct 2008
Midgley, Judith	2nd	01 Nov 2002	01 Nov 2005	31 Aug 2007
Pryde, Kate	2nd	01 Sept 2001	01 Sept 2004	31 Aug 2007
Rowlings, Cherry	2nd	01 Sept 2001	01 Sept 2004	31 Aug 2007
Williams, Bryan	2nd	01 Sept 2001	01 Sept 2004	31 Aug 2007

Chief Executive

The Chief Executive, Carole Wilkinson, commenced on a fixed term contract on 1 October 2001. A permanent contract was agreed during the year and commenced on 1 June 2005. The normal retirement age for this post is 65 and the current post holder will attain normal retirement age in 7.6 years. Termination of the contract requires a notice period of 6 months by either party.

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

Registrar and Head of Learning and Development

The Registrar and Head of Learning and Development are engaged on permanent contracts and are subject to the normal retirement age of 65. Termination of the contract requires a notice period of 3 months by either party.

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

Name	Title	Date of Appointment	Years to Normal Retirement Age
Geraldine Doherty	Registrar	01 Feb 2002	16.1
Raymond Taylor	Head of Learning & Development	04 Mar 2002	18.4

REMUNERATION – SSSC COUNCIL MEMBERS

Salary 2005 £000		Salary 2006 £000
20 – 25	Alexander, Morag (Convener)	20 – 25
5 – 10	Bridgeford, Elizabeth	5 – 10
5 – 10	Corker, Ursula (left 31 August 2005)	0 – 5
	Doig, Ian (commenced 1 November 2005)	0 – 5
5 – 10	Kelly, Patrick	5 – 10
5 – 10	Kirby, Michael*	5 – 10
5 – 10	Lynch, Thomas (left 31 August 2005)	0 – 5
0 – 5	McIntosh, James	0 – 5
	McKay, Margaret (commenced 1 November 2005)	0 – 5
5 – 10	Midgley, Judith*	5 – 10
5 – 10	Pryde, Kate	5 – 10
5 – 10	Rowlings, Cherry*	5 – 10
5 – 10	Williams, Bryan*	5 – 10

* Remuneration is paid to the employers of these Members.

Mary Hartnoll, the Convener of the Scottish Commission for the Regulation of Care (Care Commission), is a member of the Council but receives no remuneration from the SSSC. There is a reciprocal arrangement in place whereby Morag Alexander, the Convener of the SSSC, is a member of the Board of the Care Commission and receives no remuneration from the Care Commission.

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

REMUNERATION – CHIEF EXECUTIVE, REGISTRAR AND HEAD OF LEARNING AND DEVELOPMENT

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

2005/06	Age	Emoluments & Benefits in Kind	Real increase in Pension		Accrued Pension at age 60	Related Lump Sum at age 60	Cash Equivalent Transfer Value		Real Increase in Cash Equivalent Transfer Value
		£000	£000	£000	£000	£000	at 31/03/2005	at 31/03/2006	£000
Carole Wilkinson Chief Executive	57	80-85	0-2.5	0-2.5	35-40	105-110	551	597	30
Geraldine Doherty Registrar	48	65-70	0-2.5	0-2.5	25-30	85-90	261	286	17
Raymond Taylor Head of Learning and Development	46	55-60	0-2.5	0-2.5	25-30	75-80	198	224	20

2004/05	Age	Emoluments & Benefits in Kind	Real increase in Pension		Accrued Pension at age 60	Related Lump Sum at age 60	Cash Equivalent Transfer Value		Real Increase in Cash Equivalent Transfer Value
		£000	£000	£000	£000	£000	at 31/03/2004	at 31/03/2005	£000
Carole Wilkinson Chief Executive	56	80-85	0-2.5	0-2.5	35-40	105-110	511	551	39.6
Geraldine Doherty Registrar	47	65-70	0-2.5	2.5-5.0	25-30	85-90	230	261	30.7
Raymond Taylor Head of Learning and Development	45	50-55	0-2.5	2.5-5.0	20-25	70-75	174	198	23.8

DISCRETIONARY BENEFITS POLICY

The Chief Executive, Registrar and Head of Learning Development 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 members of the pension scheme that 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 66 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 must be approved by the Council.

