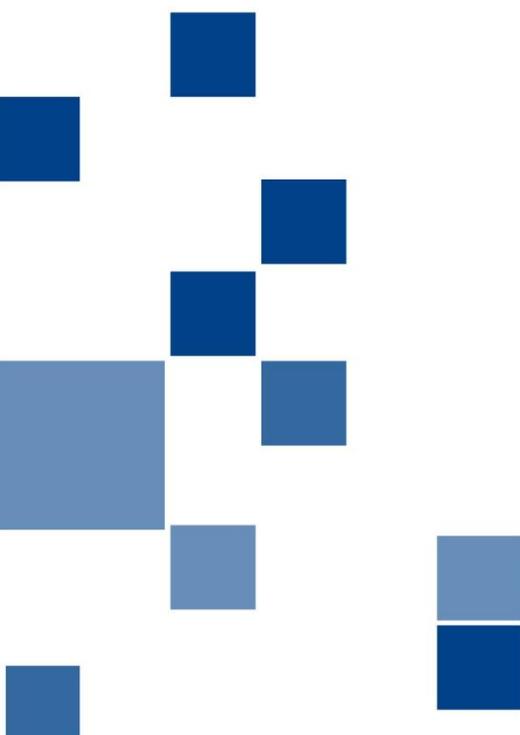




Scottish Social Services Council Annual Report and Accounts

1 April 2016 to 31 March 2017



Annual Report and Accounts of the
Scottish Social Services Council

This report is laid before the
Scottish Parliament by the Scottish
Ministers under Schedule 2,
Section 10(1) of the Regulation of
Care (Scotland) Act 2001 and
Section 22(5) of the Public Finance
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1 April 2016 to 31 March 2017

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CONTENTS

ANNUAL REPORT

SECTION A: PERFORMANCE REPORT

1. PERFORMANCE OVERVIEW AND ANALYSIS

- 1.1 Statement by the Chief Executive on performance
- 1.2 About the Scottish Social Services Council SSSC
- 1.3 Principal risks and issues
- 1.4 Going concern
- 1.5 Performance summary
 - 1.5.1 Strategic and operational performance
 - 1.5.2 Financial performance
- 1.6 Stakeholder relationships
- 1.7 Social, community and human rights issues
- 1.8 Equality and diversity
- 1.9 Sustainability Report 2016/17 - extract

SECTION B: ACCOUNTABILITY REPORT

2. CORPORATE GOVERNANCE REPORT

- 2.1 Directors' Report
- 2.2 Statement of Accountable Officer's responsibilities
- 2.3 Governance Statement

3. REMUNERATION AND STAFF REPORT

- 3.1 Remuneration report
- 3.2 Staff report
 - 3.2.1 Staff numbers, permanent and other
 - 3.2.2 Staff composition by gender
 - 3.2.3 Sickness absence
 - 3.2.4 Staff turnover data
 - 3.2.5 Policies in relation to disabled people
 - 3.2.6 Expenditure on consultancy

3.2.7 Exit packages

4. PARLIAMENTARY ACCOUNTABILITY REPORT

4.1 Losses and special payments

4.2 Fees and charges

5. INDEPENDENT AUDITOR'S REPORT

6. ANNUAL ACCOUNTS

Appendix 1: Accounts direction by the Scottish Ministers

ANNUAL REPORT

SECTION A: PERFORMANCE REPORT

1. PERFORMANCE OVERVIEW AND ANALYSIS

1.1 Statement by the Chief Executive on performance

I am pleased to introduce the SSSC's Annual Report and Accounts for 2016/17. The organisation continues to go from strength to strength and evolve as an efficient and effective public body.

Our Register continues to grow and at March 2017 we have 97,353 people on the Register compared to 93,129 in March 2016. That is set to increase year on year until 2020 as the Register opens to new groups of social service workers. The social service workforce as a whole is now over 200,000 people.

In 2016/17, we had two significant developments as a regulator. Firstly, we launched the revised Codes of Practice after extensive consultation with stakeholders. The Codes had been the same since the organisation was established so it was time to refresh them and we wanted as wide a range of people as possible to be involved. Despite the trend to digital, our registrants were clear they wanted hard copy Codes so we sent out more than 125,000 copies as well as making them available online.

At the same time, we also refreshed our model of regulation from one based on misconduct to one based on fitness to practise. The new model was introduced in November 2016 and it allows us to focus our resources on high risk cases. We have seen a reduction in low risk cases and now have a more proportionate, risk-based approach.

We are increasingly conscious that our hearings can be a daunting experience for everyone involved and so we started a major stream of work to support people attending our hearings with a video made by our own staff to demystify the process. It has been very well received. Next year we will be working to increase attendance and representation at hearings.

We have a range of Ambassador programmes that continues to develop. For example, our Career Ambassadors promoted careers in social services to over 1,000 people. And we recruited a further 245 Dementia Ambassadors bringing the total to 1,265. We are also blending learning and resources from different pieces of work to improve the overall offer, an example being running eight leadership development events for 112 Dementia Ambassadors.

Accreditation and portability of learning is very important to a workforce which is up-skilling and becoming more professional, as well as embracing the digital world. Our Open Badges are an important aspect of that and are proving popular throughout the sector with over 12,000 visits to the website. They play an important part in valuing all learning, for example we have worked closely with the Scottish Childminders Association on recognising the unique skills of childminders.

We have published phase two of our Review of Social Work Education and we are now moving into the implementation phase with Scottish Government, universities and employers.

This range of work over the last year shows we are focused on ensuring that social service workers have the skills, values and confidence to work with our citizens to a very high standard of competence and safety. We do that in partnership with an ever-widening spectrum of stakeholders with public protection at the core.

1.2 About the Scottish Social Services Council (SSSC)

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

We protect the public by registering social service workers, setting standards for their practice, conduct, training and education and by supporting their professional development. Where people fall below the standards of practice and

conduct we can investigate and take action.

We:

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

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

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

There are over 202,000 people working in social services across Scotland. This workforce includes social care workers, social workers, social work students and child care workers. They work across a range of care services, in residential and day centres, community facilities and in people's homes. We are responsible for registering the workforce, making sure that they meet the standards set out in the SSSC Code of Practice. Find out more about the groups of workers that register with the SSSC at www.sssc.uk.com

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

Our values are:

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

1.3 Principal risks and issues

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

The EMT reviews the risk register monthly and it is a standing item at the Audit Committee.

We have reviewed and improved our Business Continuity and Disaster Recovery Plan and relevant staff have received in-depth training.

You can find the SSSC strategic risk register [[here](#)].

1.4 Going concern

The Statement of Financial Position at 31 March 2017 shows net liabilities of £9.027m (2015/16: £4.643m). The net liabilities are mainly the result of actuarial assumptions adopted for the application of accounting standard IAS 19.

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

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

The SSSC has no reason to believe the Sponsor Department and Scottish Ministers have any intention to withdraw or reduce support to the organisation. In addition the Sponsor has confirmed grant in aid figures for 2017/18. It is therefore considered appropriate to prepare the accounts on a going concern basis.

1.5 Performance summary

1.5.1 Strategic and operational performance

We have seen real progress around our strategic outcomes. The register continues to grow and more streamlined and online processes allow us to manage these increases. We will continue to look for improvements as we welcome nearly 50,000 more social service workers from 2017-2020.

The move to a Fitness to Practise model of work (rather than a conduct model) has been welcomed by stakeholders. It was introduced in October 2016 and already we are seeing a reduction in low risk referrals meaning we can focus our resources on the high risk cases.

We continue to work closely with the Scottish Government and others to influence policy making. Since 2014, we have responded to 175 consultations. This includes Scottish Government policies such as the expansion of free childcare, the draft British Sign Language national plan, a draft framework for adult protection committees' conduct of significant case reviews and safe and effective staffing in health and social care. Working with partners on the Scottish Social Service Leadership Strategy Group, we have reviewed and published a refreshed leadership strategy for the sector.

The Codes of Practice set national standards of practice for every social service worker in Scotland. Following a major consultation on the Codes for the first

time since 2002, we launched the revised the Codes of Practice on 1 November 2016. This included a series of events across the country with employers and people working in and using social services. Our revised Codes now better reflect the environment that our registrants work in. We sent out 125,000 copies including one to every registrant with 21,097 digital downloads.

