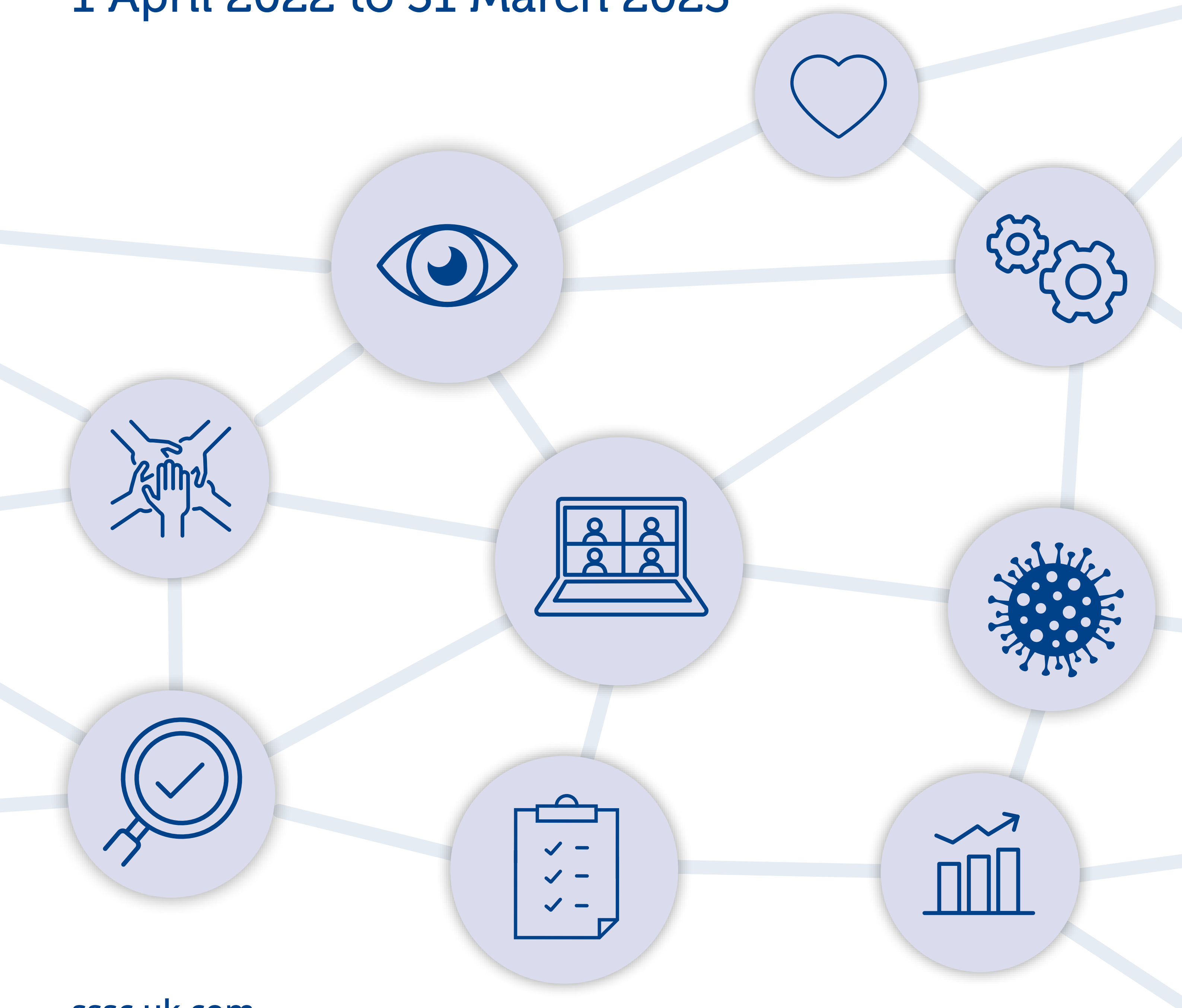
Scottish Social Services Council

Annual Report and Accounts

1 April 2022 to 31 March 2023



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Annual Report and Accounts of the Scottish Social Services Council

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

1 April 2022 to 31 March 2023

SG/2023/159

'The year brought out the best in our staff and the social work, social care and children and young people workforce despite the continued challenges we all faced.'

Chief Executive's foreword

Welcome to our 2022/2023 Annual Report and Accounts.

The last year has been a time of exceptional and unprecedented change with the impact of the pandemic still with us, the increased cost of living and the financial challenge facing us for some time to come.

During this time those working in social work, social care and children and young people services and our staff have continued to deliver the dedicated, valuable work that is the foundation of social services in Scotland.

The year brought out the best in our staff and the social work, social care and children and young people workforce despite the continued challenges we all faced. The support for our citizens and communities is impressive due to their exceptional commitment, hard work and resilience throughout.

2022/2023 marks the end of our previous three-year strategic plan. We've had successes across the three years such as we have reduced the amount of open fitness to practise cases from 2,888 in April 2020 to 1,824 by the end of March 2023. And the number of people in the registered workforce with the correct qualification has improved, we surpassed our 50% target in October 2022 finishing the financial year at 50.9%. We also saw approximately 18,988 individuals tell us that they have met a qualification condition throughout the strategic plan.

As you read this report, you will see the progress we have made during the last year across all areas of our work. And our new strategic plan for 2023-2026 will build on this work. The new plan sets our direction for the next three years which we know will continue to be a time of real change for our sector.

We continued our Future Proofing Programme which is designed to develop and improve registration and regulation. The programme aims to make sure our regulatory system is clear, transparent and raises the standards of practice in the sector. To do this, we are building a sustainable Register for the future alongside a review of the SSSC Codes of Practice for Social Service Workers and their Employers, the fundamental practice standards for this workforce. This will make regulation easier to understand for all, delivering significant improvements for the social work, social care and children and young people workforce, their employers and our staff and stakeholders in the years ahead.

Many of you were involved in this programme and other areas of our work throughout the year and this will continue as we strengthen our partnerships with you and other partners. We believe in designing our services with you and this is key to achieving our vision to be a public service that makes a positive and lasting contribution to improving the quality of Scotland's care services.

As we prepare for the changes over the next few years to the way social work, social care and children and young people services are delivered, we will continue to make sure we provide exceptional value for our registrants and the people of Scotland and will continue working hard to make sure you are confident in the service we provide.

Maree Allison
Acting Chief Executive
Scottish Social Services Council

Section A: Performance report

Performance overview

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Our organisation

The Scottish Social Services Council (SSSC) is the regulator for the social work, social care and early years workforce in Scotland.

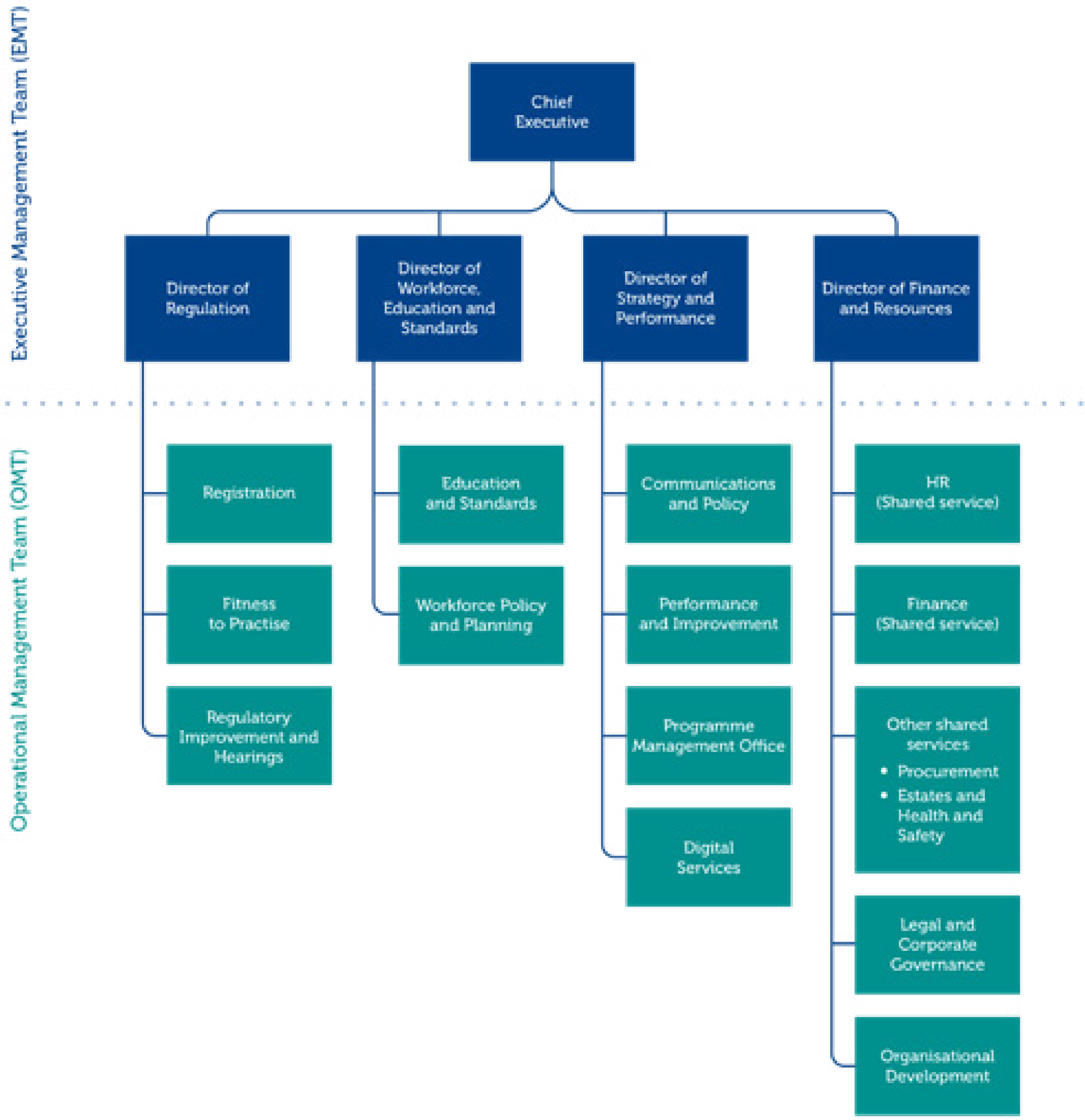
> **Our vision, as the regulator of the social service workforce in Scotland, is that the people of Scotland can count on social work, social care and children and young people services being provided by a trusted, skilled, confident and valued workforce.**

We are a non-departmental public body, sponsored by the Office of the Chief Social Work Adviser at the Directorate for Children and set up under the Regulation of Care (Scotland) Act 2001. We are governed by a Council of 10 Members, including a Convener, who are appointed by Scottish Ministers. The Council delegates some responsibilities to the Audit and Assurance Committee.

Our Chief Executive and directors make up our Executive Management Team (EMT). The heads of each department make up our Operational Management Team (OMT).

We have 334 full time equivalent employees working across four directorates. We share services with the Care Inspectorate including Finance, Human Resources, Procurement, Estates and Health and Safety.

Structure


Executive Management Team (EMT)
Chief Executive
Director of Regulation
Director of Workforce, Education and Standards
Director of Strategy and Performance
Director of Finance and Resources
Operational Management Team (OMT)
Registration
Fitness to Practise
Regulatory Improvement and Hearings
Education and Standards
Workforce Policy and Planning
Communications and Policy
Performance and Improvement
Programme Management Office
Digital Services
HR (Shared service)
Finance (Shared service)
Other shared services
• Procurement
• Estates and Health and Safety
Legal and Corporate Governance
Organisational Development

Our work

The social service sector employs approximately 208,360 workers which represents almost 8% of all employment in Scotland, or 1 in 13 workers. This is a slight fall of 0.6% since 2020.

The workforce includes social workers, social work students, social care staff and children and young people workers. They work across a range of services, in residential and day centres, community facilities and in people's homes.

We protect the public by registering the social work, social care and children and young people workforce, 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 act.

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 the social services in Scotland.

Our work contributes to the Scottish Government's purpose and national outcomes.

Scottish Government purpose

To focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth.

National Outcomes

- We live in communities that are inclusive, empowered, resilient and safe.
- We grow up loved, safe and respected so that we realise our full potential.

SSSC vision

Our vision, as the regulator of the social service workforce in Scotland, is that the people of Scotland can count on social services being provided by a trusted, skilled and confident workforce.

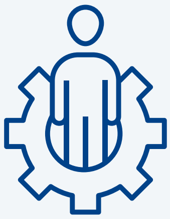
SSSC strategic outcomes

- People who use services are protected by ensuring the regulated workforce is fit to practise.
- The SSSC supports and enhances the development of the regulated workforce to deliver high standards of practice and drive improvement.
- Our workforce planning activities support employers, commissioners, and policy makers to deliver a sustainable, integrated and innovative workforce.
- The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives.