SERVICES FROM OTHER ORGANISATIONS

The Director of Finance and Administration (Tom Waters) and Director of Human Resources (Carol Proudfoot) are employed by the Care Commission but provide professional services to the SSSC through a Service Level Agreement (SLA). The SSSC made payments to the Care Commission for the professional services as follows:

	2004/05 £000	2005/06 £000
Tom Waters, Director of Finance & Administration	15.6	16.0
Carol Proudfoot, Director of Human Resources	15.6	1.0



Carole Wilkinson
Chief Executive
26 October 2006



4. STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

UNDER PARAGRAPH 9(1) OF SCHEDULE 2 TO THE REGULATION OF CARE (SCOTLAND) ACT 2001, THE SSSC IS REQUIRED TO PREPARE A STATEMENT OF ACCOUNTS FOR EACH FINANCIAL YEAR IN THE FORM AND ON THE BASIS DIRECTED BY SCOTTISH MINISTERS. THE ACCOUNTS ARE PREPARED ON AN ACCRUALS BASIS AND MUST GIVE A TRUE AND FAIR VIEW OF THE SSSC'S AFFAIRS AT THE YEAR END AND OF ITS FINANCIAL ACTIVITIES DURING THE YEAR.

In preparing the accounts, the SSSC is required to:

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

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

A handwritten signature in black ink, reading 'Carole Wilkinson' in a cursive script.

Carole Wilkinson
Chief Executive
26 October 2006



5. STATEMENT ON INTERNAL CONTROL

1. SCOPE OF RESPONSIBILITY

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the SSSC's policies, aims and objectives, whilst safeguarding the public funds and the NDPB's assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The Management Statement and Financial Memorandum for the SSSC makes clear that I am personally responsible to the Scottish Parliament for securing propriety and regularity in the management of public funds in my charge and for the day-to-day operations and management of the SSSC.

The SSSC is accountable to its Sponsor, the Scottish Executive Social Work Services Policy Division.

The Corporate Plan and budget are agreed with the Sponsor. Regular performance meetings are held with the Sponsor where progress against the plan and key performance indicators are discussed.

The Sponsor occasionally attends Council meetings, is supplied with copies of all relevant Council and Committee papers and also receives budget monitoring information on a monthly basis.

The SSSC follows the guidance set out in the *Scottish Public Finance Manual* (SPFM). The SPFM is issued by the Scottish Ministers to provide guidance to the Scottish Executive and other relevant bodies on the proper handling of public funds. It is mainly designed to ensure compliance with statutory and parliamentary requirements, promote value for money and high standards of propriety, and secure effective accountability and good systems of internal control.

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk rather than eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the SSSC for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts, and accords with the *Scottish Public Finance Manual*.

3. THE RISK AND CONTROL FRAMEWORK

All bodies subject to the requirements of the SPFM must operate a risk management strategy in accordance with the guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

Leadership for managing risk comes from Council Members and the senior management team making sure that risks are identified and addressed as an integral part of the corporate planning process.

Facilitated risk workshops are attended by Council Members and all staff are invited. These workshops identify risks and allocate responsibility for managing the risks.

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

The senior management team meet regularly to consider the plans and strategic direction of the organisation.

All staff are trained in the duties they are required to perform and attend regular "one to one" supervision sessions to discuss work related issues, progress towards objectives, training and personal development requirements. There is a formal Scheme of Delegation that sets out the powers and responsibilities of staff. The Scheme of Delegation is reflected in the authorisation limits provided in the SSSC's financial system.

The SSSC continues to embed risk management principles throughout the organisation and a risk awareness training programme has been developed and this will be delivered to staff during financial year 2006/07.