In summary our key areas of progress and achievement are:

- in the three year period of our strategic plan we registered approximately 38,000 social service workers
- from 2012 to 2017, 14,919 gained a relevant qualification
- in the last year we have seen a decrease of 7% in the number of Fitness to Practice cases referred that do not meet our thresholds
- the move to Fitness to Practise has resulted in a 33% drop in referrals – this is a reduction in low level referrals in 2016/17
- through the development of short videos we have increased understanding of our Fitness to Practise hearings
- there was a 78% increase in our Open Badges website ensuring more people have their learning and achievements recognised
- we saw our highest ever numbers visit our learning zone
- there was evidence of an increase in awareness and use of leadership resources
- we carried out one of our biggest ever consultations on the increase to registration fees.

2. Performance analysis

This section provides detail on our work to achieve our strategic outcomes.

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

Strategic measures to 2017

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

Achievements in 2016/17

- At 31 March 2017, there were 14,919 registrants who had gained a qualification after coming on to the Register over the period of the Strategic Plan.
- We have assessed all newly qualified social workers' post registration training and learning (PRTL) – in 2016/17 this was 516 records. We are now developing a new approach to PRTL for all social service workers.
- We published a learning strategy for the social service workforce to set the context, aims and priorities for learning and setting out how we can support this learning.
- We launched the revised Codes of Practice for Social Service Workers and Employers on 1 November 2016. We developed the revised Codes following wide consultation and engagement with the sector. The revised Codes better reflect current social service policy and practice.

- In partnership with key bodies across health, justice and community learning we developed a Common Core of skills, knowledge and values for people who work with adults, which employers can use to inform recruitment, induction and professional development.

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

Strategic measures to 2017

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

Achievements in 2016/17

- We have contributed to a range of Scottish Government policies, including expansion of free childcare through the Early Years Blueprint and Skills Investment Plan.
- The Federation for Industry Sector Skills and Standards assessed us as exceeding the requirements for their code of practice, which sets the expectations for skill standard setting Employer Led Partnerships.
- In our work to support the development of the workforce for the integration of health and social care, we have worked with Scottish Government in relation to self-directed support, support for carers and palliative and end of life care.
- Working with our partners in the Scottish Social Service Leadership Strategy Group we have finalised and published the refreshed leadership strategy for social services in Scotland.
- We sent information leaflets about the SSSC to all MSPs.

Outcome 3: The social service workforce is valued.

Strategic measures to 2017

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

Achievements in 2016/17

- We are part of the 'Promoting Public Understanding' work strand for the Scottish Government's Vision and Strategy for Social Services. This year, the group commissioned research on perceptions of the social service workforce.
- During this period we had 149 media enquiries of which 116 were about our fitness to practise cases and we had 580 mentions in the media.
- We developed a web resource to provide an overview of life changing careers in social services. This includes information on the range of qualifications and work across a range of settings. Next year we are working with Skills Development Scotland to develop career pathways for social services.
- Since the relaunch of our Ambassadors for Careers in Care network in September 2016 we've had regular requests for careers materials and invitations from schools, colleges and universities. Ambassadors and SSSC staff have taken part in 14 events since the relaunch and spoken to over 1,000 people. We are now working on evaluating these activities.
- We continue to promote the online careers resource 'A Question of Care'. Over the year 15,849 unique users visited this site.

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

Strategic measures to 2017

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

Achievements in 2016/17

- We commissioned research around employers' satisfaction with newly qualified social workers, which will set a benchmark to measure future progress.
- We also commissioned research around newly qualified social workers' satisfaction with their qualification which will set a benchmark.
- Following a consultation, we have revised the Standards in Social Work Education to better reflect the environment in which social workers now operate.
- We published phase two of the Review of Social Work Education.
- The Scottish Social Services Council, working with partners across the sector, has recently reviewed social work education in Scotland. One of the recommendations is that Scotland should introduce a mandatory, supported first year in practice for Newly Qualified Social Workers (NQSWs). The NQSW research will inform the work being undertaken through the review of social work education in relation to first year in practice
- After consulting with the sector, we completed the Standard for Foster Care, which sets out the learning for foster carers in their role.
- We received over 600 responses to our consultation about the qualification requirements for supervisors and managers in adult services and will use this to inform any changes we make.

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

Strategic measures to 2017

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

Achievements in 2016/17

- Over the course of the year 3.6% of the fitness to practise cases we closed we decided the allegation was not an allegation of misconduct (91 of 2,468). This is a decrease on last year of 6.9%.
- Registration became mandatory for support workers in care home services in September 2015. There are currently 30,252 workers registered on this part of the Register. According to the estimated numbers in the workforce, all workers are either registered or, where it is a new worker, in the process of applying for registration.
- We presented on the changes to the Codes of Practice and the move to a fitness to practise model of regulation to the Care Inspectorate senior management team and Board.
- We have provided a webinar, resources and carried out six training sessions for the Care Inspectorate on the move to the fitness to practise model of regulation with a focus on their role in ensuring they make appropriate referrals to us.
- We have worked closely with the Scottish Public Services Ombudsman (SPSO) as they prepared for their new powers to deal with local authority social work complaints. We have shared information with them about our panels and experience of complaints.

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

Strategic measures to 2017

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

Achievements in 2016/17

- Our awareness raising activities has increased visits to our website by 17.9%.
- We sent the revised Codes of Practice to every registered social service worker and they were downloaded 21,097 times.
- We released two short, animated videos based on feedback with employers on resources that would help them. The video about who we are and what we do had 1,898 views and the video about what registration means had 2,992 views. Our analytics show us that most people will watch a video for about two minutes – this will inform the development of future resources.
- We made a video about our hearings to help people who are coming to hearings understand the process. It has received positive feedback in our recent website survey.
- We continued our success with Open Badges (digital certificates recognising learning and achievement). We had 12,109 visits to our Open Badges website, an increase of 78% on the previous year.
- This year saw 42,279 visits to our Learning Zone – our highest ever.
- We recruited 224 new Dementia Ambassadors which brings the total to 1,265. The Ambassadors promote dementia learning in their organisations. In March 2017, 18 social service Dementia Champions who

support learning in acute care graduated. Recent evaluation of this work is extremely positive.

- We ran eight leadership events for Dementia Ambassadors, with 112 people. Our third Dementia Ambassador conference provided feedback indicating a sense of community and confidence created by this network.
- We published a second booklet showcasing the positive ways employers and partners are using the Promoting Excellence resources to increase dementia learning across social services. To date we have sent out 800 copies.
- We are currently reviewing the role of Dementia Ambassadors to inform future activity.
- To support employers to use our workforce data, we ran six engagement events. We are using the feedback, which indicated the value of our data to employers, to inform how we collect and publish it in the future.
- Evaluation of our Step into Leadership website showed that 90 out of 109 respondents indicated the resources on the website had helped them develop their knowledge and understanding of leadership and 77 people said it had made a difference to their practice.
- Care Inspectorate annual returns evidenced an increased awareness of our leadership products and resources since last year – an increase from 21% to 30%.
- In consultation with the sector we have developed coaching and supervision learning resources and a logic model of leadership development.
- We facilitated four meetings of the Personal Outcomes Network, a national group that aims to support workers and organisations across health and social care focus activity on the outcomes that matter to people using support.
- We worked in partnership with NHS Education for Scotland (NES) and the Royal College of General Practitioners (Scotland) to develop leadership capability for health and social care integration. From this 128 people took part in the 'You as a Collaborative Leader' programme. Fifty groups are also taking part in this programme with many of the workshops oversubscribed. We are working with an evaluation partner for the duration of the project to capture and share the learning.

- In collaboration with NES we have developed a knowledge and skills framework for palliative and end of life care in response to a request from the Scottish Government.
- We worked with the Scottish Government to deliver the workforce commitments within the carers legislation, self-directed support and the expansion of early learning and childcare. Included in this is a range of digital learning resources. This work continues into next year.
- Along with Healthcare Improvement Scotland we are testing new models of care delivery.