Our business model

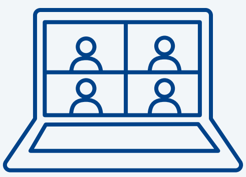
Our key partners and stakeholders

- Scottish Government sponsor – Office of the Chief Social Work Adviser and Scottish Government policy teams
- Social service employers' representative groups
- People with lived experience
- Learning providers and awarding bodies
- NHS Education for Scotland
- Skills Development Scotland
- Care Inspectorate
- Other regulators within and out with social services and across the UK
- Skills for Care and Development
- Social Work Scotland
- Convention of Scottish Local Authorities



Key activities

- Maintain a register of eligible workers
- Publish the codes of practice for people working in social service and their employers
- Investigate concerns about the fitness to practise of registrants and applicants
- Sector skills council
- Support the professional development of workers
- National lead for workforce development and planning for social services in Scotland
- Engage stakeholders through our Involving People Plan
- Official and national statistics provider of social service workforce data in Scotland
- Collaboration with Scottish Government policy teams



Key resources

- Staff
- IT systems and hardware
- Office and hearing rooms
- Knowledge and experience

Value proposition

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

We protect the public by registering social workers, social care and early years 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.

Who we reach

- Members of the public
- People who use services and their carers
- Social service user and carer representative groups
- Advocacy and campaigning groups

Our customers

- Scotland's social work, social service and early years workforce
- Workers applying for registration
- Registered workers
- Employers of registered workforce

Funding

Our budgeted expenditure is funded by grant in aid from Scottish Government and fees paid by people on our Register. Our budgeted funding for 2022/23 was £16.0m from grant in aid (2021/22 £16.0m) (outturn £19.2m, 2021/22 £16.2m). We budgeted for £6.0m (2021/22 £5.7m) for fees paid by registrants (outturn £4.8m, 2021/22 £6.0m) and other income of £0.4m (2021/22 £0.3m), (outturn £0.6m, 2021/22 £0.6m).

Managing our risks

Our Council is accountable for overseeing risk management. The Council has delegated responsibility for managing our strategic risk to the Audit and Assurance Committee, who ensure we have effective risk management processes in place. To manage risk, we:

- review our risk policy annually
- agree a risk appetite statement annually
- review and update the strategic risk register quarterly
- review directorate risk registers monthly.

In 2022/23 we identified the strategic risks that could have prevented us from achieving our outcomes. These are set out in Table 1 below.

At each step in our risk management process we identify, review, record and assess risks to identify ways to mitigate their impacts. Risk management is embedded throughout the organisation. The OMT initiate the monthly risk management cycle by completing directorate risk registers for EMT to review and escalate as appropriate. Our processes allow us to escalate and de-escalate risks when required.

Reviewing our strategic risks

We proactively identify risks around business continuity procedures, our ability to carry out planned business activities and our budget. We also monitor changes to the policy landscape, for example the National Care Service, the Independent Review of Adult Social Care and The Promise. These continue to provide opportunities for change and improvement in how we carry out our planned activities.

In December 2022 we reviewed our strategic risk register and identified a number of emerging risks and ongoing areas from last year. We will continue to monitor these over 2023/24 alongside emerging risks as we identify them. Our revised strategic risks and examples of key mitigating actions for 2023/24 are below.

Table 1: Descriptions of strategic risk and mitigating actions.

Description of risk	Key mitigating actions
We fail to ensure that our system of regulation meets the needs of people who use services and workers.	Implement the Future Proofing Programme. Rules and frameworks based on risk are in place to ensure legal compliance, fairness and consistency.
We fail to ensure that our workforce development function supports the workforce and employers to achieve the right standards and qualifications to gain and maintain registration.	New qualifications and career pathways to support the flexibility of the workforce, new models of care delivery and support career progression. Skills Response Plan for Adult Social Care in partnership with NHS Education for Scotland, Skills Development Scotland and Scottish Government. New model of continuous professional learning (CPL) to ensure we can respond to emerging skills needs and support the workforce to have the right skills and knowledge at the right time. Develop new routes into the social work profession in partnership with the Social Work Education Partnership.
We fail to meet corporate governance, external scrutiny and legal obligations.	Regular assurance mapping reviews.
We fail to provide value to our stakeholders and demonstrate our impact.	Develop improved equality data on our registrants to meet legal duties under Equality Act and to inform national priorities.
We fail to develop and support SSSC staff appropriately to ensure we have a motivated and skilled workforce or have insufficient resources to achieve our strategic outcomes.	Deliver our People Strategy action plan.

The SSSC fail to secure sufficient budget resources to fulfil the financial plans required to deliver the strategic plan.	Annual review of financial strategy will take place alongside strategic plan commitments. Quarterly assurance meetings to consider current financial position, organisational performance, and risk. Regular review of resource models.
Business Continuity Plans (BCP) are in place and tested.	Development of suite of business continuity management resources.
We fail to have the appropriate measures in place to protect against cyber security attacks.	Regular cyber security incident management plan testing plan in place. Continue to maintain our cyber essential accreditation.
We do not have accommodation in place that meets our business requirements at an acceptable cost*.	Continued discussion with Scottish Government, landlords and our Sponsor along with other occupiers, Care Inspectorate and Office of the Scottish Charity Regulator (OSCR).

* Added to our strategic risk register part way through the year.

Engaging with our customers and stakeholders

We carry out regular engagement with customers to help us identify their needs and areas where we can improve.

We surveyed our registrants and stakeholders in 2022/2023 and received over 9,000 responses across both surveys. The responses indicate continued positive feeling towards the SSSC and the benefits that being registered brings, as well as very positive feedback on the customer service we provide.

Responses about our customer service were particularly positive, with 80% of registrants and 73% of stakeholders indicating positive feelings about the level of customer service they have received from the SSSC. This level of customer satisfaction has been consistent since 2020.

Registrants also continue to respond positively about their perception of the benefits of SSSC registration and how much the work of the SSSC helps to improve their practice.

The table below shows the trends in positive responses to these questions over the past three years, showing only a slight decline.

Table 2: Trends in positive registrant responses

Question	2020	2021	2022
How beneficial do you think registration with the SSSC is	68%	63%	62%
How much do you believe the work of the SSSC helps improve your practice	57%	61%	58%
How satisfied are you with the standard of customer service you received when you contacted us	81%	80%	80%

A consistent theme across the responses was the difficulty that workers have in finding enough time to access and use our learning resources during working hours and, alongside that, a consensus that live or recorded online training and learning sessions would be preferable.

We also noted some emerging issues highlighted by registrants on different parts of the Register. We will use this information to plan the development of future resources and engagement with the sector.

- Work commitments prevent attendance at events.
- Respondents would like more clarity on the role of the SSSC/information on what the SSSC does.
- Respondents want to see us promote the need for better pay and benefits in the sector.

To improve understanding of the value of being registered and to develop our relationships with registrants, we held our ‘meet the SSSC’ events online for the first time. We ran several workshops with 120 attendees and had very positive feedback: 94% of respondents told us they were more positive about regulation and registration and 62% said their knowledge about these areas had improved because of the events.

Engaging with stakeholders on the future of the Register

Our Council approved our proposals for the Future Proofing Programme in November 2022. These proposals were informed by, and incorporated, feedback from engagement with stakeholders throughout 2022.

Over 300 people attended our online 'Continuing the Conversation' sessions in August 2022. These events focused on key themes that emerged from the consultation on the Register and qualifications changes in 2021/2022.

We continued to hold quarterly meetings with our Stakeholder Advisory Group (SAG), made up of representatives from the workforce, trade unions and other representative bodies, including Scottish Care and Coalition of Care and Support Providers in Scotland (CCPS). We also formed a sub-group of the SAG to focus on the Codes of Practice review. These groups will continue to meet over the next year as we plan implementation of the changes from April 2024.

Our strategic outcomes

The year 2022/2023 marked the last of our **2020-2023 Strategic Plan**. This Annual Report and Accounts provides a high level assessment of our work over the three years to deliver it.

We had four strategic outcomes.

1. People who use services are protected by ensuring the regulated workforce is fit to practise.
2. The SSSC supports and enhances the development of the regulated workforce to deliver high standards of practice and drive improvement.
3. Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.
4. The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives.

We measured our impact over the lifetime of the strategic plan with the measures set out below. The tables and graphs show our performance against these measures over the last three years.

- The percentage of people using services who experience high quality care from a qualified and registered workforce.
- The percentage of the workforce who believe that the work of the SSSC improves their practice.
- The percentage of those who use our resources that report positively on the effectiveness of workforce planning activities.
- The feedback we receive that our work promotes the value of the social care workforce through engagement activity.

Strategic performance indicator results

People using services experience high quality care from a qualified and registered workforce.

To understand if there is a correlation between qualifications and quality of care gradings given by the Care Inspectorate, we analysed the percentage of qualified staff and the quality-of-service rating, concentrating on three service types.

- Care homes for older people.
- Other adult care homes.
- Day care of children services.

Our analysis focused on five grading areas.

- Care support planning.
- Care support wellbeing.
- Leadership.
- Setting environment.
- Staff team.

Each grading area was given a score between the minimum one and the maximum six.

The Care Inspectorate's approach to inspection changed in response to the pandemic which introduced constraints and limitations around data collection. We will seek to work closely with the Care Inspectorate in 2023/24 to establish a comprehensive approach to assess any correlation between qualifications and care service gradings, thereby ensuring a stronger and more reliable analysis.

We can understand the quality of care that people who use services experience by looking at the strategic performance indicator result for Outcome 2 that shows the number of registrations with a qualification. This is illustrated in the strategic performance indicator 'Increase the percentage of the registered workforce with the correct qualification'.

This percentage increased from 48.4% in April 2020 to 50.9% in March 2023.

Increasing the qualified status of the workforce enhances outcomes for people who use services. To gain their qualification individuals working in social work, social care and children and young people services must demonstrate they have the right knowledge, skills, values and the confidence to deliver high quality care to the standard expected. The **Workforce Skills Report 2021/22** (SSSC, 2022), highlighted that the majority of employers believe qualifications make a difference to the quality of care delivered. This is supported by the results of the 2022 registrant survey where our registrants were asked the question 'How well do SSSC qualification requirements support a multiskilled workforce?', and 56% of respondents rated as 'very well' or 'well'.

We can also understand how quickly individuals are being registered under one of the strategic performance indicator results for Outcome 1. This is shown in strategic performance indicator 'Reduce the average time taken from a person starting their employment to being registered with the SSSC.'

We have reduced the length of time from an individual starting their employment to being registered, from on average 25.7 weeks in 2020/21 to 24 weeks in 2022/23.

The workforce believes that the work of the SSSC improves their practice.

The measures for this indicator come from the annual registrant survey. When asked 'How much do you believe the work of the SSSC helps improve your practice?' in:

- 2020/21 57% were positive
- 2021/22 54% were positive
- 2022/23 58% were positive.

We also ask people who have recently completed a qualification, or as part of their continuous professional learning, if they have used any SSSC learning resources. This gives an indication that our resources are used to improve their practice.

Of those who did use SSSC learning resources we asked 'How much do the SSSC's learning resource(s) support your development?' in:

- 2020/21 76% were positive
- 2021/22 75% were positive
- 2022/23 80% were positive.

Those who use SSSC resources report positively on the effectiveness of workforce planning activities.

We collect data for this measure from website surveys and the annual workforce planning survey, however, due to very low response rates to the web user survey we were unable to carry out a meaningful analysis.

The work of the SSSC promotes the value of the social care workforce.

We introduced this measure during the last strategic plan, to promote the value of the workforce at the height of the COVID-19 pandemic. We ran our **Inspiring Care Stories** campaign to promote the skills, confidence and values of those working in the sector during this most difficult time. People working in care shared their stories of how they met the challenge of continuing to deliver good quality care during the pandemic. The stories were very successful, highly regarded and we were shortlisted in two categories for best campaign in the Chartered Institute of Public Relations (CIPR) PRide awards. Our high response rate to this question in our 2022 registrant survey is a direct result of the promotional work we did to highlight the value of the sector during this time.

In 2022 the rating for this response dropped from 69% positive to 57% positive because of less targeted work in this area in 2022/2023, we chose to focus our resources on the future of the register (Future Proofing Project), promoting careers and work in the sector jointly with Scottish Government, employers and partners. We are in the process of measuring the success of these recent campaigns.

Performance analysis

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Supporting delivery of our strategic outcomes **43-46**

One year at a glance

22/23

At its peak, around 168,304 individuals were on the Register.

5,191
SSSC Open badges awarded*.

22,833
active users of MyLearning app.

*Open Badges are digital certificates recognising learning and achievements that are tied to assessment and evidence.

3,602
fitness to practise concerns received.

4,023
concerns closed or resolved.

143
hearings held

of which
131
were online

6
in person hearings

6
were a hybrid of online and in-person meetings

56,570
applications registered.

Financial performance

Our budget is funded 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 Scottish Ministers consent. The last increase in fee rates was effective from 1 September 2017.

Our budgeted income and funding for 2022/23 was as follows:

	2022/23 Budgeted income £000	2022/23 Budgeted funding £000	2022/23 Total income and funding £000
Grant in aid	0	16,035	16,035
Specific grants	0	1,276	1,276
Registration fees	5,962	0	5,962
Other income	398	0	398
Total income and funding	**6,360**	**17,311**	**23,671**

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

We set the 2022/23 expenditure budget at £26.285m. This is £2.614m more than the 2022/23 available funding of £23.671m. Our Scottish Government Sponsor agreed that we could retain 2021/22 grant in aid of £0.976m in our general reserve to fund temporary posts and our Futureproofing digital development project during 2022/23. We did not fully use this in 2021/22 due to ongoing delays relating to the COVID-19 pandemic. Scottish Government agreed to cover the remaining 2022/23 shortfall of £1.638m as a temporary in year unfunded budget pressure.