More generally, the organisation is committed to a process of continuous development and improvement. Systems are developed in response to relevant reviews and developments in best practice in this area. In particular, in the year to 31 March 2006 and up to the signing of the accounts the SSSC:

- has organised risk management workshops that were attended by members of the Council and staff. The existing risk register was reviewed and the top 16 risks facing the organisation identified
- has set targets to measure financial and other performance across the organisation and for individual managers and other staff and progress on them is regularly monitored
- will present business continuity and emergency response plans to Finance and Resources Committee in May 2006
- has developed contingency plans in the areas of Information and Communications Technology (ICT) and Communications

- has in place a procurement policy and associated guidance and access to procurement expertise has been achieved through a Service Level Agreement with the Scottish Commission for the Regulation of Care
- has developed Key Performance Indicators (KPIs) which have been regularly reported on to Council and operational Committees
- provides the Audit Committee, on each occasion it meets, with an update on progress towards implementing all recommendations agreed with internal and external auditors
- developed new system in conjunction with the other three UK Care Councils to provide the integrated functionality required for registration and conduct processes.

4. REVIEW OF EFFECTIVENESS

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- the executive managers within the SSSC who have responsibility for the development and maintenance of the internal control framework
- the work of internal auditors, who submit to the SSSC's Audit Committee regular reports which include an independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement
- comments made by the external auditors in their management letter and other reports.

An effective system of internal control is maintained by the regular reporting of progress against the Corporate Plan and budget. Systems are reviewed by staff and managers on a regular basis and procedures revised where appropriate.

The following all have a role to play in ensuring that there is a robust process for ensuring an effective system of internal control is maintained and reviewed:

■ The Council

The Council, while delegating certain tasks to others, remains ultimately responsible and accountable for all the decisions taken in its name, whether directly or through its Committees.

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

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

■ The Audit Committee

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

The membership of the Committee includes two co-opted members to provide specific expertise that is relevant to the work of the Committee.

■ The Finance and Resources Committee

The purpose of the Finance and Resources Committee is to take an overview of how the Council conducts its business, overseeing, on behalf of the Council, the preparation of business and work plans, including budgets and resource requirements, and the efficient, effective, and economical use of the Council's resources.

To agree the organisational structure and human resources policies, processes and procedures required to facilitate the discharge of business by the SSSC.

The membership of the Committee includes two co-opted members to provide specific expertise that is relevant to the work of the Committee.

■ Internal Audit

The SSSC's internal audit function has been contracted out. Internal audit forms an integral part of the SSSC's internal control arrangements. This ensures appropriate monitoring of risks and controls is in place.

Other review and assurance mechanisms include external audit, the regular performance monitoring meetings with the Sponsor and the Sponsor's auditors who have the power to examine SSSC's records and undertake investigations as necessary.

During financial year 2006/07 it is intended to undertake the following actions to improve the SSSC's system of internal control:

- a formal risk management strategy document will be developed that will consolidate and build upon the existing risk management practices and clearly assign risk management responsibilities
- budget holder training will be developed and delivered to all budget holders.



Carole Wilkinson
Chief Executive
26 October 2006



6. INDEPENDENT AUDITOR'S REPORT

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

I have audited the financial statements of the Scottish Social Services Council for the year ended 31 March 2006 under the Regulation of Care (Scotland) Act 2001. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

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 the Code of Audit Practice approved by the Auditor General for Scotland and for no other purpose as set out in paragraph 43 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by Audit Scotland, dated July 2001.