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

Strategic measures to 2017

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

Achievements in 2016/17

- We received an unqualified external audit report on the 2015-16 annual report and accounts.
- We produced a report on our progress in relation to best value in 2016-17.
- Of the 11 internal audit actions due in 2016-17, 10 were fully implemented and one was partially implemented.
- We carried out one of our largest ever consultations on the increase to registration fees. The responses, some of which were negative, have informed our strategic priorities for 2017-20. The Minister approved the increase to fees from 1 September 2017.
- The move to a fitness to practise model of regulation is showing a 33% drop in referrals about workers while maintaining the same level of high-risk referrals. This shows a reduction in low risk referrals which are unlikely to lead to a sanction and evidences that we are achieving one of the stated aims of the model move (a more proportionate approach).
- Feedback from stakeholders about the new model and in particular the information for workers and employers is all positive. We plan a formal review with stakeholders next year.
- We achieved the Silver Award in Investors in People in 2015 and have worked to implement the recommendations. This includes the development of a Leadership and Management Framework for the SSSC.
- We reduced the time people have to wait for a full hearing from 109 days from the date of the hearing request to the first date of the hearing to 71 days, which is a 35% decrease.
- We received 30 Freedom of Information requests. We refused nine in full and two in part. We responded to 29 within the statutory timescale.
- We received 53 Subject Access Requests (SAR) and responded to 96% within the statutory timescale. Every year we have seen an increase in the number of SARs.

1.5.2 Financial performance

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

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

Our budgeted income and funding for 2016/17 was as follows:

	2016/17 Budgeted Income £000	2016/17 Budgeted Funding £000	2016/17 Total Income and Funding £000
Grant in aid		13,508	13,508
Specific grants		928	928
Registration fees	2,059		2,059
Practice learning reimbursement	2,054		2,054
Other income	246		246
Total funding	4,359	14,436	18,795

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

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

include providing transitional funding whilst a permanent, long-term solution is identified.

Transitional funding was provided to the SSSC in 2015/16. The Sponsor permitted this funding to be retained in our General Reserve to assist with the 2016/17 funding position. On this basis the 2016/17 expenditure budget was set at £18.290m. This is £0.423m more than the 2016/17 funding available. It was intended to fund this budget deficit by using the transitional funding retained in the General Reserve. During the 2016/17 financial year the Sponsor agreed a further £0.700m transitional funding for use in 2017/18. The SSSC Risk Register includes reference to the longer term funding issues faced by the organisation.

Our actual surplus for 2016/17 was £0.311m i.e. £0.734m more than the budgeted deficit position of £0.423m. This reflects the additional transitional funding received of £0.700m and an in-year underspend of £0.034m.

This means our General Reserve will increase and not reduce as was anticipated. The closing balance of £1.094m (note 12) is 6.0% of gross expenditure. The SSSC's target range for the revenue element of the general reserve is 2% (£0.366m) to 2.5% (£0.457m) of gross expenditure. The transitional funding incorporated within the General Reserve balance will be used to support 2017/18 expenditure and funding pressures.

Practice learning reimbursement is claimed from the Scottish Government to exactly match what we have paid to universities in practice learning fees and administration fees. Normally there is no impact on our net expenditure position. However, in 2016/17 the SSSC funded £337k of practice learning expenditure from the transitional funding contained within the General Reserve. This was agreed with the Sponsor Department in 2015/16.

There was no capital expenditure during the 2016/17 year. The following table shows our revenue budget position.

	2016/17 Budget £000	2016/17 Actual £000	Variance £000
Revenue expenditure	19,218	19,029	(189)
Fee income	(2,059)	(2,090)	(31)
Practice learning reimbursement	(2,054)	(1,969)	85
Other income	(246)	(260)	(14)
Net expenditure	14,859	14,710	(149)
Grant in aid (revenue)	(13,508)	(14,208)	(700)
Specific grant funded projects	(928)	(813)	115
Total funding	(14,436)	(15,021)	(585)
(Surplus)/deficit for the year	423	(311)	(734)
Transfer to/(from) General Reserve	(423)	311	734

Reconciliation to Statement of Comprehensive Net Expenditure (SCNE)

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

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

3. Grant in aid used for the purchase of non-current assets is credited to the General Reserve and the balance is reduced by the amount of depreciation charged each year. The 2016/17 depreciation charge is £199k.

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

	Ref/note	2016/17 £000
Deficit per the SCNE	SCNE	19,405
Funding from grants and grant in aid	13a	(15,021)
Reverse IAS 19 pension accounting adjustments	5b table 2	(4,496)
To fund depreciation and amortisation of assets	6a	(199)
(Surplus)/deficit on funding and budgeting basis		(311)

Supplier Payment Policy

The SSSC is committed to the Confederation of British Industry Prompt Payment Code for the payment of bills for goods and services we receive. It is our policy to make payments in accordance with the Scottish Government's instructions on prompt payment and a target of payment within ten days. In 2016/17 we paid 99.02% (2015/16: 99.2%) of invoices within ten days.

1.6 Stakeholder relationships

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

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

1.7 Social community and human rights issues

The purpose of the SSSC is to protect people who use social services, often the most vulnerable people in our society. Through our work of registering, regulating and developing the workforce we aim to make sure the workforce protects the rights of people who use services and carers. The SSSC Code of Practice for Social Service Workers sets out these obligations.

They must:

1. protect the rights and promote the interests of people who use services and carers
2. strive to establish and maintain the trust and confidence of people who use services and carers
3. promote the independence of people who use services while protecting them as far as possible from danger or harm
4. respect the rights of people who use services while seeking to ensure that their behaviour does not harm themselves or other people
5. uphold public trust and confidence in social services
6. be accountable for the quality of their work and take responsibility for maintaining and improving their knowledge and skills.

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

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

1.8 Equality and diversity

The SSSC is committed to equality of opportunity and access for all our stakeholders. In March 2017, we published our Equality Mainstreaming Report and our Equality Outcomes Report. These reports are available on our website.

The Regulation of Care (Scotland) Act 2001 requires the SSSC to act in a manner which encourages equal opportunities. Our responsibilities on equality issues were expanded by the Equality Act 2010 (the Act), including the public sector equality duty detailed in section 149 of the Act.

1.9 Sustainability report 2016/17 – extract

Area	Performance 2016/17	Status
Total CO ₂ e	Carbon emissions have increased by 6% from the 2011-12 baseline.	 Red
Travel	Carbon emissions have increased by 57% from the 2011-12 baseline.	 Red
Gas, water & electricity	Carbon emissions have decreased by 12% from the 2011-12 Baseline	 Green
Waste and recycling	Carbon emissions have increased by 0.4 tCO ₂ e from 2011-12.	 Red

The figures in the above table relate to the baseline which was set in 2011/12. This means that although we have seen an overall increase in travel in that period, in the last year travel has reduced.

- Since last year we have seen a 27% reduction in travel. Since the baseline was set in 2011/12, the number of staff at the SSSC has significantly increased. We are currently working to establish more up-to-date baselines.
- We have continue to reduce our electricity consumption and a slight decrease in gas consumption. Water consumption remains unchanged from last year. This reflects the energy saving measures we have introduced.
- There is an increase in paper waste. Although this is not a significant increase we have seen an improvement in our recycling processes.
- When preparing and evaluating tenders we consider sustainability which is relevant and proportionate to the procurement process.

The full SSSC Sustainability Report for 2016/17 can be found [here](#)

Anna Fowlie

Chief Executive and Accountable Officer
31 October 2017

SECTION B: ACCOUNTABILITY REPORT

2. CORPORATE GOVERNANCE REPORT

2.1 Directors' Report

SSSC Council

Members sitting on the SSSC Council during 2016/17 were:

The SSSC Council members

- James McGoldrick (Convener)
- Dame Anne Begg
- Lorraine Brown (to 31 October 2016)
- Audrey Cowie
- Paul Dumbleton
- Paul Edie (Chair of the Care Inspectorate)
- Professor Joyce Lishman
- Forbes Mitchell
- Andrew Rome
- Harry Stevenson.