There was no capital expenditure during the 2022/23 financial year.

The impact of IFRS 16 – Leases, effective 1 April 2022, has been included in the 2022/23 accounts. The impact of IFRS 16 is to bring into account a right of use asset (our buildings) and the related lease liability (note 14).

The following table shows our revenue budget position.

	2022/23 Budget £000	2022/23 Actual £000	2022/23 Variance £000
Revenue expenditure	26,285	26,900	614
Fee income	(5,962)	(4,743)	1,219
Other income	(398)	(568)	(170)
Net expenditure	**19,925**	**21,589**	**1,663**
Grant in aid (revenue)	(16,035)	(19,192)	(3,157)
Specific grant funded projects	(1,276)	(2,017)	(741)
Total funding	**(17,311)**	**(21,209)**	**(3,898)**
Deficit/(surplus) for the year	**2,614**	**379**	**(2,235)**
Transfer from General Reserve	**(2,614)**	**(379)**	**2,235**

Our actual deficit for 2022/23 was £0.379m i.e. £2.235m less than the budgeted deficit position of £2.614m, leaving a variance of £2.235m at 31 March 2023. Our Scottish Government Sponsor has agreed we can carry the £2.235m forward for use during 2023/24.

Budget variances were as follows:

	2022/23 £000
Expenditure	
Practice learning fees	598
Panel member allowances - holiday and pension backpay	235
Other revenue expenditure variances	(235)
Postgraduate bursaries	(51)
Income	
Grant in aid funding - spending pressure	(1,638)
Additional grant in aid - 2022/23 pay award	(300)
Additional grant in aid - digital development fee waiver	(100)
Grant in aid - Registration fees for local authority registrants	(1,119)
Registration fee income from registrants	1,223
Specific grants	(357)
Unused VSDF funding returned from training providers	(315)
Shared service and secondment income	(175)
Total budget variance	**(2,235)**

Practice learning fee daily rates increased from 2022/23 so Sponsor allowed us to carry forward £0.753m in unspent disbursement funding from 2021/22 to support this. In accordance with the Somerville ruling we paid holiday and pension backpay to our panel members (£0.235m).

We received additional grant in aid £3.157m, of which £1.638m was a one off spending pressure. Scottish Government increased our permanent grant in aid funding by £0.300m to fund the 2022/23 increase to our pay award.

On 25 October 2022 Scottish Government agreed to fund SSSC registration fees for local authority workers as part of their 2022/23 pay deal. We were asked to refund registration fees collected from these workers from 1 April 2022 and Scottish Government now reimburse us for local authority registration fees. This is a change in the way we are funded grant in aid. We received £104k less registration income than budgeted during the year (1.7% of budgeted registration fee income).

Specific grants are underspent by £357k due to the timing of grant income received (cash basis) and £315k was returned to us by Voluntary Sector Development Fund (VSDF) training providers. This will be carried forward in our general reserve for disbursing to VSDF training providers in 2023/24.

The Sponsor has agreed we can carry forward our underspend to 2023/24 in our general reserve balance. This means our general reserve will not reduce as much as anticipated when we set the 2022/23 budget. The closing balance of £2.000m (note 11) is 7.7% of budgeted gross expenditure. The SSSC's target range for the revenue element of the general reserve is 2.0% (£0.500m) to 2.5% (£0.625m) of our gross expenditure budget.

Reconciliation to Statement of Comprehensive Net Expenditure

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 (SoCNE) for three reasons.

(i) For budgeting purposes, we consider grants and grant in aid to be income. The accounting position must present grants and grant in aid as sources of funds and they are credited to the general reserve on the Statement of Financial Position (SOFP).

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

(iii) Grant in aid used for the purchase of non-current assets is credited to the general reserve and the balance is reduced by the amount of depreciation charged each year. The 2022/23 depreciation charge is £341k of which £339k is for right of use assets, relating to the introduction of IFRS 16 – Leases.

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

	Ref/note	2022/23 £000
Surplus per the SoCNE	SoCNE	(334)
Funding from grants and grant in aid	13a	(21,209)
Reverse IAS 19 pension accounting adjustments	5b table 2	21,945
To fund depreciation of assets	6a	341
Deficit on funding and budgeting basis		**743**

Supplier payment policy

The SSSC is committed to the Confederation of British Industry Prompt Payment Code for the payment of bills for goods and services we receive. It is our policy to make payments in accordance with the Scottish Government's instructions on prompt payment and a target of payment within 10 days. In 2022/23 we paid 99.44% (2021/22: 99.60%) of invoices within 10 days.

Going concern

In common with similar public bodies, the future financing of the SSSC will be met by future grant in aid to be approved annually by Scottish Government. The SSSC has no reason to believe the Scottish Government and Scottish Ministers have any intention to withdraw or reduce support to the organisation. Our Scottish Government Sponsor has confirmed our grant in aid for 2023/24 and there is no reason to believe that future approvals will not be forthcoming. It is therefore considered appropriate to adopt a going concern basis for the preparation of these financial statements.

The Statement of Financial Position at 31 March 2023 shows net assets of £14.264m (2021/22: £7.279m). The net assets are mainly the result of actuarial assumptions adopted for the application of accounting standard IAS 19.

IAS 19 requires the liabilities and assets of the pension scheme to be valued. The pension liability represents the best estimate of the current value of pension benefits that the SSSC will have to fund. The liability relates to benefits earned by existing or previous SSSC employees up to 31 March 2023.

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 asset 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 our Scottish Government Sponsor.

Delivering our strategic plan

Outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise.

We need to make sure that we use our resources well, so we take action where we need to. If we look at the wrong things, take too long to process applications or don't hold serious case hearings quickly enough, we increase the risk that people who use services are supported by workers who aren't fit to practise. The charts that follow tell us whether we are doing this well enough. We know there is more we can do to make sure we keep protecting the public. Here are some things we have done to keep improving.

1. We commenced the Future Proofing Programme in December 2021 which is due to conclude in 2024. This programme interconnects three different projects looking at our Register, qualifications and skills and the SSSC Codes of Practice.

2. We launched the Registration Open Badge to support newly registered workers understand the role of the SSSC and their responsibilities as a registered worker.

3. We worked with partners in the Scottish Qualifications Authority (SQA) to establish a new process of verifying SVQ qualifications through SQA systems. This reduces the risk of accepting fraudulent certificates and removes the need for employers to verify SQA awarded certificates.

4. We received positive results from an external quality assurance review of our fitness to practise decisions.

5. We published the first in a series of focus on regulation bulletins, providing relevant information to registrants and employers.

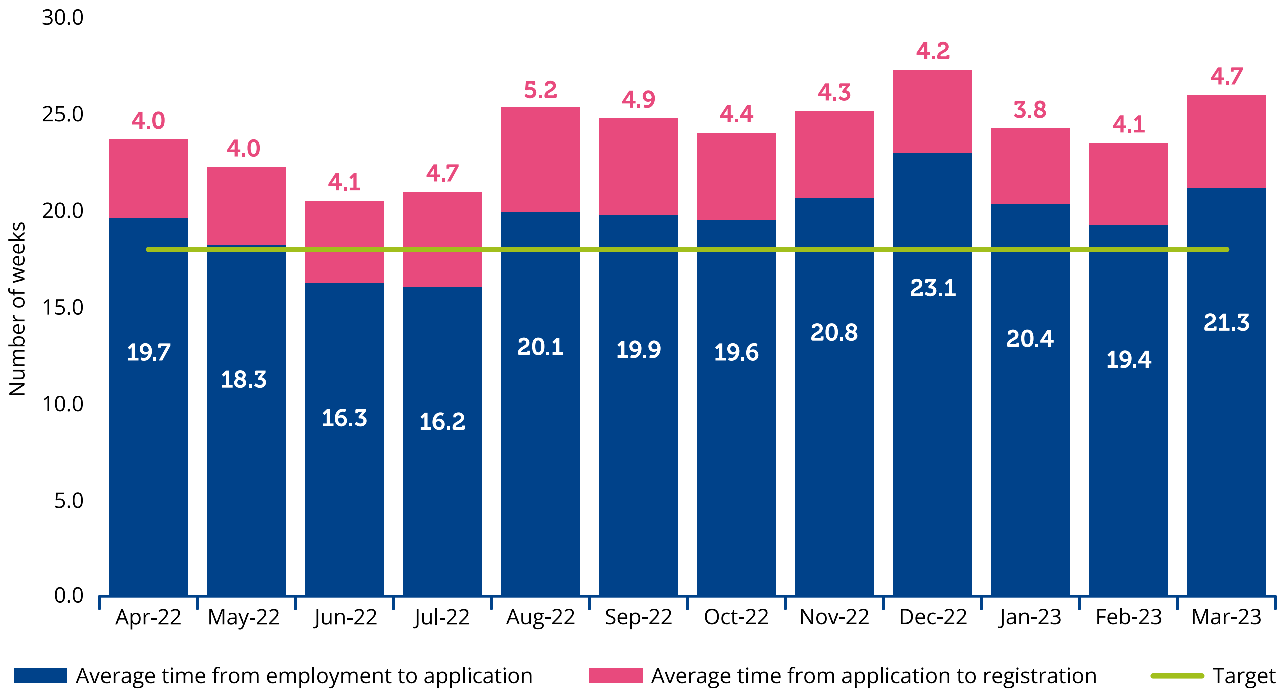
6. We are taking part in the Open University Witness to Harm research project. This is the first academic study into the experiences of people who are witnesses in health and social care regulators' fitness to practise investigations and hearings. This will help us know how best to support witnesses throughout the process.

7. We launched a new wellbeing line for those going through the fitness to practise process. It provides emotional support with the option of counselling, as well as access to online resources.

8. We provided training on trauma awareness to all fitness to practise staff, panel members and external solicitors who assist with fitness to practise cases.

Strategic performance indicator results

Figure 1: Reduce the average time taken from a person starting their employment to being registered with the SSSC.

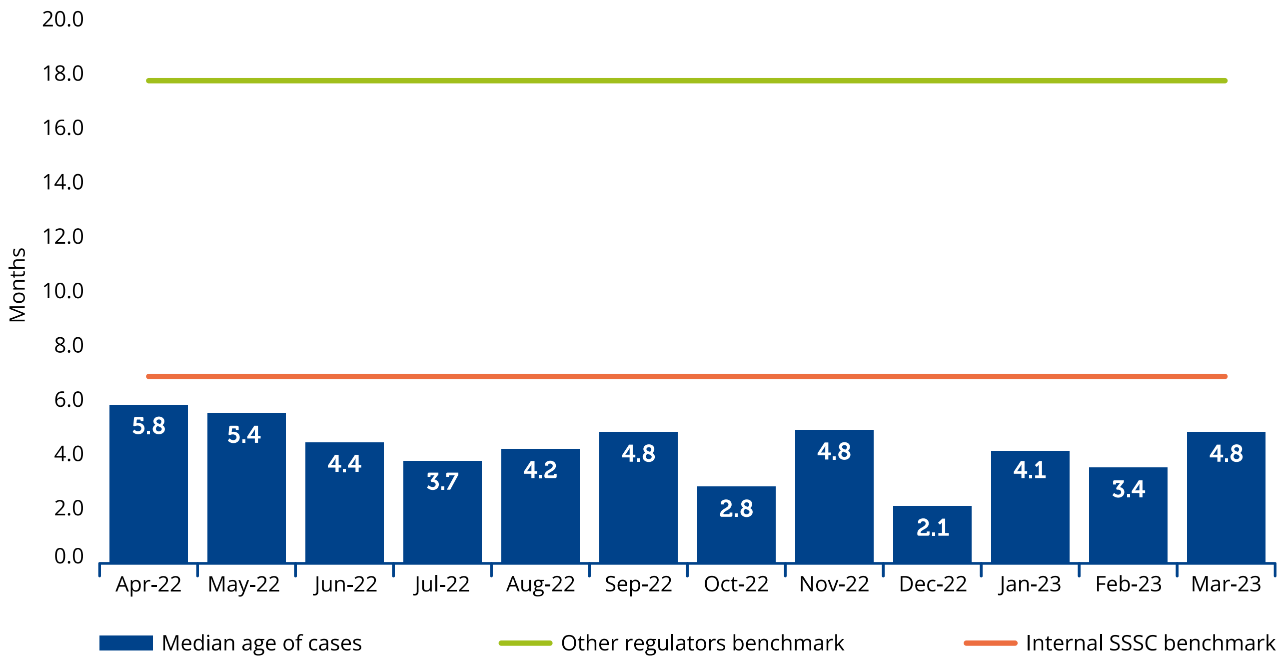


In the 2022/23 period, it took on average 24 weeks for someone to go from starting their employment to being registered which is consistent with the previous year's performance. However, our target for this indicator was set at 18 weeks, a reduction from the initial goal of 27 weeks at the beginning of 2022/23. Unfortunately, we did not meet our revised target.

Our improvement plans for this target depend on our Future Proofing Programme and changes to the Register. These changes will require workers to apply for registration within three months instead of six months of starting a new role and to complete the registration process within six months. However, the changes require approval from the Scottish Government to make changes to the legislative process. We were unable to implement these changes last year, and we now plan to launch these initiatives in April 2024.