RESPECTIVE RESPONSIBILITIES OF THE COUNCIL, CHIEF EXECUTIVE AND AUDITOR

The Scottish Social Services Council and Chief Executive are responsible for preparing the Annual Report and the financial statements in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers. The Chief Executive is also responsible for ensuring the regularity of expenditure and income. These responsibilities are set out in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Scottish Social Services Council.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

I report my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers. I also report whether in all material respects the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. I also report if, in my opinion, the Management Commentary is not consistent with the financial statements, if the body has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Scottish Social Services Council's compliance with Scottish Executive guidance. I report if, in my opinion, it does not comply with the guidance or if it is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the body's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Management Commentary and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

I conducted my audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and income included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Council and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

OPINION

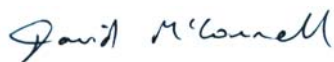
Financial statements

In my opinion

- the financial statements give a true and fair view, in accordance with Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers, of the state of affairs of the Scottish Social Services Council as at 31 March 2006 and of its surplus, recognised gains and losses and cash flows for the year then ended; and
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers.

REGULARITY

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



31 October 2006

David McConnell
Assistant Director of Audit (Health)
Audit Scotland
7th Floor, Plaza Tower
East Kilbride



7. SCOTTISH SOCIAL SERVICES COUNCIL FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

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INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2006

2005 £000		Notes	2006 £000
	Income		
(7,353)	Grant in Aid from Scottish Executive	2a	(6,849)
(1,489)	Government grants	2b	(3,139)
(183)	Other government income	2c	(255)
(32)	Transfer from Deferred Grant Reserve	10	(62)
(9,057)	Total Income from government grants		(10,305)
(160)	Other operating income	3	(522)
(9,217)	Total income		(10,827)
	Expenditure		
2,157	Staff costs	4b	2,712
1,524	Operating expenditure	5a	1,963
2,090	Disbursement grants	5b	1,938
2,176	Bursaries	5b	2,210
1,145	Practice learning fees	5b	1,585
9,092	Total expenditure		10,408
(125)	<i>Operational (surplus)/deficit on ordinary activities before interest</i>		(419)
(13)	Bank interest (net of charges)		(21)
51	(Return)/cost on pension assets & liabilities		24
(87)	<i>Operational (surplus)/deficit on ordinary activities after interest</i>		(416)
(5)	Write back of notional cost of capital		(23)
(39)	Movement on Pensions Reserve	9	(56)
(131)	(Surplus)/deficit for the period		(495)
	Transfer to Specific Reserves:		
0	Legal Fees Reserve	11a	120
0	OSCAR Development Reserve	11b	375
0			495

All operations are continuing.

The notes on pages 66-79 form an integral part of these accounts.

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2006

2005 £000		Notes	2006 £000
50	Net actuarial gain/(loss) on valuation of pension fund	13d	(85)
0	Change in pension fund valuation discount rate	13d	(749)
50	Recognised gains and (losses) for the financial year		(834)

The notes on pages 66–79 form an integral part of these accounts.

BALANCE SHEET

AS AT 31 MARCH 2006

2005 £000		Notes	2006 £000
	Fixed assets	6	
116	Tangible assets		291
0	Intangible assets		0
	Current assets		
1,005	Debtors	7	582
654	Cash at bank and in hand		2,028
1,659			2,610
	Creditors – amounts falling due within one year		
1,462	Creditors	8	1,918
1,462			1,918
197	Net current assets		692
(951)	Pensions liability	13e	(1,841)
(638)	Total assets less liabilities		(858)
	Financed by:		
(951)	Pensions Reserve	9	(1,841)
116	Deferred Government Grant Reserve	10	291
	Specific Reserves:		
0	■ legal fees	11a	120
0	■ OSCAR development	11b	375
197	General Fund	12	197
(638)			(858)

Carole Wilkinson
Chief Executive
26 October 2006

The notes on pages 66–79 form an integral part of these accounts.