Executive Management Team

The Executive Management Team (EMT) are employees of the SSSC. The following individuals served on the EMT during 2016/17:

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

Register of Interests

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

Personal data related incidents

There was one data protection breach reported to the Information Commissioner's Office for the year to 31 March 2017. Further detail is available in the Governance Statement (Section 2.3).

There are no significant data losses to report for the year to 31 March 2017.

Non audit fees

Grant Thornton provided services solely relating to the statutory audit and Scott Moncrieff provided internal audit services relating to the internal audit plan as well as investigative audit services during 2016/17. No further assurance, tax or other services were provided by either organisation in the year.

Pension liabilities

The SSSC is an admitted body to the Tayside Superannuation Fund. This is a local government pension scheme administered by Dundee City Council. The local government pension scheme is a defined benefit scheme that provides pension benefits based on final pensionable remuneration.

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

National Fraud Initiative

The SSSC participated in the National Fraud Initiative in 2016/17. This is a data matching exercise which assists in the prevention and detection of fraud. No issues were identified.

2.2 Statement of Accountable Officer's responsibilities

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

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

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

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

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

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

2.3 Governance Statement

Introduction

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

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

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

The Governance Framework

Organisational structure

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

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

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

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

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

Audit Committee

Established to:

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

- review the comprehensiveness of assurances and the reliability and integrity of these assurances.

Resources Committee

Established to:

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

Remuneration Committee

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

Registration Committee

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

Conduct Committee

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

Fitness to Practise Committee

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

Special Appeals Committee

Established to deal with concerns in relation to Fitness to Practise Panel, Registration, Conduct and/or Preliminary Proceedings Sub-committee members as they may arise.

Employment Appeals Sub Committee

Established to provide a mechanism for dealing with employee grievance and disciplinary appeal matters as they arise.

Training Appeals Panel

This panel provides a mechanism for appeals in terms of the Scottish Social Services Council Rules for Social Work Training, the Scottish Social Services Council Rules and Requirements for Specialist Training for Social Service Workers in Scotland 2005 and the Rules and Requirements for Awards Developed from the Standard for Childhood Practice.

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

Council Members

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

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

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

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

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

SSSC Committee membership and attendance - 1 April 2016 and 31 March 2017 (inclusive)

Council Member	Council	Resources Committee		Audit Committee		Remuneration Committee	
	Attended	Member Yes/No	Attended	Member Yes/No	Attended	Member Yes/No	Attended
Number of meetings	5	4		4		1	
Professor James McGoldrick, (Convener)	5					Y	1
Dame Anne Begg	5			Y	4		
Lorraine Brown (to 31 October 2016)	3	Y	2			Y	1
Audrey Cowie	5	Y	4			Y*	
Paul Dumbleton	4	Y	4			Y	1
Paul Edie (Chair of the Care Inspectorate)	5						
Professor Joyce Lishman (Vice-chair)	5			Y	4		
Forbes Mitchell	4	Y	3	Y	4		
Andrew Rome	5			Y	4		
Harry Stevenson	4	Y**	2				

* Audrey Cowie became a member of Remuneration Committee on 1 November 2016

** Harry Stevenson became a member of Resources Committee on 1 November 2016

*** The Registration Committee, Conduct Committee, Fitness to Practise Committee and Special Appeals Committee did not meet in the year to 31 March 2017

Accountable Officer

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

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

Executive Management Team (EMT)

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

External Audit Appointment

Under the Public Finance and Accountability (Scotland) Act 2000 our independent auditors are appointed for the Auditor General by Audit Scotland. Audit Scotland appointed Grant Thornton UK LLP as our independent external auditors for a 5 year period from 2016/17.

Internal audit

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

Each year our internal auditors provide the Audit Committee with assurance on the whole system of internal control. In assessing the level of assurance to be given for 2016/17, our internal auditors take into account:

- All reviews undertaken as part of the 2016/17 internal audit plan;
- Matters arising from previous reviews and the extent of follow-up action taken;
- The effect of any significant changes in the SSSC's objectives or systems; and
- The proportion of the SSSC's review needs covered to date.

The internal auditors overall opinion for 2016/17 was:

"the SSSC has a framework of controls in place that provides reasonable assurance regarding the effective and efficient achievement of objectives and the management of key risks, and appropriate arrangements are in place to promote value for money and deliver best value."

Code of Corporate Governance review

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

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

Risk management

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

Risks identified are maintained on a Strategic Risk Register and addressed in the preparation of the Strategic Plan. The Strategic Plan has been developed to show

clear links between risks identified on the Risk Register and the SSSC's strategic objectives. As a result, the risks identified become embedded in managers' work plans for the year. The Council has agreed a risk appetite statement to underpin the SSSC's approach to risk management and control.

Information governance

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

There are no significant data losses to report for the year to 31 March 2017.

There was one data protection breach in the year to 31 March 2017 which was significant enough to report to the Information Commissioner. Action was taken to prevent it happening again.

System of internal financial control

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

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

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

Review

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

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

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

Significant issues

No significant governance issues have been identified.

Developing the governance framework

Review of the SSSC Code of Corporate Governance

The annual review of the SSSC's Code of Corporate Governance and Register of Policies is scheduled for October 2017.

Quality assurance

We are members of Quality Scotland and have adopted the European Foundation Quality Management (EFQM) framework. Working with Quality Scotland we have identified a number of areas for improvement and work will begin on those projects in 2017/18.

Risk management

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

Preparation for General Data Protection Regulation (GDPR)

We will undertake preparatory work during 2017/18 to ensure compliance with GDPR. The GDPR will apply in the UK from 25 May 2018. The government has confirmed that the UK's decision to leave the EU will not affect the commencement of the GDPR.

Counter Fraud and Corruption

It is intended to review and revise our Prevention of Fraud and Prevention of Bribery Policies to move towards compliance with the CIPFA Code of Practice on Managing the risk of Fraud and Corruption.

Certification

The SSSC's governance framework has been in place for the year ended 31 March 2017 and up to the date of signing of the Accounts.

It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the SSSC's systems of governance. Although areas for further improvement have been identified the annual review has provided sufficient

evidence that the SSSC's governance arrangements have operated effectively and that the SSSC complies with all relevant guidance and generally accepted best practice in all significant respects.

3. REMUNERATION AND STAFF REPORT

UNAUDITED INFORMATION

3.1 Remuneration report

Introduction

This report provides information on the remuneration of SSSC Council Members and senior managers in 2016/17. Senior managers are members of the Executive Management Team (EMT). The EMT is the Chief Executive, Director of Sector Development, Director of Fitness to Practise, Director of Strategic Performance and Engagement and the Director of Corporate Services. The report contains both audited information and information which is not specifically subject to audit.

Remuneration Committee

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

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

- Professor James McGoldrick (Convener)
- Lorraine Brown (Chair of Resources Committee to 31/10/2016)
- Audrey Cowie (Chair of Resources Committee from 01/11/2016)
- Paul Dumbleton (Vice Chair of Resources Committee).

The Committee is advised by the following officers:

- Chief Executive
- Head of Human Resources.

Remuneration policy

Members

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

Executive Management Team

Chief Executive

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

Senior managers

The three senior managers employed by the SSSC (Director of Fitness to Practise, Director of Sector Development and the Director of Strategic Performance and Engagement) during 2016/17 are on a salary scale of £61k to £67k. Incremental progression to the maximum of the scale is determined by performance. Performance is assessed by the SSSC's Performance Development Review System and progression is subject to agreement by the Remuneration Committee. The SSSC's pay strategy must be approved by the Scottish Government. Subject to that approval, a pay award package is negotiated with the trade union. When the pay award package has been agreed it is applied to the remuneration of senior managers and the main body of SSSC staff.

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

Notice periods - Members

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

Normally there is no payment available in the event of early termination of the contract. However, where special circumstances exist, Scottish Ministers may

determine that compensation for early termination is appropriate and instruct the SSSC to make a payment. The value of the payment would also be determined by Scottish Ministers.