The average in 2020/21 was 25.7 weeks, so performance has improved over the life of the strategic plan.

Figure 2: The median time taken to process a fitness to practise case is maintained at less time than the organisations we benchmark against.

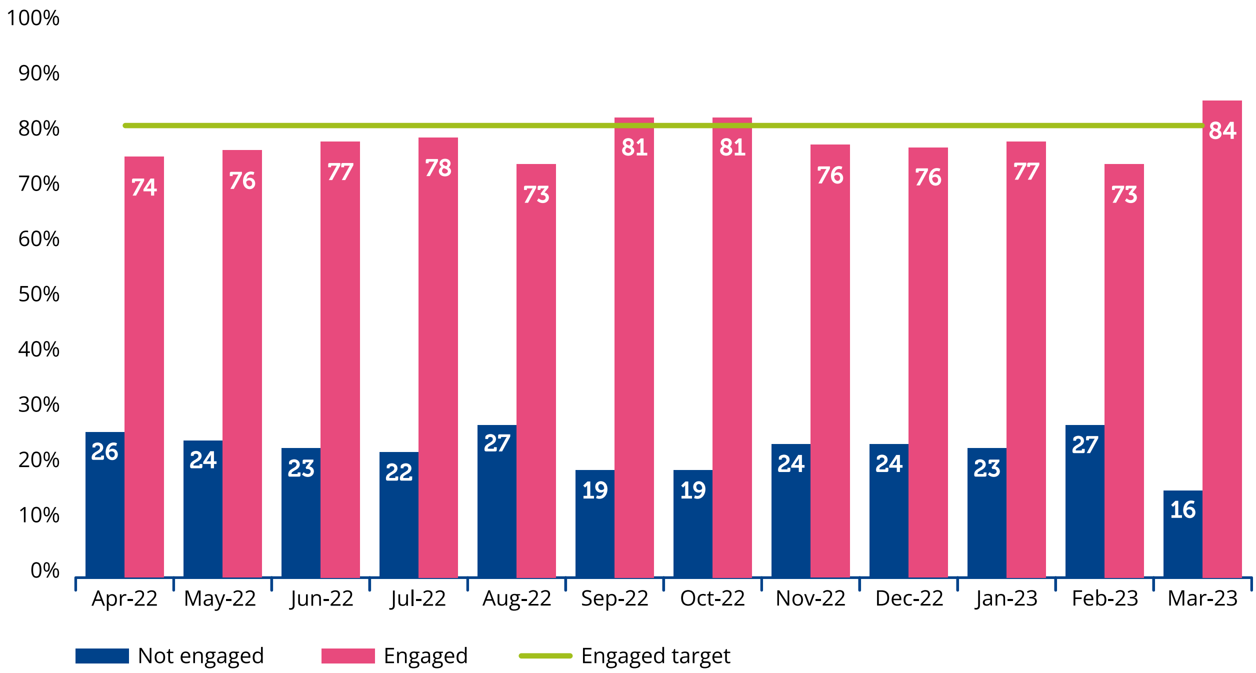


Our external benchmark is 17.4 months, however we set ourselves a more meaningful target of 6.8 months based on past performance. We achieved performance below our internal target throughout 2022/23 and reduced the overall caseload by 431 cases over the course of the year.

Year	Months target met	Cases closed	Median age of cases closed
2020/21	10	2,930	5.8 months
2021/22	11	3,210	4.1 months
2022/23	12	3,252	4.2 months

From the start of April 2020 to the end of March 2023 we reduced the number of open cases from 2,607 to 1,824.

Figure 3: Increase the percentage of the workforce who are engaged when they are involved with the fitness to practise process.



Engagement levels fluctuated throughout the year, however these remained consistently high. Overall, we achieved an average engagement rate of 77.4% across the year. Our target is 80%.

In 2020/21 our engagement was 81% and in 2021/22 it was 79%. Although engagement has reduced marginally since the start of the strategic plan it remains at an acceptable level which we aim to maintain.

Outcome 2: The SSSC supports and enhances the development of the regulated workforce to deliver high standards of practice and drive improvement.

As part of our Future Proofing Programme we are collaborating with stakeholders to develop a new continuous professional learning (CPL) model and return to practice standards to make sure the workforce has the right skills and knowledge at the right time. Our review of the SSSC Codes of Practice also started, involving people across Scotland as we review the fundamental standards for this workforce.

In partnership with the Social Work Education Partnership (SWEP) we are supporting the development of new routes into the profession. We have developed a new national practice learning database which improved the quality of practice learning data, supporting national workforce planning.

We continue to work with Scottish Government and partners to develop capacity for a full rollout of the mandatory supported year for newly qualified social workers (NQSWs) in September 2024.

In partnership with the Scottish Qualifications Authority (SQA), NHS Education for Scotland and others, we are developing a new health and social care integrated award and have established a Qualification Design Team to progress this work.

We are working in partnership with Skills Development Scotland, Scottish Government and NHS Education for Scotland to develop a Skills Response Plan for Adult Social Care to ensure the adult social care sector has access to the necessary education and training to deliver a high level of care.

We supported the development and implementation of the Scottish Government/NHS Education for Scotland Leading to Change national programme ensuring that leadership development activities reflect the voice and needs of the workforce. We updated our own leadership development resource which promotes the role of supervision in workforce wellbeing.

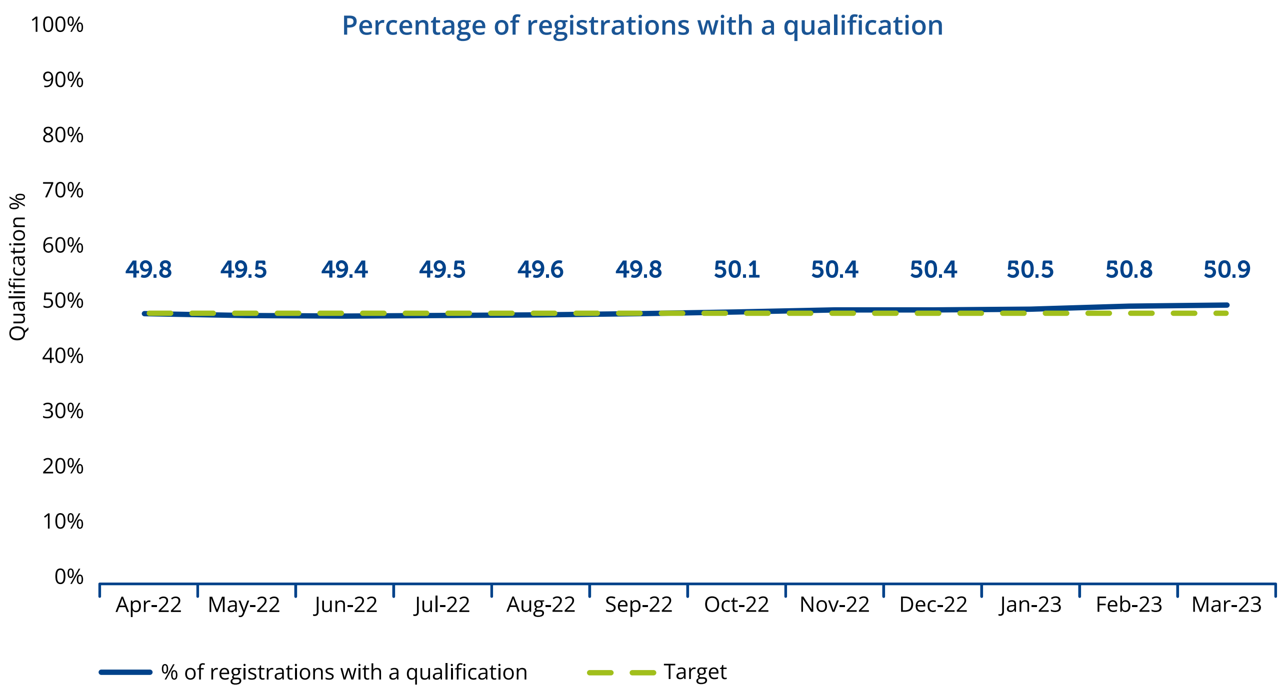
We continued to support quality improvement (QI) learning in the sector and our QI learning network continues to grow. We have developed and published QI learning resources for workers in social services. We have tested different ways of supporting QI learning in the sector, including the use of the Care Experience Improvement Model.

We launched an updated version of the National Induction Framework for workers in adult social care in June 2022, which we developed and continue to improve with NHS Education for Scotland.

We focused on priority actions identified by The Promise Change Programme One to support the shift towards relationship-based practice and ensuring children's voices are at the centre. This includes leading on the review of the Common Core for the children and young people's workforce in Scotland and reviewing our Codes of Practice.

Strategic performance indicator results

Figure 4: Increase the percentage of the registered workforce with the correct qualification.



We have a target of 50% for this indicator, which we reached in October 2022, following sustained increases throughout much of 2022/23. We finished the year 0.9% above target at 50.9%.

Looking at the performance over three years we can see the increase towards our target from 47.9% in 2020/21 to 49.2% in 2021/22.

Figure 5: Increase the number of the workforce using our learning resources to achieve continuous professional learning.

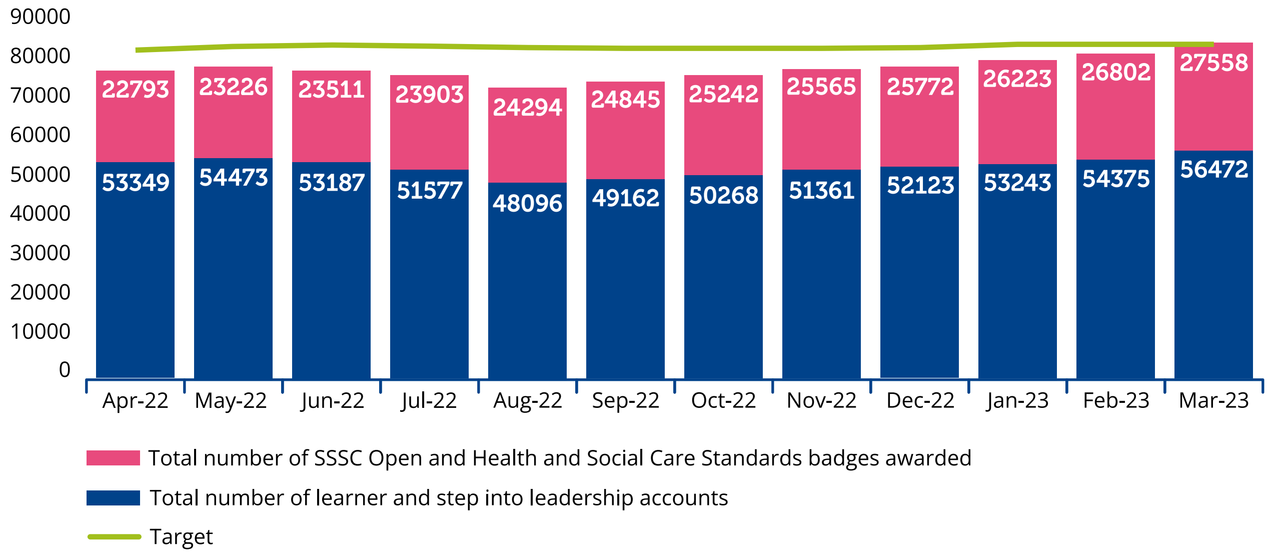
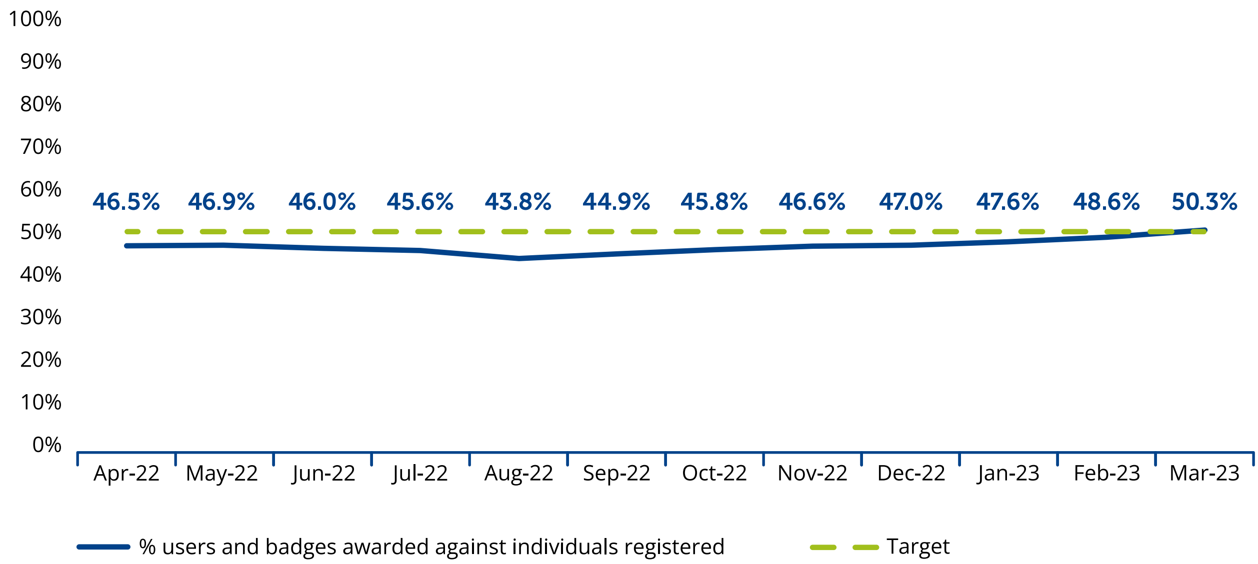
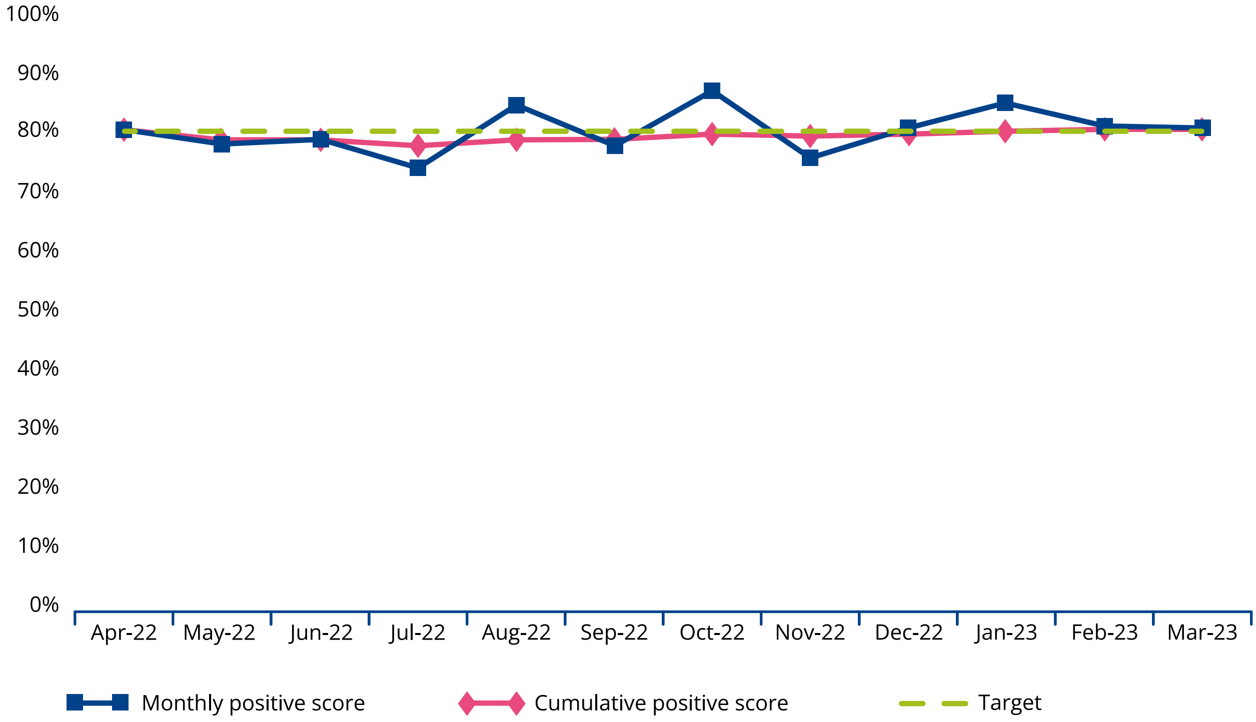