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2006

2005 £000		Notes	2006 £000
485	Net cash inflow from operating activities	(i)	1,415
13	Returns on investments & servicing of finance	(ii)	21
	Capital expenditure		
(148)	Payments to acquire fixed assets		(237)
	Financing		
116	Deferred income		175
466	Increase/(decrease) in cash	(iii)	1,374
	(i) Reconciliation of operating surplus to net cash inflow from operating activities		
125	Net operating surplus/(deficit)		419
837	Decrease/(increase) in debtors		423
(502)	(Decrease)/increase in creditors		456
(12)	Pensions adjustment		32
5	Notional cost of capital adjustment		23
32	Depreciation		56
0	Revaluation of fixed assets		6
485	Net cash inflow/(outflow) from operating activities		1,415
	(ii) Returns on investments and servicing of finance		
14	Interest received		22
(1)	Interest paid		(1)
13			21
	(iii) Analysis of Changes in Cash during the period		
		At 1 April 2005 £000	At 31 March 2006 £000
	Cash at bank and in hand	654	2,028

The notes on pages 66–79 form an integral part of these accounts.

NOTES TO THE ACCOUNTS

I ACCOUNTING POLICIES

I.1 Basis of accounting

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets. The accounts have been prepared in accordance with the Accounts Direction issued by Scottish Ministers, and they meet the requirements of the Companies Act 1985, and of the Statements of Standard Accounting Practice/Financial Reporting Standards issued and adopted by the Accounting Standards Board, so far as those requirements are appropriate. The Accounts Direction is reproduced in Appendix I.

The accounting policies and estimation techniques have been reviewed to ensure they remain the most appropriate.

The SSSC's liquid resources comprise cash balances only.

I.2 Tangible fixed assets

I.2.1 Capitalisation

The minimum level for capitalisation of a single tangible fixed asset is £5,000. Assets with individual values less than £5,000 when purchased together are capitalised where the value of group purchase exceeds £5,000.

I.2.2 Valuation

All assets have been valued at replacement cost, adjusted in accordance with the asset lives assigned to give a depreciated value.

Assets have been subject to an indexation adjustment to reflect the value of the assets to the organisation by reference to current costs.

1.2.3 Depreciation

Depreciation is charged on all tangible fixed assets on a straight line basis using the expected economic life of the asset. A full year's depreciation is charged in the year of purchase. The economic life of an asset is determined as:

Fixtures and fittings -	Determined on an individual asset basis.
Office furniture and equipment -	Items over £5,000 will have the assets economic life determined on an individual basis. Assets less than £5,000 (group purchases) will be depreciated over 5 years.
ICT equipment -	Items over £5,000 will have the asset life determined on an individual asset basis. Assets less than £5,000 (group purchases) will be depreciated over 4 years.

1.3 Government grants receivable

Grant in Aid in respect of revenue expenditure is credited to income in the period to which it relates. Grant in Aid in respect of expenditure on fixed assets is credited to the Deferred Government Grant Reserve and released to the Income and Expenditure Account over the useful economic life of the related assets.

1.4 Disbursement grants & bursaries payable

This expenditure is recognised in the Income and Expenditure Account 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.

1.5 Leases

The Council holds no finance or operating leases.

1.6 Notional costs

In line with HM Treasury's Fees and Charges Guide and DAO letter 8/96, the SSSC includes notional costs for cost of capital at the rate approved by HM Treasury currently 3.5% (2004/05: 3.5%) in real terms on all assets and liabilities.

NOTES TO THE ACCOUNTS

(CONTINUED)

1.7 Pension costs

All the requirements of FRS 17 *Retirement Benefits* as adapted to the public sector have been applied when accounting for the SSSC pension scheme.

The discount rate used in the FRS 17 valuation has changed from a rate supplied by the Treasury to a rate based on the yield available on AA rated corporate bonds. The rate based on corporate bonds (1.8%) is more prudent than the Treasury rate for 2005/06 (2.8%). It is estimated that using the more prudent rate has increased the pension liability by approximately £441k more than would have been the case had the Treasury rate been used.

1.8 Revenue and Capital Transactions

Revenue and capital transactions are recoded 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 2006 have been brought into account.

1.9 Shared services

The SSSC shares its headquarters and some services with the Scottish Commission for the Regulation of Care (Care Commission). There is a Service Level Agreement (SLA) between the SSSC and Care Commission and the Care Commission charges the SSSC for property costs, ICT costs, staff costs and professional services based on this SLA.