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

Name	Current term	Date of initial appointment	Date of re-appointment	Date of termination of appointment
Professor James McGoldrick (Convener)	2 nd	01 Sept 2013	01 Sept 2016	31 Aug 2019
Dame Anne Begg	1 st	01 Jan 2016	n/a	31 Dec 2018
Lorraine Brown	2 nd	01 Sept 2012	01 Sept 2015	31 Oct 2016
Audrey Cowie	2 nd	01 Sept 2013	01 Sept 2016	31 Aug 2019
Paul Dumbleton	2 nd	01 Sept 2013	01 Sept 2016	31 Aug 2019
Paul Edie*	3 rd	15 April 2013	15 April 2017	30 Sept 2018
Professor Joyce Lishman	2 nd	01 Oct 2012	01 Oct 2015	30 Sept 2018
Forbes Mitchell	2 nd	01 Sept 2013	01 Sept 2016	31 Aug 2019
Andrew Rome	2 nd	01 Sept 2013	01 Sept 2016	31 Aug 2019
Harry Stevenson	2 nd	01 Sept 2012	01 Sept 2015	31 Aug 2018

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

Chief Executive

Anna Fowlie was appointed as the SSSC's Chief Executive on 2nd November 2009. The normal retirement age for this post is 65 and the current post holder will attain normal retirement age in 12.4 years. Termination of the contract requires a notice period of six months by either party.

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

Senior managers

The Director of Fitness to Practise, Director of Sector Development and the Director of Strategic Performance and Engagement are all engaged on permanent contracts and are subject to the normal retirement age of 65.

Termination of the contract requires a notice period of three months by either party.

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

Name	Title	Date of appointment	Years to normal retirement age
Mairi Anne Macdonald	Director of Sector Development	16 April 2012	12.6
Maree Allison	Director of Fitness to Practise	1 March 2010	24.0
Lorraine Gray	Director of Strategic Performance and Engagement	18 Feb 2008	12.4

Services from other organisations

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

	2016/17 £000	2015/16 £000
Gordon Weir, Director of Corporate Services	26.3	25.7

Discretionary benefits policy

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

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

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

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

AUDITED INFORMATION

Remuneration - SSSC Council Members

Salary 2015/16 £000		Salary 2016/17 £000
25 – 30	Professor James McGoldrick (Convener)	25 – 30
0 – 5	Dame Anne Begg	0 – 5
5 – 10	Lorraine Brown (to 31/10/2016)	0 – 5
0 – 5	Audrey Cowie	0 – 5
0 – 5	Paul Dumbleton	0 – 5
0 – 5	Professor Joyce Lishman	0 – 5
0 – 5	Forbes Mitchell	5 – 10
0 – 5	Andrew Rome	0 – 5
0 – 5	Harry Stevenson	0 – 5

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

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

Remuneration – Executive Management Team

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

	Single Total Figure of Remuneration							
	Salary		Benefits in Kind (to nearest £100)		Pension Benefits*		Total	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
	£000	£000	£	£	£000	£000	£000	£000
Anna Fowlie, Chief Executive	80-85	80-85	0	0	17	16	100-105	90-95
Mairi Anne Macdonald,** Director of Sector Development	65-70	65-70	0	0	12	22	75-80	85-90
Maree Allison** Director of Fitness to Practise	60-65	55-60	0	0	20	n/a	80-85	55-60
Lorraine Gray,*** Director of Strategic Performance and Engagement	60-65	80-85	0	0	(18)	86	45-50	165-170

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

** Maree Allison commenced her Director of Fitness to Practise role on 7 April 2015. There is no pension benefit figure available for 2015/16.

*** The Director of Strategic Performance and Engagement post was regraded following a job evaluation exercise. Lorraine Gray's 2015/16 remuneration contains arrears of pay relating to previous years. The payment of arrears of pay in 2015/16 has increased both remuneration and pension entitlements to values that are higher than would normally be expected for this financial year. The 2016/17 salary figure does not contain arrears. Pension benefits for 2016/17 are calculated on the comparatively lower 2016/17 salary and therefore a reduction in pension benefit is shown.

Salary

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

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

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the SSSC and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were paid during 2016/17.

Fair Pay Disclosure

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

The Chief Executive was the highest paid Director in the financial year 2016/17 and 2015/16. The full-time annual salary for the Chief Executive is in the salary band £80,000 to £85,000. The mid-point of this band is £82,500 which is 3.27 times greater than the median remuneration of the workforce. In 2016/17, no employee received remuneration in excess of the Chief Executive.

	2016/17	2015/16
	£	£
Highest paid employee (mid-point)	82,500	82,500
Median salary	25,239	21,543
Remuneration ratio	3.27	3.83
Staff Minimum Full-Time Equivalent Remuneration	15,015	16,509
Staff Maximum Full-Time Equivalent Remuneration	67,008	80,204

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

Local Government Pension Scheme (LGPS)

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

	As at 31 March 2017				Cash Equivalent Transfer Values (CETVs)		
	Accrued pension at age 65 £000	Related lump sum £000	Real increase in pension at age 65 £000	Real increase in related lump sum at age 65 £000	As at 31 March 2016 £000	As at 31 March 2015 £000	Real Increase £000
Chief Executive	50 - 55	65 - 70	(0 - 2.5)	(0 - 2.5)	569	512	43
Director of Sector Development *	40 - 45	45 - 50	17.5 - 20	47.5 - 50	439	56	121
Director of Fitness to Practise **	35 - 40	-	0 - 2.5	-	75	57	16
Director of Strategic Performance and Engagement ***	25 - 30	0 - 5	(5.0 - 7.5)	(0 - 2.5)	154	151	(1)

* The Director of Sector Development transferred in 22.7 years of previous service increasing her pension entitlements significantly compared to 2015/16. The real increase in CETV excludes the transfer value received by the pension fund.

** The Director of Fitness to Practise commenced on 7 April 2015. Therefore pension and CETV increase figures are not available for financial year 2015/16.

*** The Director of Strategic Performance and Engagement's 2015/16 remuneration contained significant arrears of pay temporarily increasing pension entitlements to amounts greater than would normally be anticipated.

Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the LGPS. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Payment of compensation for loss of office

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

3.2 Staff Report

3.2.1 Staff numbers, permanent and other

The tables below provide analysis of permanent and non-permanent staff engaged to work for the SSSC during 2016/17 and related costs. Staff numbers are expressed as average full time equivalents (FTE) employed in the year.

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

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

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

² Other staff costs include the cost of Fitness to Practise Panel Members who take part in hearings and make decisions about workers' fitness to practise. We engaged 81 panel members in 2016/17 for an average of 22 days. External Assessors review overseas qualifications for registration purposes. We engaged seven external assessors during 2016/17.

2015/16 Comparative information

	2015/16		
	Permanently Employed FTE	Others FTE	Total FTE
Senior managers	4	0	4
Other employees	211	30	241
Agency workers	0	5	5
Secondments inward	0	1	1
Total staff engaged	215	36	251
Secondments outward	0	(2)	(2)
Net staff engaged on SSSC activity	215	34	249

	2015/16 Restated (3)		
	Permanently Employed £000	Others £000	Total £000
Senior manager salaries	287	0	287
Other employee salaries	5,708	876	6,584
Social security costs	429	62	491
Pension service costs	1,652	141	1,793
Total cost directly employed staff	8,076	1,079	9,155
Council members (1)	0	58	58
Fitness to Practise Panel Members (2)	0	368	368
External Assessors (2)	0	16	16
Agency workers	0	155	155
Secondments inward	0	71	71
Total cost of people engaged	8,076	1,747	9,823
Voluntary early retirement / severance costs	2	0	2
Other staff costs	123	0	123
Staff costs (SCNE)	8,201	1,747	9,948
Secondments outward	(118)	0	(118)
Net staff costs	8,201	1,747	9,830

(1) There was a Convener and 9 Council Members during the year. (2) We engaged 81 Panel Members for an average of 29 days and 8 External Assessors in the 2015/16 year. (3) Comparative staff costs for 2015/16 were restated to further analyse Panel Member and External Assessor costs.

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

3.2.2 Staff composition by gender

The table below provides a gender breakdown of directly employed staff as at 31 March 2017. Staff numbers are provided on a head count basis.

Role	Permanent		Other Staff		Total	
	Male	Female	Male	Female	Male	Female
Executive Management Team	0	4	0	0	0	4
Other staff	61	180	11	17	72	197
Total	61	184	11	17	72	201

3.2.3 Staff absence data

In 2016/17, the SSSC lost 4.7% of working time to sickness absence which compares to 4.6% in 2015/16. The Chartered Institute of Personal and Development (CIPD) public sector mean average is 4.3%.