Figure 6: Increase the percentage of the workforce using our learning resources to achieve continuous professional learning.



We have achieved this aim. We have also reduced the number of dormant user accounts, so our position more accurately reflects active users. Our target was to reach at least 50% by 2023, we achieved 50.3%.

Figure 7: Percentage of those reporting positively that our development activity is delivering the support required by the workforce.



We set an ambitious target of 80% of people reporting positively that our development activity supports the workforce. The monthly positive score fluctuated and we can link this to the variations in responses to our surveys and feedback questionnaires. Over the year we achieved our target with a positive cumulative score of 80.2%.

We set up the measure for this outcome in June 2020, so results are from that point on.

We received a positive score of 73% in 2020/21 and 74.5% in 2021/22.

Outcome 3: Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.

We know the sector is experiencing significant recruitment and retention challenges and being able to provide robust workforce data is one way we can support employers and other stakeholders to address these. We continue to be a national and official statistics provider.

In 2022/23 we published a range of reports and data sets to support workforce planning. We published the **Scottish Social Service Sector: Report on 2021 Workforce Data** which provides a comprehensive picture of the paid workforce employed in social services in Scotland at the end of 2021. It highlighted that the number of people working in the sector had fallen slightly to 208,360. We published more detailed data in December 2022 on our workforce data website **data.sssc.uk.com**.

We also published our **Mental Health Officer (MHO) Report 2021** which showed the number of MHOs had fallen slightly compared to the previous year. Further to this we published the joint **Staff Vacancies in Care Services 2021** report with the Care Inspectorate. This focuses on national vacancies and recruitment challenges reported by services up to the end of 2021.

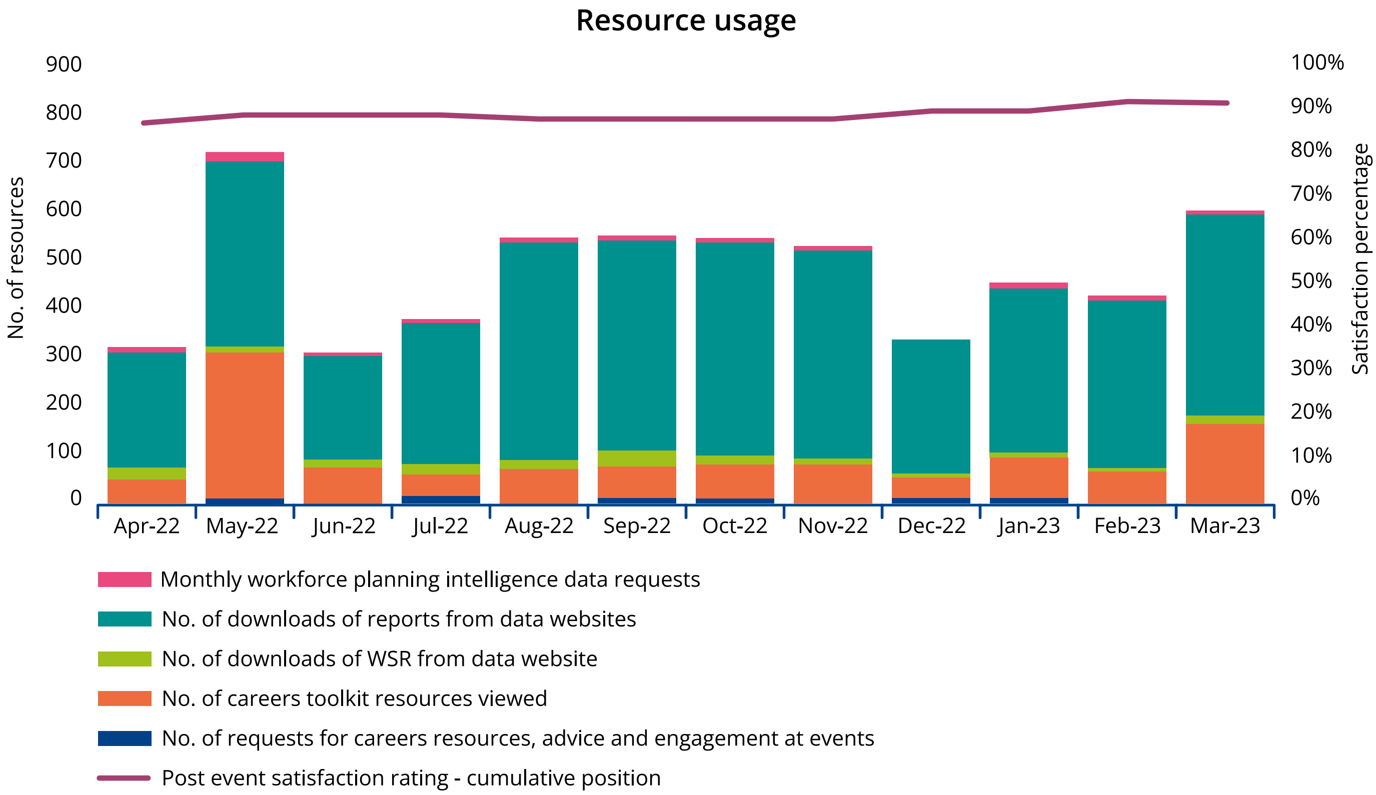
As well as publishing workforce data, we produce data relating to qualifications relevant to working in social services in Scotland, including our annual SVQ tables providing data relating to SVQ qualifications undertaken in 2021/22.

We further developed our other workforce planning activity in 2022/23, our workforce planning network continues to grow and we delivered a series of workforce planning webinars focusing on different aspects of recruitment, retention and workforce planning activity. We continued to support the Care Inspectorate to implement the social care elements of the Health and Care (Staffing) (Scotland) Act 2019 and supported the development of related learning.

We responded to specific recruitment needs where relevant. Working with Scottish Government, we designed and implemented a return to social work scheme to encourage and enable social workers who had recently left to return to a social worker role.

Strategic performance indicator results

Figure 8: Percentage of those reporting positive awareness of workforce planning resources and report that resources are effective.



We introduced this indicator part way through 2021/22. Data is available from October 2021, so we are unable to create an accurate target. We define positive awareness as active use of the resources, for example, someone proactively seeking information or downloading our resources. This indicator will develop as we record more information. Our current cumulative satisfaction score is 91% and 5,577 resources were used in 2022/23 at an average of 464 per month.

For 2021/22 the cumulative satisfaction score was 86% and 3,103 resources were used at an average of 517 per month.

Outcome 4: The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives.

Over the past year we continued to promote the role and value of the social work, social care, and early years workforce. This includes our contribution to the living wage and effective voice workstreams of the Fair Work in Social Care agenda.

We worked closely with partners to promote employability in social care. We co-chaired an employability group with the Scottish Government and have developed four pre-employment resources and a Ten Steps to a Career in Care resource with stakeholders.

We continue to develop our careers website and resources that promote career pathways. We worked with the Scottish Refugee Council to highlight career opportunities to people with experience of holding refugee status or claiming asylum in the UK. We published Ukrainian nationals: a guide for social service employers to provide general advice on international recruitment and specific guidance related to the recruitment of Ukrainian nationals in social services in January 2023.

Supporting delivery of our strategic outcomes

Complaints

Our complaints handling procedure complies with Scottish Public Services Ombudsman (SPSO) guidance. We record all complaints and monitor areas of improvement and opportunities for shared learning. We report our complaints performance annually to Council and publish this and quarterly updates on our website. We introduced a revised complaints handling procedure in April 2021, which is in line with revisions to SPSO guidance.

Our average response time for stage one complaints is one working day, which is within the five-day timescale. The average for stage two responses is 14 working days, which is within the 20-day timescale. This is an improvement from 2021/22, when the average for stage two responses was 24 working days.

We provided staff training to build on their knowledge and understanding of how to identify and record complaints. There is a direct correlation between this training and the increase in the number of complaints handled.

Table 2: Complaints performance 2017/18 to 2022/23.

Indicator	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Stage 1 complaints received	444	402	90	186	222	292
Percent stage 1 responded to in five working days	97%	94%	92%	95%	93%	93%
Stage 2 complaints received	13	16	8	15	15	24
Percent stage 2 responded to in 20 working days	93%	81%	89%	71%	91%	96%
Percent upheld (all complaints)	4%	5%	18%	23%	Not recorded	Not recorded
Percent partially upheld (all complaints)	7%	4%	25%	17%	Not recorded	Not recorded
Percent resolved (all complaints)*	70%	62%	Not recorded	Not recorded	Not recorded	Not recorded

*resolved is a new outcome option which was introduced in the SPSO's new model in April 2021.

Information governance

We responded to 151 requests for information from third parties, including other regulatory bodies or Police Scotland in 2022/23. We also responded to 43 individual rights requests including subject access requests and 33 requests under the Freedom of Information (Scotland) Act 2022.

Whistleblowing

The SSSC has a dual role in responding to whistleblowing as an employer and as a prescribed person in the sector.

A social service worker can whistleblow to someone in their own organisation or to a third party known as a 'prescribed person'. The SSSC is a prescribed person listed in Prescribed Persons (Reports on Disclosures of Information) Regulations 2017. As a prescribed person, we are required to publish annually the details of referrals that qualify as whistleblowing and the actions we took.

In 2022/23 we received six whistleblowing referrals. In four of these, we opened a fitness to practise case. By opening a case we investigate whether the fitness to practise of the worker is impaired or not.

In two referrals we did not open a case as the concerns fell below our thresholds for investigation.

For the four cases we opened:

- three cases are ongoing
- one case has concluded and resulted in no further action due to insufficient evidence.

We have concluded all cases referred before 2022/23.

We encourage staff to raise serious concerns about wrongdoing or alleged impropriety. Our Whistleblowing Policy informs staff on when and how to raise these concerns. The policy is consistent with, and makes explicit reference to, the Public Interest Disclosure Act 1998.