1.10 Value Added Tax

The SSSC can recover only a nominal value of VAT incurred on purchases, with irrecoverable VAT being charged to the Income and Expenditure Account.

2 INCOME FROM GOVERNMENT GRANTS

2a Grant in Aid

2005 £000		2006 £000
7,575	Approved Grant in Aid from Scottish Executive	7,553
7,501	Grant drawdown during the year	7,553
(148)	Grant deferred for capital purchases	(237)
(7,353)	Grant drawn down for revenue purposes	(6,849)
0		467
0	Repaid to Scottish Executive	(467)

2b Government grants

2005 £000		2006 £000
344	Scottish practice learning project team	380
1,145	Practice learning fee income	1,585
0	Practice learning transitional funding	500
0	Practice teaching award	100
0	OSCAR development	574
1,489		3,139

Scottish practice learning project (SPLP) team funding represents salaries and overheads relating to the project team. Practice learning fees are paid to Higher Education Institutions (HEIs) to fund practice learning days for social work students in workplace settings. An administration fee is paid to each HEI for the administration of this function. One off grants for transitional funding and the practice teaching award were received from the Scottish Executive and these funds were administered by the SPLP team.

A new computer system for the registration of social care workers is being developed by all four UK countries. The **On-line Social CAre Register** (OSCAR) is a replacement for the existing registration system.

NOTES TO THE ACCOUNTS

(CONTINUED)

2c Other government income

The SSSC receives income to fund a number of specific projects on behalf of the Scottish Executive. The SSSC has been carrying out its function as a Sector Skills Council and as a result has received funds from the Sector Skills Development Agency to fund this.

2005	2006
£000	£000
27 Care in Scotland	0
40 Autistic Spectrum Disorder	0
26 Housing project	46
52 Scottish Credit & Qualifications Framework (SCQF)	74
10 Non funded pension costs	0
18 Recharge for secondment to Scottish Executive	0
10 Care Accolades	9
0 Sector Skills Development Agency	126
<u>183</u>	<u>255</u>

3 OTHER OPERATING INCOME

2005	2006
£000	£000
51 Registration fees	235
45 Recovery of Disclosure Scotland fees	72
25 Conference fees	24
18 Care Accolades and conference sponsorship	30
21 Recharges *	83
0 Seconded officers	78
<u>160</u>	<u>522</u>

* Recharges were made to the Scottish Executive £37k, NHS Education for Scotland £24k (2004/05: £10k); Post Qualification Consortium £20k; Health & Social Care Consultancy (2004/05: £5k); Regulation of Care Award (2004/05: £3k) the Scottish Commission for the Regulation of Care £1k (2004/05: £3k) and the General Social Care Council £1k.

4 STAFF NUMBERS AND COSTS

4a Average number of staff employed (full time equivalent)

2005 FTE		2006 FTE
14	Chief Executive & Corporate	14
14	Registration	26
11	Learning and Development	13
5	Scottish Practice Learning Project	6
4	Legal and Committee Services	5
9	Central and Support Services	7
5	Communications	5
2	Secondments inward	3
1	Secondments outward	2
65		81

4b Breakdown of staff costs

2005 £000		2006 £000
1,443	Salaries	1,835
116	Social security costs	144
188	Pension costs	300
38	Agency staff	53
113	Secondment inwards	150
259	Other staff costs	230
2,157	Staff costs	2,712
0	Secondments outwards	(78)
2,157	Total staff costs	2,634

NOTES TO THE ACCOUNTS

(CONTINUED)

5 ANALYSIS OF OPERATING COSTS

5a Operating expenditure

2005		2006
£000		£000
198	Property costs	339
646	Administration costs	580
32	Depreciation	56
0	Indexation	6
524	Supplies and services	848
119	Transport costs	111
5	Notional cost of capital	23
1,524		1,963

The above total includes the sum of £12.1k for 2005/06 (2004/05: £12.1k) in respect of internal audit costs. External audit cost £17.9k in 2005/06 (2004/05: £21.1k). External audit received no fees in relation to non-audit work.