3.2.4 Staff turnover data

The SSSC's voluntary staff turnover was 11.4% in 2016/17. This compares to 9.9% in 2015/16. The Chartered Institute of Personal and Development (CIPD) median rate of voluntary turnover for all employers was 10.0%.

3.2.5 Policies in relation to disabled people

The SSSC is committed to mainstreaming all three strands of the general equality duty throughout our organisation - eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010. We seek to make sure that the duty is implemented as

part of our human resources policy and practice. For example, we make adjustments for people with disabilities, regularly review our human resources policies, and deliver training and workshops to raise awareness of issues affecting people with protected characteristics.

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

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

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

3.2.6 Expenditure on consultancy

Expenditure of £10.5k was incurred in 2016/17 on research in support of developing our digital strategy and tax advice.

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

3.2.7 Exit packages – (voluntary early severance/voluntary early retirement scheme)

Two staff members left the SSSC during 2016/17 and received severance payments.

Exit costs include:

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

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

Exit package cost band	2016/17		2015/16	
	Number of departures	Total cost £000	Number of departures	Total cost £000
Up to £25,000	1	4	1	1
£100,000 to £150,000	1	149	0	0
	2	153	1	1

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

4. PARLIAMENTARY ACCOUNTABILITY REPORT

4.1 Losses and special payments

There were no losses and special payments incurred by the SSSC in the year to 31 March 2017 (nil for the year to 31 March 2016).

4.2 Fees and charges

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

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

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

Our budget is funded mainly by a mixture of grant in aid from the Scottish Government, specific grants (mainly from the Scottish Government) and fees paid by registrants. The 2016/17 budget was based on funding of 84% from grant in aid, 11% from fees charged to applicants and registrants and 5% from specific grants (2015/16; 82% grant in aid, 10% specific grants and 8% fees).

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

	2016/17			2015/16		
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000
Registration Fees	2,059	2,090	31	1,676	1,919	243

Anna Fowlie

Chief Executive and Accountable Officer

31 October 2017

5. INDEPENDENT AUDITOR'S REPORT

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

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

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of the Scottish Social Services Council for the year ended 31 March 2017 under the Regulation of Care (Scotland) Act 2001. The financial statements comprise the Statement of Comprehensive Net Expenditure, the statement of financial position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2016/17 Government Financial Reporting Manual (the 2016/17 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2017 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 FReM; and
- have been prepared in accordance with the requirements of the

Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers.

Basis of opinion

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

Responsibilities of the Accountable Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements.

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Other information in the annual report and accounts

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

In connection with our audit of the financial statements in accordance with ISAs (UK&I), our responsibility is to read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Report on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Report on other requirements

Opinions on other prescribed matters

We are required by the Auditor General for Scotland to express an opinion on the following matters.

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

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

110 Queen Street

Glasgow

G1 3BX

31 October 2017

6. ANNUAL ACCOUNTS

SCOTTISH SOCIAL SERVICES COUNCIL

1 April 2016 to 31 March 2017

Contents	Page
Statement of Comprehensive Net Expenditure	61
Statement of Financial Position	62
Statement of Cash Flows	63
Statement of Changes in Taxpayers' Equity	64
Notes to the Accounts	65 to 88
Appendix 1 – Accounts Direction	89

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2017**

	Ref/ note	2016/17 £000	2015/16 £000
Income			
Registration fees	2a	(2,090)	(1,919)
Other operating income	2b	(2,229)	(2,513)
		(4,319)	(4,432)
Expenditure			
Staff costs	4.2.1	10,724	9,948
Operating expenditure	6a	4,267	4,432
Postgraduate bursaries	6b	2,591	2,569
Practice learning fees	6b	2,306	2,226
Other disbursements	6b	51	19
		19,939	19,194
<i>Net operating cost on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities</i>		15,620	14,762
Bank charges		29	32
Net interest on defined pension (asset)/liability	5b	194	196
<i>Net operating cost on ordinary activities after interest and net interest on pension scheme net liabilities</i>		15,843	14,990
Total actuarial re-measurements on defined pensions liability	5b	3,562	(1,538)
Total comprehensive net expenditure before Government funding		19,405	13,452

All operations are continuing

The notes on pages 65 to 88 form an integral part of these accounts

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	Ref/ note	2016/17 £000	Restated* 2015/16 £000
Non-current assets			
Property, plant and equipment	7	47	57
Intangible assets	8	0	189
Prepayments - greater than one year	9	14	15
Total non-current assets		61	261
Current assets			
Trade and other receivables	9	1,208	1,281
Cash and cash equivalents	10	3,995	3,306
Total current assets		5,203	4,587
Total assets		5,264	4,848
Current liabilities			
Trade and other payables	11	(4,123)	(3,819)
Total current liabilities		(4,123)	(3,819)
Assets plus current liabilities		1,141	1,029
Non-current liabilities			
Pension (liabilities)/assets	5a	(10,168)	(5,672)
Total non-current liabilities		(10,168)	(5,672)
Net (liabilities)/assets		(9,027)	(4,643)
Taxpayers' equity			
Pensions reserve	SOCTE	(10,168)	(5,672)
General reserve	12	1,141	1,029
		(9,027)	(4,643)

* 2015/16 figures restated to analyse prepayments greater than one year.

Anna Fowlie
Chief Executive and Accountable Officer
31 October 2017

The notes on pages 65 to 88 form an integral part of these accounts

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	Ref/ note	2016/17 £000	2015/16 £000
Cash flows from operating activities			
Net operating cost before Government funding	SCNE	(19,405)	(13,452)
Adjustments for non-cash items:			
Pension adjustments and re-measurements	5b, table 2	4,496	(699)
Depreciation and amortisation	7, 8	199	226
Decrease/(increase) in trade and other receivables	9a	74	(443)
Increase/(decrease) in trade and other payables	11a	304	(40)
Net cash outflow from operating activities		(14,332)	(14,408)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	0	(26)
Net cash outflow from investing activities		0	(26)
Cash flows from financing activities			
Funding from Government	13a	15,021	13,488
Net financing		15,021	13,488
Net increase/(decrease) in cash and cash equivalents in the period	10	689	(946)
Cash and cash equivalents at the beginning of the period	10	3,306	4,252
Cash and cash equivalents at the end of the period	10	3,995	3,306

The notes on pages 65 to 88 form an integral part of these accounts

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Ref/ note	Pension Reserve £000	General Reserve £000	Total Reserves £000
Balance at 31 March 2015		(6,371)	1,692	(4,679)
Changes in taxpayers' equity for 2015/16				
Pensions adjustment and re-measurement	5b table 2	699	(699)	0
Total comprehensive net expenditure	SCNE	0	(13,452)	(13,452)
Total recognised income and expense for 2015/16		699	(14,151)	(13,452)
Funding from Government	13a	0	13,488	13,488
Balance at 31 March 2016		(5,672)	1,029	(4,643)
Changes in taxpayers' equity for 2016/17				
Pensions adjustment and re-measurement	5b table 2	(4,496)	4,496	0
Total comprehensive net expenditure	SCNE	0	(19,405)	(19,405)
Total recognised income and expense for 2016/17		(4,496)	(14,909)	(19,405)
Funding from Government	13a	0	15,021	15,021
Balance at 31 March 2017		(10,168)	1,141	(9,027)

The notes on pages 65 to 88 form an integral part of these accounts

NOTES TO THE ACCOUNTS

1 Statement of accounting policies

1.1 Basis of accounting

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

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

1.2 Accounting standards issued not yet effective

In accordance with IAS 8, changes to IFRS that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. No significant impact on future periods' financial statements is anticipated. The following standards have been considered:

- IFRS 9 Financial instruments (from January 2018)
- IFRS 15 Revenue from contracts with customers (from January 2018)
- IFRS 16 Leases (from January 2019).

1.3 Accounting convention

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

1.4 **Going concern**

The accounts have been prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future. Further explanation of the adoption of the going concern basis is contained in the Financial Performance section (pages 19 to 22).