There were no internal whistleblowing referrals in 2022/23.

Counter fraud, bribery and corruption

Our Counter Fraud, Bribery and Corruption Framework, along with other controlled documents, including human resources (HR) policies, codes of conduct, financial and contract procedure rules, whistleblowing and complaints policy, ensure legislative compliance and prevention, detection and investigation of fraud, bribery and corruption. We update the Audit and Assurance Committee at every meeting on any instances of fraud in the preceding quarter and update on the annual position. We did not detect any instances of fraud or corruption in 2022/23.

In 2022/23 we continued our contractual arrangements with NHS Counter Fraud Services (CFS) to support our counter fraud arrangements and updated the Audit and Assurance Committee on the work we carried out to assess and reduce the risk of fraud and the staff training CFS provided. We will update the intranet and carry out further training to increase general awareness among staff.

Equality, diversity and inclusion

We are committed to promoting equality, diversity and inclusion. This commitment is underpinned by statutory duties placed on us by the Regulation of Care (Scotland) Act 2001 and the Equality Act 2010.

In April 2021 we published our new equality mainstreaming and outcomes report. The report sets out our equality outcomes for the next four years, we publish a progress report annually.

The SSSC aims to put equality, diversity and inclusion at the heart of what we do. For example, equality, diversity and inclusion is a theme within our Future Proofing Programme. Our aim is to make sure that the benefits apply to everyone. We have published or will develop an Equality Impact Assessment for each strand of the programme.

Our registrant and stakeholder surveys include a question about the extent to which the SSSC's work promotes equality, diversity and inclusion, using a scale of one to five, where one is not at all and five is very much. In 2022 approximately 65% of registrants scored the SSSC at four or above.

Along with other public bodies and regulators, we have identified a need for better equality data on our registrants and our own workforce. We updated our questions and made it easier for registrants and staff to provide this information through our portals for registrants and staff. We continue to promote the need for this information and will be publishing further insights around the protected characteristics of the workforce during 2023.

We continue to implement the actions in our Care Experience and Children's Rights plans. For example, we are reviewing the Codes of Practice as part of wider work on Future Proofing. We are also taking steps to formalise and improve the way we involve people in our work and will publish our updated approach in 2023/24.

Social and environmental impacts

We continued our approach to hybrid working in 2022/2023 and began plans to permanently reduce our office footprint by 50%. Our facilities are available for staff use as part of our hybrid working approach, mixing remote with in person work. These changes mean we're making a positive contribution to reducing carbon emissions.

We manage our carbon emissions in partnership with the Care Inspectorate as part of our shared services provision.

Our 2018–2023 **Carbon Management Plan** sets out how we will deliver our Climate Change (Scotland) Act 2009 duties. Through this plan we aim to reduce our carbon emissions by 25% by 2023 (from a 2015/16 baseline).

Table 3: The SSSC's carbon footprint.

	2022/23	2021/22	2020/21	2019/20	2018/19
Total CO2 produced (tonnes CO2 equivalent)	97.2	85.3	79.6	184.2	212.2
Total CO2 produced (tonnes CO2 equivalent)					
Travel	9.70	7.10		2	56.50
Gas and electricity	87.28	77.86	79.2	126.1	128.6
Water	0.06	0.16	0.2	0.7	0.7
Waste and recycling	0.21	0.15	0.2	0.9	0.9

Maree Allison
Acting Chief Executive

Section B: Accountability report

Corporate governance report

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Statement of Accountable Officer's responsibilities **51**

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Director's report

The Director's report includes information relating to membership of the SSSC's Council and the Executive Management Team (EMT) and where to find details of interests held by members of the Council and EMT which may conflict with their management responsibilities. Personal data related incidents are also disclosed.

SSSC Council

Members sitting on the SSSC Council during 2022/2023 were:

- **Sandra Campbell, Convener** (from 01 September 2019 and reappointed 01 September 2022)
- **Theresa Allison** (from 01 September 2018 and reappointed 01 September 2021)
- **Professor Alan Baird** (from 01 September 2018 and reappointed 01 September 2021)
- **Paul Edie, Chair of the Care Inspectorate** (until 31 August 2022)
- **Julie Grace** (from 01 September 2019 and reappointed 01 September 2022)
- **Lynne Huckerby** (from 01 September 2019 and reappointed 01 September 2022
- **Rona King** (from 01 September 2019 and reappointed 01 September 2022)
- **Linda Lennie** (from 01 November 2017 and reappointed 01 November 2020)
- **Lindsay MacDonald** (from 01 February 2023)
- **Doug Moodie, Chair of the Care Inspectorate** (from 01 September 2022)
- **Peter Murray** (from 01 September 2019 and reappointed 01 September 2022)
- **Russell Pettigrew** (from 01 September 2019 until 31 August 2022)

Executive Management Team

The EMT are employees of the SSSC. The following individuals served on the EMT during 2022-2023:

- **Lorraine Gray, Chief Executive**
- **Maree Allison, Director of Regulation, additionally, also Acting Chief Executive** (from 30 May 2022 to 06 December 2022 and from 06 March 2023)
- **Lynne Murray, Interim Director of Finance and Resources** (from 01 June 2020 until 31 March 2023)
- **Phillip Gillespie, Director of Development and Innovation** (on secondment to Scottish Government from 05 January 2021)
- **Laura Lamb, Acting Director of Development and Innovation** (from 01 February 2021); **post name changed to Acting Director of Workforce, Education and Standards** (from 20 October 2022)
- **Laura Shepherd, Director of Strategy and Performance**

Register of interests

We maintain a register of interests of Council Members which is available on our website **Register of Members’ Interests**. Declarations of conflicts of interest are standing agenda items at each Council and Committee meeting.

Personal data related incidents

We self-reported two incidents to the Information Commissioner’s Office (ICO) during 2022/23. The ICO has concluded its investigations and taken no further action.

Statement of Accountable Officer's responsibilities

The SSSC's Framework Document agreed with its sponsoring Scottish Government Directorate, sets out the roles and responsibilities of Scottish Ministers, the sponsoring team in the Directorate, the SSSC Council, the Convener of the SSSC and the SSSC's Accountable Officer. This statement provides detail on the 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.

Governance statement

Introduction

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the SSSC's policies, aims and objectives. I am also responsible for safeguarding the public funds and assets assigned to the SSSC, in accordance with the responsibilities set out in the **Memorandum to Accountable Officers for Other Public Bodies**.

This annual governance statement explains the SSSC's governance and risk management framework.

The governance framework

The SSSC is a non-departmental public body. We work within a broad framework agreed with the Scottish Government. The SSSC renewed its framework with the Scottish Government in February 2022. The Council is the governing body responsible for ensuring that the SSSC fulfils its aims and objectives, for promoting the efficient and effective use of staff and other resources and for identifying and managing risk.

The Council comprises the Convener and nine non-executive Members. The Scottish Ministers make the appointments which are normally for a three-year term with the possibility of a further term, subject to evidence of effective performance and satisfying the skills, knowledge and experience required on the Council at time of re-appointment. Members come from a variety of areas including health, charities, education, social work and social service sector and users of services as well as the Chair of the Care Inspectorate Board.

We maintain a register of interests of Council Members which is available on our website **Register of Members' Interests**.

The SSSC Code of Corporate Governance sets out the full details of the Council's role, the responsibilities of each Committee and key roles in the organisation. The Council reviews its effectiveness every year and the Code is subject to ongoing revisions as necessary and reviewed in detail every three years. We reviewed and updated the Code in February 2023.

Council Members and attendance

Council Members must comply with the SSSC's Code of Conduct for Members as well as the guidance set out in appointment letters and in On Board – A Guide for Board Members of Statutory Boards.

The Council approved a new SSSC Code of Conduct for Members in February 2022 in line with the new Model Code of Conduct for Members of Non-Devolved Public Bodies. The Head of Legal and Corporate Governance provided training to Members on the new Code. We have also updated our Register of Interests declaration form this year in line with the new Model Code.

The Convener appraises Members on an annual basis. The SSSC's Sponsor Department appraises the Convener on an annual basis. We hold our Council meetings in public and the minutes of each meeting are available on our website **www.sssc.uk.com**.

Russell Pettigrew left on 31 August 2022 and the Scottish Ministers appointed Lindsay MacDonald on 1 February 2023. Doug Moodie replaced Paul Edie as the representative of the Care Inspectorate on 1 September 2022.

Six development sessions have taken place over the year. The following table details SSSC Committee membership and Council Member attendance at Council and Audit and Assurance Committee meetings.

	Council	Audit and Assurance Committee
Number of meetings	**6**	**5**
Council Member	**Attended**	**Attended**
Sandra Campbell (Convener)	6	N/A
Theresa Allison*	4	2
Professor Alan Baird*	6	5
Paul Edie (Chair, Care Inspectorate) (until 31 August 2022)	0	N/A
Julie Grace	4	N/A
Lynne Huckerby	3	N/A
Rona King*	5	5
Linda Lennie	5	N/A
Lindsay MacDonald* (from 1 February 2023)	2	N/A
Doug Moodie (from 1 September 2022)	2	N/A
Peter Murray*	6	4
Russell Pettigrew* (until 31 August 2022)	2	2

*Denotes member of the Audit and Assurance Committee.

Audit and Assurance Committee

The Audit and Assurance Committee makes recommendations to the Council and Accountable Officer on risk, control and corporate governance including the mechanisms for measuring performance towards achieving strategic goals. We submit an assurance report to each committee meeting which provides performance, financial and risk information. This allows Members to assess delivery of our strategy, highlights areas of concern and identifies required corrective action. The Committee also receives reports from internal and external audit and the auditors can contact the Chair directly about any concerns they have during their audit work. The Committee submitted a draft Annual Report summarising the work of the Committee over the year 2022/23 and giving its opinion on the assurance this work provides to Council for approval in May 2023.

In May 2022 the Audit and Assurance Committee approved a SSSC Assurance Map which they reviewed in November 2022. The map will set out the key aspects of our internal control framework and help us ensure we have assurances to meet all the requirements placed on the SSSC.

Accountable Officer

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

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

Executive Management Team (EMT)

The EMT supports the Chief Executive in their Accountable Officer role through the formal Scheme of Delegation. The EMT comprises the Director of Regulation, the Director of Workforce, Education and Standards, Director of Strategy and Performance and Interim Director of Finance and Resources. The Interim Director of Finance and Resources also has responsibility for overseeing the operation of shared services with the Care Inspectorate. Her contract ended on 31 March 2023 and her duties have been assumed by other EMT colleagues. The Director of Workforce, Education and Standards has continued his secondment post with Scottish Government and the Acting Director of Workforce, Education and Standards carries out this role. From 30 May 2022 to 6 December 2022 the Director of Regulation was Acting Chief Executive and the Head of Fitness to Practise was Acting Director of Regulation. On 6 March 2023 the Director of Regulation was appointed Acting Chief Executive and the Head of Regulatory Improvement and Hearings as Acting Director of Regulation.

Each director has responsibility for the development and maintenance of the governance environment within their own areas of control.

External audit appointment

The Auditor General appoints our independent auditors under the Public Finance and Accountability (Scotland) Act 2000. Audit Scotland appointed Grant Thornton UK LLP as our independent external auditors for a five-year period from 1 April 2016. Scottish Government extended the contract to 31 March 2022. Audit Scotland appointed Deloitte from 1 April 2022 for a five-year period.

Internal audit

The SSSC contracted out its internal audit function to Henderson Loggie for a three-year period to 31 March 2023 with the option to extend for two further years. We extended their contract to 31 March 2024. Internal audit forms an integral part of our 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 and Assurance Committee. This annual programme is based on a formal risk assessment process which we update on an ongoing basis to reflect evolving risks and changes. The Audit and Assurance Committee reviews and approves the three-year Strategic Internal Audit Plan annually. We agreed a revised Strategic Internal Audit Plan 2020-25 to encompass the assumed extension of Henderson Loggie's contract.

We have an effective and productive relationship with our internal auditors. Each year they provide the Audit and Assurance Committee with assurance on the whole system of internal control. In assessing the level of assurance to be given for 2022/23, our internal auditors take into account:

- all reviews undertaken as part of the 2022/23 internal audit plan
- any scope limitations imposed by management
- matters arising from previous reviews and the extent of follow-up action taken, including in year audits
- expectations of senior management, the Council and other stakeholders
- the extent to which internal controls address the SSSC's risk management/control framework
- the effect of any significant changes in the SSSC's objectives or systems
- the proportion of the SSSC's internal audit coverage achieved to date.

The internal auditor's overall opinion for 2022/23 was: 'the SSSC has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money.'

Risk management

The SSSC has a Risk Policy. The main priorities of this policy are to identify, evaluate and control 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.

We identify and maintain risks on a Strategic Risk Register and address them in the preparation of the Strategic Plan. The Strategic Plan shows clear links between risks identified on the Risk Register and our strategic objectives. As a result, the risks identified become embedded in managers' work plans for the year. We also have a Risk Appetite Statement to underpin our approach to risk management and control. Council reviews the Strategic Risk Register and Risk Appetite Statement annually. We also have a Risk Management Procedure which sets out how we implement and monitor risk across the organisation.