5b Analysis of Disbursements

During 2005/06 disbursement grants totalling £1.9m (2004/05: £2.1m) were paid to education and training providers to provide appropriate training to the social services workforce.

During the year postgraduate bursaries totalling £2.2m (2004/05: £2.2m) were managed by the SSSC. Of this £1.4m was paid directly to students undertaking post graduate social work training and £0.8m to Universities for tuition fees.

A total of £1.6m (2004/05: £1.1m) was paid to Higher Education Authorities to support practice learning opportunities during the year.

6 TANGIBLE FIXED ASSETS

	Information Technology £000	Office Equipment £000	Office Furniture £000	Fixtures & Fittings £000	Total £000
Cost or valuation:					
At 1 April 2005	148	0	0	0	148
Additions	10	52	48	127	237
At 31 March 2006	158	52	48	127	385
Depreciation:					
At 1 April 2005	32	0	0	0	32
Charge for year	38	3	6	9	56
Revaluation	6	0	0	0	6
At 31 March 2006	76	3	6	9	94
Net Book Value:					
At 31 March 2006	82	49	42	118	291
At 31 March 2005	116	0	0	0	116

7 DEBTORS

2005 £000		2006 £000
1,005	Trade debtors	155
0	Prepayments	368
0	Other debtors	59
1,005		582
This is further analysed into:		
265	Government bodies	199
740	Bodies external to government	383
1,005		582

NOTES TO THE ACCOUNTS

(CONTINUED)

8 CREDITORS

2005 £000		2006 £000
1,452	Trade creditors	1,712
10	Other creditors	39
0	Tax and social security	49
0	Value Added Tax	14
0	Accrued income	104
<u>1,462</u>		<u>1,918</u>
This is further analysed into:		
90	Government bodies	968
<u>1,372</u>	Bodies external to government	<u>950</u>
<u>1,462</u>		<u>1,918</u>

9 MOVEMENT ON PENSIONS RESERVE

2005 £000		2006 £000
(962)	Opening balance	(951)
50	Actuarial gain/(loss) recognised in STRGL	(85)
(39)	Transferred to Income and Expenditure A/c	(56)
0	Effect of change in accounting methodology	(749)
<u>(951)</u>	Closing balance	<u>(1,841)</u>

10 MOVEMENT ON DEFERRED GOVERNMENT GRANT RESERVE

2005 £000		2006 £000
0	Opening balance	116
148	Deferred Grant in Aid for capitalisation	237
(32)	Depreciation transferred to Income & Exp A/c	(56)
	Indexation transferred to Income & Exp A/c	(6)
<u>116</u>	Closing balance	<u>291</u>

11 SPECIFIC RESERVES

Approval from the Sponsor to create two specific reserves has been received. A sum of £120k is earmarked for future legal costs that due to the random nature of conduct cases are unpredictable. The On-line Social CAre Register (OSCAR) is a system being developed for the Social Care Councils in Scotland, England, Wales and Northern Ireland. The project is being managed by the General Social Care Council (English body) and was originally scheduled for completion in 2005/06. The project will now be completed in 2006/07 and the remaining funding for the project of £375k has been transferred to a specific reserve to be drawn on as the project progresses.

11a Movement on specific reserve – legal fees

2005 £000		2006 £000
0	Opening balance	0
0	Transfer from Income & Expenditure A/c	120
0	Closing balance	120

11b Movement on specific reserve – OSCAR development

2005 £000		2006 £000
0	Opening balance	0
0	Transfer from Income & Expenditure A/c	375
0	Closing balance	375

12 GENERAL FUND

2005 £000		2006 £000
66	Opening balance	197
131	Retained surplus for the year	0
197	Closing balance	197

NOTES TO THE ACCOUNTS
(CONTINUED)

13 PENSION COSTS

Financial Reporting Standard 17 (FRS 17) – Accounting for Retirement Benefits sets out the accounting treatment to be followed when accounting for the costs of providing a pension scheme.