1.5 **Property, plant and equipment**

1.5.1 **Capitalisation**

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

1.5.2 **Valuation**

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

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

1.5.3 **Depreciation**

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

1.6 **Intangible assets**

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

1.7 **Impairment of tangible and intangible assets**

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

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

1.8 **Government grants receivable**

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

1.9 **Disbursement grants and bursaries payable**

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

1.10 **Leases**

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

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

1.11 **Cash and cash equivalents**

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

1.12 **Pensions**

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

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

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

1.13 **Short term employee benefits**

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

1.14 **Shared services**

The SSSC shares its headquarters and some services with the Care Inspectorate. The Care Inspectorate charges the SSSC for services provided based on a Service Level Agreement (SLA). The SLA contains arrangements

akin to a lease for accommodation costs and ICT equipment.

1.15 **Value Added Tax (VAT)**

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

1.16 **Revenue and capital transactions**

Revenue and capital transactions are recorded in the accounts on an income and expenditure basis ie recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the SSSC as at 31 March 2017 have been brought into account.

1.17 **Financial instruments**

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

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

Trade receivables

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

Trade payables

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

1.18 Changes in accounting policy

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

1.19 Operating segments

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

1.20 Contingent Liabilities

The SSSC has a contingent liability of which the likelihood of potential cost to the SSSC is considered reasonably possible.

2		2016/17	2015/16
	Operating income	£000	£000
2a	Registration fees	2,090	1,919
2b	Other operating income:		
	Practice learning reimbursement (i)	1,969	2,226
	Modern apprenticeship fees	129	134
	Recharges for seconded staff	112	118
	Other income (ii)	10	22
	Protection of Vulnerable Groups (PVG) fee recovery	9	13
		2,229	2,513

- (i) Practice learning fees are paid to universities to fund practice learning days for social work students within workplace settings. An administration fee is paid to each university to administer this function. The Scottish Government reimburses the payments the SSSC makes to universities. In 2016/17 the SSSC used £337k of transitional funding held in the General Reserve to fund practice learning fees.
- (ii) Other income for 2016/17 comprises: supplier discounts and rebates £8k and other recharges of £2k.

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

3 Staff numbers and costs

3a An analysis of staff numbers and costs is disclosed in section 3.2.1 (staff numbers by permanent and other) of this report. A summary of cost is provided in the table below.

Staff cost summary	2016/17 £000	2015/16 £000
Permanently employed staff	9,942	9,155
Other people engaged	542	668
Other staff costs	240	125
Total staff costs	10,724	9,948

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

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

Analysis of impact of actuarial pension valuation adjustments on staff costs (note 5)	2016/17 £000	2015/16 £000
Actual payments		
Employer pension contributions actually paid	1,207	1,131
Unfunded pension payments actually paid	20	20
Total pension related payments actually paid	1,227	1,151
Accounting entries (IAS 19 note 5)		
Service costs included in staff costs (SCNE)	1,959	1,792
Variance between actual costs and accounting basis	732	641

4 Severance costs

The total cost of exit packages in 2016/17 was £153k (2015/16: £1k). Details of exit packages are disclosed in section 3.2.7 (exit packages) of this report.

5 Post-employment benefits: pensions

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

Tayside Superannuation Fund

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

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

Contributions are set every three years as a result of the actuarial valuation of the fund required by the regulations. The next actuarial valuation of the fund will be carried out as at 31 March 2017 and will set contributions for the period 1 April 2018 to 31 March 2021. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The contributions paid by the SSSC for the year to 31 March 2017 were £1,207k representing 17.0% of pensionable pay (2015/16: £1,131k representing 17.0% of pensionable pay). Employee contribution rates were in the range 5.5% to 12% based on earnings bands. The employer's contribution rate for the year to 31 March 2018 is 17%.

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

- Investment risk: The fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk: The fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk: All of the benefits under the fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- Longevity risk: In the event that the members live longer than assumed a deficit will emerge in the fund. There are also other demographic risks.

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

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

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

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

	As at 31 March 2017 £000	As at 31 March 2016 £000
Present value of funded obligation	35,936	25,337
Fair value of scheme assets (bid value)	26,210	20,052
Net liability	9,726	5,285
Present value of unfunded obligation	442	387
Net liability in Statement of Financial Position	10,168	5,672

5b **Statement of Comprehensive Net Expenditure costs for the year to 31 March 2017**

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

Table 1:	Year to 31 March 2017 £000		Year to 31 March 2016 £000	
Service costs		1,959		1,792
Administration expenses		8		2
Net interest on defined liability/(asset)		194		196
Difference between actual employer's contributions plus unfunded payments and actuarial assumptions	4		(71)	
Return on plan assets in excess of interest	(3,957)		853	
Change in financial assumptions	7,517		(2,309)	
Experience (gain)/loss on defined benefit obligation	(2)		(11)	
Total re-measurements		3,562		(1,538)
Total		5,723		452
Actual return on scheme assets		(4,746)		184

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

Comprehensive Net Expenditure and the General Reserve via that Statement of Changes in Taxpayers' Equity during the year.

Table 2:		2016/17	2015/16
Actuarial adjustments are made for:	note	£000	£000
Staff costs	3b	732	641
Administration expenses	5b table 1	8	2
Net interest on defined liability/(asset)	5b table 1	194	196
Total re-measurements	5b table 1	3,562	(1,538)
Total actuarial adjustments		4,496	(699)

5c **Benefit obligation reconciliation for the year to 31 March 2017**

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

	Year to		Year to	
	31 March 2017		31 March 2016	
	£000	£000	£000	£000
Opening defined benefit obligation		25,724		25,508
Current service costs		1,716		1,792
Past service costs including curtailments		243		0
Interest costs		983		865
Estimated benefits paid net of transfers in	(236)		(519)	
Contributions by scheme participants	453		418	
Unfunded pension payments	(20)		(20)	
Total scheme transactions		197		(121)
Change in financial assumptions	7,517		(2,309)	
Experience (gain)/loss on defined benefit obligation	(2)		(11)	
Total actuarial losses/(gains)		7,515		(2,320)
Closing defined benefit obligation		36,378		25,724

5d **Fair value of fund assets reconciliation for the year to 31 March 2017**

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

	Year to 31 March 2017		Year to 31 March 2016	
	£000	£000	£000	£000
Opening fair value of fund assets		20,052		19,137
Interest on assets		789		669
Estimated benefits paid plus unfunded net of transfers in	(256)		(539)	
Contributions by employer including unfunded	1,223		1,222	
Contributions by scheme participants	453		418	
Total scheme transactions		1,420		1,101
Return on assets less interest		3,957		(853)
Administration expenses		(8)		(2)
Closing fair value of fund assets		26,210		20,052

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

	Year to 31 March 2018 £000
Projected pension expense	
Service cost	2,480
Net Interest on the defined liability/(asset)	267
Administration expenses	11
Total	2,758
Employer contributions	1,252

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2017.

5f **SSSC fund assets**

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

Asset share – bid value	31 March 2017		31 March 2016	
	£000	%	£000	%
Equities	18,869	72%	13,746	69%
Gilts	1,737	7%	1,050	5%
Other bonds	2,585	10%	2,589	13%
Property	2,586	10%	2,447	12%
Cash	433	1%	220	1%
Total	26,210	100%	20,052	100%

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

5g **Financial assumptions as at 31 March 2017**

The financial assumptions used for IAS 19 calculations are below. These assumptions are set with reference to market conditions at 31 March 2017. The estimate of the duration of the employer's liabilities is 22 years. The discount rate is the annualised yield at the 22-year point on the Merrill Lynch AA-rated corporate bond yield curve which has been chosen to meet the requirements of IAS 19 and with consideration of the duration of the SSSC's liabilities. This is consistent with the approach used at the last accounting date.

The retail price index (RPI) increase assumption is set based on the difference between conventional gilt yields and index-linked gilt yields at the accounting date using data published by the Bank of England (BoE), specifically the 22-year point on the BoE market implied inflation curve. The RPI assumption used by the actuary is 3.6% p.a. This is consistent with the approach used at the last accounting date.