Work is continuing to embed risk management throughout the organisation by developing operational risk registers and understanding the links between strategic and operational risk. We reviewed the risk management framework during 2022/23 and updated our Risk Management Policy.

System of internal financial control

Within our overall governance framework specific arrangements are in place as part of the system of internal financial control. These arrangements make sure we have reasonable assurances that we safeguard assets, authorise transactions and these are properly recorded, and material errors or irregularities are either prevented or 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.

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
- a scheme of delegation.

Corporate governance

Our strategy is set out in our three-year strategic plan supported by annual business plans. We report on our financial position, strategic performance and key risks in our assurance report which is scrutinised every quarter by the Audit and Assurance Committee. The Committee makes recommendations to the Council on the assurances it can take. We carried out work to prepare a new Strategic Plan 2023-26 and Financial Strategy 2023-26 which Council approved in February 2023.

We review the effectiveness of those arrangements on an annual basis with the last review taking place in December 2022.

We reviewed our corporate governance framework in 2022/23 including the Code of Corporate Governance and Scheme of Delegation.

Individual policies and procedures that contribute to the overall governance framework are also subject to periodic review. For this review we take account of:

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

Quality assurance

We continue to use the European Foundation for Quality Management (EFQM) model to drive improvement within SSSC. We are members of EFQM Scotland, who provide us with advice, training and networking opportunities. We have an ongoing programme of self-evaluation which began in 2021/22 and continued throughout 2022/23. This will continue throughout 2023/24.

Shared services

In collaboration with the Care Inspectorate, we have a joint shared services strategy and governance arrangements, management agreement and service specifications.

Information governance

We have information governance policies and procedures in place to make sure we handle data responsibly and comply with data protection and freedom of information laws. We self-reported two incidents to the Information Commissioner’s Office (ICO) during 2022/23. The ICO has concluded their investigations and taken no further action.

We carried out an assessment of our data protection arrangements against the ICO Accountability Framework and have not identified any significant areas of concern.

Areas identified by the directors' review

As part of the directors' annual review and the Certificate of Assurance process we identified the following areas for further development or attention.

- EMT testing of incident management plans.
- Additional fraud training, focused on directorates/projects.
- Review workforce plans for departments.
- Improve approach to sustainability impact assessments.
- Improve training for managers on HR policies.
- Continue to improve on our approach to equality and diversity.

Significant issues

- Capacity within shared services and delays by the external auditor affected our ability to scrutinise our financial performance on a monthly basis. We have resolved the operational staffing issues and anticipate they will provide a full financial service this year.
- The Rewards Review project was paused in August 2022. We will review the project when we receive the outcome of the Independent Review of Inspection, Scrutiny and Regulation (IRISR). Implementation has significant resource and staffing implications and there is currently no route to do so without reducing staff numbers and affecting delivery of our strategic plan.

Certification

Our governance framework has been in place for the year ended 31 March 2023 and up to the date of signing of the Accounts. It is my opinion that we can place reasonable assurance on the adequacy and effectiveness of the SSSC's systems of governance. Although we have identified areas for further improvement, 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.

Remuneration and staff report

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Remuneration report UNAUDITED INFORMATION

(Note - unaudited information is checked for consistency)

Introduction

This report provides information on the remuneration of SSSC Council Members and senior managers in 2022/23. Senior managers are members of the Executive Management Team (EMT).

The EMT is the Chief Executive, the Director of Finance and Resources, the Director of Strategy and Performance, the Director of Regulation and the Director of Workforce, Education and Standards. The Director of Workforce, Education and Standards is currently seconded to Scottish Government (full year 2022/23) and his duties are being carried out by the Acting Director of Workforce, Education and Standards. The Director of Finance and Resources post is filled on an interim basis from 1 June 2020 to 31 March 2023.

The remuneration report contains both audited information and information which is not specifically subject to audit.

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

Our directors are on a salary scale of £69.5k to £77.7k with the exception of the Interim Director of Finance and Resources, who is on a salary scale of £79.3k to £87.0k.

Incremental progression to the maximum of the scale is determined by performance. Performance is assessed by development discussions and progression is subject to agreement by the Chief Executive. 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.

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:

Council Member	Current term	Date of initial appointment	Date of re-appointment	Date appointment terminates
Sandra Campbell, Convener	2nd	01 Sept 2019	01 Sept 2022	31 Aug 2025
Theresa Allison	2nd	01 Sept 2018	01 Sept 2021	31 Aug 2024
Professor Alan Baird	2nd	01 Sept 2018	01 Sept 2021	31 Aug 2024
Paul Edie*	5th	15 April 2013	01 Sept 2021	31 Aug 2022
Julie Grace	2nd	01 Sept 2019	01 Sept 2022	31 Aug 2025
Lynne Huckerby	2nd	01 Sept 2019	01 Sept 2022	31 Aug 2025
Rona King	2nd	01 Sept 2019	01 Sept 2022	31 Aug 2025
Linda Lennie	2nd	01 Nov 2017	01 Nov 2020	31 Oct 2023
Peter Murray	2nd	01 Sept 2019	01 Sept 2022	31 Aug 2025
Doug Moodie*	1st	01 Sept 2022	-	31 Aug 2026
Lindsay MacDonald	1st	01 Feb 2023	-	31 Jan 2026

* There is a reciprocal arrangement where the Convener of the SSSC is a Board Member of the Care Inspectorate and the Chair of the Care Inspectorate is a Council Member. Paul Edie was the Chair of the Care Inspectorate until 31 August 2022. Paul Edie was in his fifth term of office due to a series of short appointments. Doug Moodie was appointed Chair of the Care Inspectorate from 1 September 2022.

Chief Executive

Lorraine Gray was appointed Chief Executive on 20 August 2018. Termination of the contract requires a notice period of six months by either party.

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

Maree Allison, our Director of Regulation was Acting Chief Executive from 30 May 2022 to 6 December 2022 and from 6 March 2023 to cover two periods of absence of our Chief Executive.

Senior managers

The SSSC has four permanent director posts:

- Director of Regulation
- Director of Workforce, Education and Standards (currently on secondment)
- Director of Strategy and Performance
- Director of Finance and Resources.

All directors have permanent contracts, except the Interim Director of Finance and Resources, whose temporary contract expires on 31 March 2023. The outward secondment of the Director of Workforce, Education and Standards is covered by a temporary arrangement where his duties are allocated to the Acting Director of Workforce, Education and Standards. This temporary arrangement is expected to continue until 1 March 2025 (the end of the Director of Workforce, Education and Standard's secondment period).

Termination of the Director's contracts require a notice period of three months by either party. Termination of the Interim Director of Finance and Resources temporary contract requires a notice period of one week by either party.

There are no compensation payments specified in the Director's contracts in the event of early termination. Our Interim Director of Finance and Resources received a redundancy payment at 31 March 2023 of £1.5k to £2.0k.

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 payback period and must be approved by the Council.

Audited Information

Remuneration – SSSC Council Members

	Salary 2022/23 £000	Salary 2021/22 £000
Sandra Campbell – Convener	15 – 20	15 – 20
Theresa Allison	0 – 5	0 – 5
Professor Alan Baird	0 – 5	0 – 5
Julie Grace	0 – 5	0 – 5
Lynne Huckerby	0 – 5	0 – 5
Rona King	0 – 5	0 – 5
Linda Lennie	0 – 5	0 – 5
Peter Murray	0 – 5	0 – 5
Russell Pettigrew	0 – 5	0 – 5
Doug Moodie*	0 – 5	0 – 5
Lindsay MacDonald	0 – 5	0 – 5

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. Paul Edie was Chair of the Care Inspectorate Board until 31 August 2022. Doug Moodie was appointed chair of the Care Inspectorate from 1 September 2022, neither Chair receive remuneration from the SSSC.

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

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		Pension benefits*		Total	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
	£000	£000	£000	£000	£000	£000
Lorraine Gray Chief Executive	90 - 95	90 - 95	25	22	115 – 120	110 - 115
Maree Allison Director of Regulation (Acting Chief Executive 30 May 2022 to 6 December 2022 and from 6 March 2023).	85 - 90	70 - 75	45	17	130 – 135	90 – 95
Phillip Gillespie Director of Workforce, Education and Standards (seconded out from 5 Jan 2021)	75 - 80	70 - 75	39	82	110 - 115	150 - 155
Laura Shepherd Director of Strategy and Performance	70 - 75	65 - 70	30	20	100 - 105	85 - 90
Lynn Murray Interim Director of Finance and Resources (from 1 June 2020 to 31 March 2023)	80 - 85	75 - 80	28	24	110 - 115	100 - 105
Laura Lamb Acting Director of Workforce, Education and Standards (from 1 Feb 2021	70 - 75	60 - 65	35	33	105 - 110	90 - 95
Christopher Weir Acting Director of Regulation (from 30 May 2022 to 6 December 2022)	50 - 55	0	166	0	215 - 220	0
Hannah Coleman Acting Director of Regulation (from 20 March 2023)	50 - 55	0	134	0	185 - 190	0
Cheryl Glen ** Acting Director of Development and Innovation (Workforce Planning) (from 1 Feb 2021 to 12 September 2021)	0	40 - 45	n/a	n/a	0	40 - 45

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

** There are no pension benefit figures for Cheryl Glen as she served on EMT for only part of the year in both 2020/21 and 2021/22.

Phillip Gillespie, the substantive Director of Workforce, Education and Standards was seconded to the Scottish Government (from 5 January 2021).

No Director received any benefits in kind during 2022/23 or 2021/22.

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 2022/23 or 2021/22.

Fair pay disclosure (audited)

We are required to disclose the relationship between the remuneration of the highest paid director in the SSSC and the lower quartile, median and upper quartile remuneration of our workforce.

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

The median pay ratio for 2022/23 is consistent with the pay reward and progression policies for the SSSC's employees as a whole.

	2022/23	2021/22
Remuneration banding of highest paid director	£90,000 - £95,000	£90,000 - £95,000
Percentage change from previous financial year for highest paid director	0.00%	0.00%
Average percentage change from previous financial year for employees*	3.28%	4.90%
Lower quartile remuneration	£25,392	£23,592
Lower quartile ratio	3.64	3.92
Median remuneration	£36,777	£35,025
Median ratio	2.52	2.64
Upper quartile remuneration	£43,962	£42,954
Upper quartile ratio	2.10	2.15
Remuneration range	£21,552 - £92,505	£19,515 - £118,334**

* Average percentage change calculated on headcount in 2022/23

** There was one agency staff member who earned more than the highest paid director in 2021/22. The agency appointment was only for part of the year, but for the purposes of disclosure, payments have been grossed up to provide an annual value. The agency staff member was a highly skilled digital specialist, who demand higher salaries due to the scarcity of the resource. This staff member was not employed during 2022/23 meaning the pay ratios reduced in 2022/23 compared to 2021/22.

Median pay is consistent with our pay, reward and progression policies for the entity's employees as a whole.

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 2023				Cash Equivalent Transfer Values (CETVs)		
	Accrued pension at age 65	Related lump sum	Real increase in pension at age 65	Real increase in related lump sum at age 65	As at 31 March 2023	As at 31 March 2022	Real increase
	£000	£000	£000	£000	£000	£000	£000
Lorraine Gray Chief Executive	35 - 40	0 - 5	(2.5) - 0	(2.5) - 0	399	358	32
Maree Allison Director of Regulation (Acting Chief Executive 30 May 2022 to 6 December 2022 and from 6 March 2023).	50 - 55	-	2.5 - 5	-	229	188	35
Phillip Gillespie Director of Workforce, Education and Standards (seconded out from 5 Jan 2021)	45 - 50	30 - 35	0 - 2.5	0 - 2.5	411	362	39
Laura Shepherd Director of Strategy and Performance	45 - 50	-	0 - 2.5	-	155	131	21
Lynn Murray Interim Director of Finance and Resources (from 1 June 2020 to 31 March 2023)	20 - 25	-	0 - 2.5	-	63	38	24
Laura Lamb Acting Director of Workforce, Education and Standards (from 1 Feb 2021	45 - 50	0 - 5	0 - 2.5	0 - 2.5	181	152	24
Christopher Weir Acting Director of Regulation (from 30 May 2022 to 6 December 2022)	5 - 10	-	7.5 - 10	-	77	-	77
Hannah Coleman Acting Director of Regulation (from 20 March 2023)	25 - 30	-	5 - 7.5	-	62	-	62

There are no pension benefit figures for Cheryl Glen as she served on EMT for part of the year in 2020/21 and 2021/22.) Cheryl Glen was Acting Director of Development and Innovation (Workforce Planning) (from 1 Feb 2021 to 12 September 2021).

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, senior managers or other employees received any payment or other compensation for loss of office, with the exception of the Interim Director of Finance and Resources who received a redundancy payment of £1.5k to £2.0k.

Staff report, AUDITED INFORMATION

Staff numbers, permanent and other

The tables below provide analysis of permanent and non-permanent staff engaged to work for the SSSC during 2022/23 and related costs. Staff numbers are expressed as average full time equivalents (FTE) employed in the year.