TAYSIDE SUPERANNUATION FUND

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

The most recent actuarial valuation of the Tayside Superannuation Fund was carried out by a qualified independent actuary, Barnett Waddington, as at 31 March 2005. The next formal valuation is due as at 31 March 2008.

The contributions paid by the Council for the year to 31 March 2006 were £268,359 representing 16.5% of pensionable pay (2004/05: £198,088 representing 15.7% of pensionable pay). The contribution rate for the year to 31 March 2007 is 16.5%. Employee contributions are fixed at 6% of pensionable pay.

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

13a Main financial assumptions

Assumptions	As at 31 March 2005		As at 31 March 2006	
	% per annum	Real rate % per annum	% per annum	Real rate % per annum
Price increases	2.9%	—	3.0%	—
Salary increases	4.4%	1.5%	4.5%	1.5%
Pensions increases	2.9%	—	3.0%	—
Discount rate	6.4%	3.5%	4.8%	1.8%

13b Fair value of assets held

The table below provides details of the fair value of the SSSC's share of the assets held by the fund and the expected rates of return on these assets.

Asset Class	As at 31 March 2005		As at 31 March 2006	
	Assets £000	Expected Return % p.a.	Assets £000	Expected Return % p.a.
Equities	1,834	7.5%	4,623	7.0%
Gilts	316	4.5%	762	4.2%
Other bonds	164	5.3%	305	4.9%
Property	241	7.0%	549	6.5%
Cash	99	4.3%	141	4.0%
Total	2,654	6.8%	6,380	6.5%

13c Pension expense for the year to 31 March 2006

The amounts below are included in the Income and Expenditure Account.

	£000	Year to 31 March 2005 £000	£000	Year to 31 March 2006 £000
Current service costs		196		310
Past service costs		0		0
Gains/losses on settlements and curtailments		0	0	
Interest costs	203		347	
Expected return on employer's assets	(152)		(323)	
Net cost/(return) on assets & liabilities		51		24

NOTES TO THE ACCOUNTS

(CONTINUED)

13d Analysis of the amount recognised in Statement of Total Recognised Gains and Losses

	Year to 31 March 2005		Year to 31 March 2006	
	%	£000	%	£000
Actual return less expected returns on assets – (expressed as a %age of assets)	5.0	121	16.1	1,030
Experience gains/(losses) arising on liabilities – (expressed as a %age of present value of liabilities)	0	0	0.648	
Changes in assumptions underlying the present value of scheme liabilities		(71)		(1,163)
Total actuarial gain/(loss) – (expressed as a %age of present value of liabilities)	1.4	50	1.0	(85)
Effect of change in the discount rate				(749)

13e Movement for the year to 31 March 2006

	Year to 31 March 2005 £000	Year to 31 March 2006 £000
Surplus/(deficit) at beginning of year	(962)	(951)
Effect of change in the discount rate	0	(749)
Current service cost	(196)	(310)
Employer contributions	208	268
Unfunded pension payments	0	10
Net return on assets	(51)	(24)
Total actuarial gain/(loss)	50	(85)
Surplus/(deficit) at end of year	(951)	(1,841)

14 COMMITMENTS

There were no capital commitments at 31 March 2006.

15 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2006.

16 PROVISIONS

No provisions for liabilities and charges have been made.

17 RELATED PARTY TRANSACTIONS

The SSSC is a Non-Departmental Public Body (NDPB) sponsored by the Social Work Services Policy Division of the Scottish Executive Education Department. The Scottish Executive is regarded as a related party, as is the Scottish Commission for the Regulation of Care.

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 SSSC during the year.



8. APPENDIX I – ACCOUNTS DIRECTION



DIRECTION BY THE SCOTTISH MINISTERS

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

Kate Vincent

Signed by the authority of the Scottish Ministers

Dated: 16 January 2006