As future pension increases are expected to be based on Consumer Price Index (CPI) rather than RPI, CPI is assumed to be 0.9% below RPI i.e. 2.7% per annum. The actuary believes this is a reasonable estimate for the future differences in these indices, based on the different calculation methods and recent independent forecasts. This is consistent with the approach used at the

last accounting date.

Salary increases are assumed to be 1.0% per annum above CPI in addition to a promotional scale. This has been updated since last year to be in line with the anticipated assumption to be adopted for the 2017 actuarial valuation.

Assumptions at:	31 March 2017 % p.a.	31 March 2016 % p.a.	31 March 2015 % p.a.
Discount rates	2.8%	3.8%	3.4%
Pensions increases	2.7%	2.5%	2.5%
Salary increases	3.7%	4.3%	4.3%

5h **Demographic/statistical assumptions**

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

The assumed life expectations from age 65 are shown below:

Life expectancy from age 65		31 March 2017 years	31 March 2016 years
Retiring today	Males	21.4	21.3
	Females	23.5	23.3
Retiring in 20 years	Males	23.7	23.5
	Females	25.8	25.6

The following assumptions have been made:

- Members will exchange half of their commutable pension for cash at retirement,
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche requirement age, and

- 10% of active members will take up the option to pay 50% of contributions for 50% of benefits.

5i Sensitivity analysis

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

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	35,605	36,738	37,169
Projected service cost	2,418	2,480	2,544
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	36,500	36,738	36,257
Projected service cost	2,481	2,480	2,479
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	37,047	36,378	35,725
Projected service cost	2,543	2,480	2,419
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	37,673	36,378	35,129
Projected service cost	2,559	2,480	2,403

6 Analysis of operating costs

6a

Operating expenditure	2016/17 £000	2015/16 £000
Supplies and services	1,449	1,477
Administration costs	1,578	1,628
Property costs	780	851
Transport costs	233	259
Depreciation and amortisation of assets	199	226
Pension administration costs (IAS 19)	8	2
Changes in debt impairment allowance	20	(11)
	4,267	4,432

The above total includes £18.9k (2015/16: £17.8k) for external auditor's remuneration. External audit did not receive any fees in relation to non-audit work.

6b Analysis of disbursements

During 2016/17 postgraduate bursaries totalling £2.591m (2015/16: £2.569m) were managed by the SSSC. Of this £1.582m (2015/16: £1.536m) was paid directly to students undertaking postgraduate social work training and £1.009m (2015/16: £1.033m) to universities for tuition fees.

A total of £2.306m (2015/16 £2.226m) was paid to universities to support practice learning opportunities during the year.

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

In 2015/16 disbursements of £0.019m were paid to Glasgow Caledonian University to fund students undertaking the Chief Social Work Officer programme.

7 Property, plant and equipment

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

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

8 Intangible assets

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

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

9 Trade and other receivables

9a	Summary of trade and other receivables	2016/17 £000	2015/16 £000
	Amounts falling due within one year		
	Prepayments and accrued income	995	1,028
	Trade receivables	176	179
	Other receivables	37	74
	Total unimpaired receivables	214	253
		1,208	1,281
	Amounts falling due after more than one year		
	Prepayments	14	15
	Total trade and other receivables	1,222	1,296

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

9b	Provision for impairment of receivables	2016/17 £000	2015/16 £000
	As at 1 April	(15)	(26)
	Charge for the year	(142)	(84)
	Unused amounts reversed	2	7
	Uncollectable amounts written off	121	88
	As at 31 March	(34)	(15)

As at 31 March 2017, trade and other receivables of £34k (2015/16: £15k) were past due and impaired. The amount of the provision is £34k (2015/16: £15k). The ageing analysis of these receivables is as follows:

	2016/17	2015/16
Aged analysis of past due and impaired receivables	£000	£000
Up to 3 months past due	22	8
3 to 6 months past due	2	2
Over 6 months past due	6	2
Over 12 months past due	4	3
	34	15

As at 31 March 2017, trade and other receivables of £213k (2015/16: £253k) were due but not impaired. The ageing analysis of these receivables is as follows:

	2016/17	2015/16
Aged analysis of unimpaired receivables due	£000	£000
Not yet due	183	212
Up to 3 months past due	14	25
3 to 6 months past due	6	6
Over 6 months past due	5	1
Over 12 months past due	5	9
	213	253

9c

	2016/17	2015/16
Analysis of trade and other receivables	£000	£000
Amounts falling due within one year		
Bodies external to Government	1,178	1,176
Other Government bodies	28	105
Local authorities	2	0
	1,208	1,281
Amounts falling due after more than one year		
Bodies external to Government	14	15
Total trade and other receivables	1,222	1,296

10 Cash and cash equivalents

	2016/17 £000	2015/16 £000
Balance as at 1 April	3,306	4,252
Net change in cash and cash equivalent balances	689	(946)
Balance as at 31 March	3,995	3,306
The following balances as at 31 March were held at:		
Government banking service	3,962	3,305
Commercial banks and cash in hand	33	1
Balance as at 31 March	3,995	3,306

11 Trade and other payables

11a

	2016/17 £000	Restated 2015/16 £000
Summary of trade and other payables		
Amounts falling due within one year		
Trade payables	2,137	2,045
Accruals and deferred income	1,487	1,340
Other taxation and social security	178	154
Other payables	312	257
VAT	9	23
Total trade and other payables	4,123	3,819

11b

	2016/17 £000	2015/16 £000
Analysis of trade and other payables		
Amounts falling due within one year		
Bodies external to Government	2,483	2,047
Higher education institutes (HEIs)	1,167	1,182
Other Government bodies	208	449
Local authorities	265	141
Total trade and other payables	4,123	3,819

12 Sources of financing

2015/16		Ref/ note	2016/17		
Total £000	General Reserve		Revenue £000	Capital £000	Total £000
1,692	Opening balance		783	246	1,029
(13,452)	(deficit) for the year	SCNE	(19,206)	(199)	(19,405)
(699)	Pension adjustments and re-measurements	5b	4,496	0	4,496
13,488	Grants and grant in aid	13a	15,021	0	15,021
1,029	Closing balance		1,094	47	1,141

13 Government and European Union funding

13a	2016/17			2015/16		
	Grants and grant in aid			£000		
			14,208			12,203
			347			697
			268			232
			165			157
			0			162
			29			4
			0			8
			4			0
	Total funding from Government		15,021			13,463
	European Union funding					
			0			25
	Total Government and European Union funding		15,021			13,488

All grant conditions have been met and no grants are due for repayment.

13b	2016/17			2015/16		
	Grant in aid analysis			£000		
			13,508			11,952
			14,208			12,203
			700			251

14 Capital commitments

There were no capital commitments as at 31 March 2017.

15 Commitments under leases

15a Operating leases

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

Obligations under operating leases comprise:	2016/17 £000	2015/16 £000
Buildings:		
within 1 year	777	750
within 2 to 5 years	3,110	3,002
beyond 5 years	819	1,542
	4,706	5,294
Other:		
within 1 year	492	492
within 2 to 5 years	0	0
beyond 5 years	0	0
	492	492

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

15b Finance leases

There are no obligations or commitments under finance leases.

16 Contingent liabilities

On 13 January 2017 a personal injury action was raised against the SSSC. The citation was from the Sheriffdom of Lothian and Borders at Edinburgh in the All-Scotland Sheriff Court. This is shown as a contingent liability as it has not been established that it is more likely than not that an outflow of cash will result.

17 Related-party transactions

The SSSC is a Non-Departmental Public Body (NDPB) sponsored by the Office of the Chief Social Work Adviser of the Children and Families Directorate of the Scottish Government. The SSSC has shared service arrangements with the Care Inspectorate 2016/17 £1,235k (2015/16 £1,227k). Both Scottish Government and the Care Inspectorate are regarded as related parties with which the SSSC has had various material transactions during the year.

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

18 Post statement of financial position events

There were no events after the Statement of Financial Position date relating to the 2016/17 financial year.

Appendix 1

SCOTTISH SOCIAL SERVICES COUNCIL

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

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of paragraph 9(1) of Schedule 2 to the Regulation of Care (Scotland) Act 2001, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) 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



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