	2022/23		
	Permanently employed	Others	Total
	FTE	FTE	FTE
Senior managers	5	1	6
Other employees	276	33	309
Agency workers	0	3	3
Secondments inward	0	1	1
Total staff engaged	**281**	**38**	**319**
Secondments outward	(2)	0	(2)
Net staff engaged on SSSC activity	**279**	**38**	**317**

	2022/23		
	Permanently employed	Others	Total
	£000	£000	£000
Senior manager salaries	430	83	513
Other employee salaries	9,898	1,022	10,920
Social security costs	1,149	110	1,259
Pension service costs	4,695	176	4,871
Total cost directly employed staff	**16,172**	**1,391**	**17,563**
Council Members (i)	0	31	31
Fitness to Practise Panel Members (ii)	0	752	752
External Assessors (ii)	0	4	4
Agency workers	0	215	215
Secondments inward	0	43	43
Total cost of people engaged	**16,172**	**2,436**	**18,608**
Severance costs	0	2	2
Other staff costs	146	0	146
Staff costs (SoCNE)	**16,318**	**2,438**	**18,756**
Secondments outward	(148)	0	(148)
Net staff costs	**16,170**	**2,438**	**18,608**

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

(ii) Other staff costs include the cost of Fitness to Practise Panel Members who take part in hearings and make decisions about workers' fitness to practise. We engaged 52 panel members in 2022/23 for an average of 22 days. External assessors review overseas qualifications for registration purposes. We engaged two external assessors during 2022/23.

2021/22 comparative information

	2021/22		
	Permanently employed	Others	Total
	FTE	FTE	FTE
Senior managers	4	1	5
Other employees	269	28	297
Agency workers	0	2	2
Secondments inward	0	2	2
Total staff engaged	**273**	**33**	**306**
Secondments outward	(3)	0	(3)
Net staff engaged on SSSC activity	**270**	**33**	**303**

	2021/22		
	Permanently employed	Others	Total
	£000	£000	£000
Senior manager salaries	371	104	475
Other employee salaries	9,125	704	9,829
Social security costs	990	80	1,070
Pension service costs	4,871	131	5,002
Total cost directly employed staff	**15,357**	**1,019**	**16,376**
Council members (i)	0	36	36
Fitness to Practise Panel Members (ii)	0	522	522
External Assessors (ii)	0	4	4
Agency workers	0	199	199
Secondments inward	0	103	103
Total cost of people engaged	**15,357**	**1,883**	**17,240**
Severance costs	0	0	0
Other staff costs	205	0	205
Staff costs (SoCNE)	**15,562**	**1,883**	**17,445**
Secondments outward	(250)	0	(250)
Net staff costs	**15,312**	**1,883**	**17,195**

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

(ii) Other staff costs include the cost of Fitness to Practise Panel Members who take part in hearings and make decisions about workers' fitness to practise. We engaged 67 panel members in 2021/22 for an average of 17 days. External assessors review overseas qualifications for registration purposes. We engaged three external assessors during 2021/22.

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.

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

Three staff members left the SSSC with a severance package during the 2022/23 financial year. (No staff members received a severance package in 2021/22).

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:

	2022/23		2021/22	
Exit package cost band	Number of departures	Total cost £000	Number of departures	Total cost £000
Up to £25,000	3	10	0	0

No settlement agreements were paid during 2022/23 or 2021/22.

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.

Expenditure on consultancy (audited)

	2022/23 £000	2021/22 £000
Strategy		
Job evaluation	29	14
Scoping rewards review, analysis of reward practices and structure	7	31
Research to inform strategy development	0	32
Training and education for the Sector		
Evaluation advance placement skills education modules	24	22
Codes of practice review	8	0
Research on Impact of COVID-19 on Newly Qualified Social Workers	0	15
Newly qualified social workers research study	0	8
Property		
Office regeneration	23	0
Digital		
Futureproofing impact assessment	20	0
Development of reproducible analytical pipelines	8	0
Digital capabilities research	8	0
Finance		
Tax services	1	4
Governance		
Development of assurance mapping	0	1
Total consultancy	**128**	**127**

In 2021/22 we began work on a rewards review. This work continued into 2022/23 and paused in August 2022. We will review the project when we receive the outcome of the Independent Review of Inspection, Scrutiny and Regulation (IRISR).

We commissioned work to support training and education improvement for the social care work-force and support development of our Futureproofing Project which will simplify our Register and improve registrants' experience.

Unaudited Information

Staff composition by gender

The table below provides a gender breakdown of directly employed staff at 31 March 2023. Staff numbers are provided on a head count basis.

	Permanent		Other staff		Total	
Role	**male**	**female**	**male**	**female**	**male**	**female**
Executive Management Team	1	5	0	1	1	6
Other staff	77	224	8	12	85	236
Total	**78**	**229**	**8**	**13**	**86**	**242**

Sickness absence

We lost 4.8% of working time to sickness absence during 2022/23 which is an increase on last year's figure of 3.5%.

	2022/23 %	2021/22 %	2020/21 %
Percentage of working time lost to sickness absence	4.8	3.5	2.7

Staff turnover data

The SSSC's voluntary staff turnover was 12.0% in 2022/23 (4.4% in 2021/22).

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. We also have an equality working group. There are plans to provide further training for staff on how to undertake equality impact assessments.

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.

Facility Time Statement

The Value of Facility Time

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

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

The NatCen study[1] highlighted four main benefits from the use of Facility Time:

- 'Provision of a ready-made structure for meaningful consultation and negotiation saves money and reassures members that their views are valued in decision making. Facilitation of partnership working with trade unions improves workplace relations and the reputation of an employer as 'a good place to work'.
- 'Earlier intervention in relation to complaints, grievances and disciplinary action prevents escalation into more serious problems and saves organisations (and taxpayers) money by reducing the impact on staff time and possible legal costs. Better communication during restructuring and redundancy processes improves understanding of decisions, minimises negative impacts and reduces the number of working days lost through industrial action.'
- The Fair Work Convention[2] highlights these points through its 'Effective voice' principle. As they state: 'It is clear from international evidence that employees and workers want a voice, not only to resolve problems and conflicts (which is important) but also to engage and participate constructively in organisations.'
- On organisational change, they say: 'There are many examples in Scotland and elsewhere of how collective voice through trade unions working with employers has addressed a wide range of organisational challenges and contributed to organisational improvements.'

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

Maree Allison
Acting Chief Executive

Fiona Birkin
Branch Secretary, UNISON SRC branch
Joint Chair (Staffside) SSSC Partnership Forum

1 http://www.natcen.ac.uk/our-research/research/the-value-of-trade-union-facility-time/

2 http://www.fairworkconvention.scot/

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations require public sector employers to publish specific information related to Facility Time provided to trade union officials. The information for 2022/23 follows.

Table 1

Relevant union officials

The table below details the number of employees who were relevant union officials during 2022/23.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	3

Table 2

Percentage of time spent on Facility Time

The table below provides details of the Facility Time spent by employees who were relevant union officials during 2022/23.

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

Table 3

Percentage of pay bill spent on Facility Time

The tables below give details of the percentage of time spent on Facility Time as a percentage of our pay bill.

Total cost of Facility Time	£18,245
Total pay bill	£17,562,736
Facility Time as a percentage of total pay bill	0.10%

Table 4

Paid trade union activities

The table below provides hours spent by employees who were relevant union officials during the 2022/23 financial year as a percentage of total paid Facility Time hours.

Time spent on paid trade union activities as a percentage of total paid Facility Time hours.	59.3%

Parliamentary accountability report

Parliamentary accountability report

The following disclosures are subject to audit.

Losses and special payments

There were no reportable losses or special payments in the year to 31 March 2023 (nil for the year to 31 March 2022).

Fees and charges

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

Under section 57 of the Regulation of Care (Scotland) Act 2001, the SSSC can set reasonable fees through changes to our registration rules. This requires the consent of Scottish Ministers. We carried out a review of fees and consultation with stakeholders during 2016/17 and a fee increase applied from 1 September 2017. We are planning a fee consultation during 2023/24.

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 2022/23 budget was based on funding of 61% from grant in aid, 23% from fees charged to applicants and registrants, 6% from additional grant in aid (one-off spending pressure) from Scottish Government, 5% from specific grant funded projects, 4% from our general reserve and 1% from other income. (2021/22: 64% grant in aid, 23% fees, 9% general reserve and 4% specific grants).

In 2022/23 Scottish Government agreed to pay SSSC registration fees for local authority registered workers. This changed the way we are funded as we now receive grant in aid from Scottish Government for local authority worker fees. Income collected from fees charged to applicants to register and registrants is shown in the table below.

	2022/23			2021/22		
	Budget £000	**Actual £000**	**Variance £000**	**Budget £000**	**Actual £000**	**Variance £000**
Grant in aid - Scottish Government re-imbursement of local authority worker fees	0	1,119	1,119	0	0	0
Registration fees from registrants	5,962	4,743	(1,219)	5,644	5,951	(307)
Total fees and charges	**5,962**	**5,862**	**(100)**	**5,644**	**5,951**	**(307)**

Accountability Report signed:

Maree Allison,
Acting Chief Executive and Accountable Officer,
31 October 2023

Independent Auditor's report

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

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Scottish Social Services Council for the year ended 31 March 2023 under the Regulation of Care (Scotland) Act 2001. The financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2023 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 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 for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. 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 were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and We have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence We have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that We identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the central government sector to identify that the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This includes the Regulation of Care (Scotland) Act 2001
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operating within the resource limit allocated by the Scottish Government. The risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we obtained confirmation of the resource limit allocated by the Scottish Government and tested a sample of accruals, prepayments and invoices received around the year-end to assess whether they have been recorded in the correct period.

In addition, we identified a potential fraud risk in relation to the completeness of fee income. The risk is that management may be incentivised to allocate revenue to future years given future year financial pressures and projected surplus position. Hence, there is a risk that the revenue recognised is not complete, and that the cut off of income recognised at the year end is inaccurate. In response to this risk we have developed an expectation of the fee income to verify completeness and performed testing of a sample of income recognised around the year end to assess whether it has been recorded in the correct period,

In common with audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting 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. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, 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.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

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

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 the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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 audited parts 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.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

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 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Pat Kenny, CPFA (for and on behalf of Deloitte LLP)

110 Queen Street
Glasgow
G1 3BX
United Kingdom

31 October 2023

Annual Accounts

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Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

	Ref/ note	2022/23 £000	2021/22 £000
Income			
Registration fees	2a	(4,743)	(5,951)
Other operating income	2b	(568)	(555)
		(5,311)	**(6,506)**
Expenditure			
Staff costs	3a	18,756	17,445
Other operating expenditure	6a	4,493	3,377
Disbursements	6b	6,636	6,810
		29,884	**27,632**
Net operating expenditure		24,573	21,126
Bank charges		30	34
Interest on lease liability		3	0
Net interest on defined pension liability	5b	228	215
Net expenditure for the year		24,835	21,375
Other comprehensive net expenditure			
Total actuarial re-measurements on defined pensions (asset)	5b	(25,169)	(5,446)
Total comprehensive net expenditure before Government funding		**(334)**	**15,929**

All operations are continuing

The notes on pages 91 to 114 form an integral part of these accounts.

Statement of Financial Position as at 31 March 2023

	Ref/ note	2022/23 £000	2021/22 £000
Non-current assets			
Right of use asset - building	14	18	0
Furniture and fittings	7	12	14
Pension asset	5a	12,580	0
Prepayments - greater than one year	8	70	4
Total non-current assets		**12,680**	**18**
Current assets			
Trade and other receivables	8	2,999	1,347
Cash and cash equivalents	9	5,463	7,303
Total current assets		**8,462**	**8,650**
Total assets		**21,142**	**8,668**
Current liabilities			
Trade and other payables	10	(5,997)	(5,800)
Building lease liability	14	(18)	0
Total current liabilities		**(6,015)**	**(5,800)**
Total assets less current liabilities		**15,127**	**2,868**
Non-current liabilities			
Other provisions	15	(547)	(466)
Total non-current liabilities		**(547)**	**(466)**
Pension liability	5a	(316)	(9,681)
Net assets/(liabilities)		**14,264**	**(7,279)**

Taxpayers’ equity			
Pensions reserve	SCTE	12,264	(9,681)
General reserve	11	2,000	2,402
		14,264	**(7,279)**

All operations are continuing.

The notes on pages 91 to 114 form an integral part of these accounts.

Maree Allison
Acting Chief Executive and Accountable Officer

The Accountable Officer authorised these financial statements for issue on xx October 2023.

Statement of Cash Flows for the year ended 31 March 2023

	Ref/ note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Net operating cost before Government funding	SoCNE	334	(15,929)
Adjustments for non-cash items:			
Pension adjustments and re-measurements	5b, table 2	(21,945)	(1,923)
Depreciation - right of use asset	14	339	0
Depreciation	7	2	1
(Increase)/decrease in trade and other receivables	8a	(1,718)	620
Increase/(decrease) in trade and other payables	10a	197	1,148
Increase/(decrease) in provisions	15	82	0
Building lease - interest	14	3	0
Net cash outflow from operating activities		**(22,706)**	**(16,083)**
Cash flows from financing activities			
Funding from Government	12a	21,209	17,426
Building leases - principal	14	(343)	0
Net financing		**20,866**	**17,426**
Net (decrease)/increase in cash and cash equivalents in the period	**9**	**(1,840)**	**1,343**
Cash and cash equivalents at the beginning of the period	9	7,303	5,960
Cash and cash equivalents at the end of the period	**9**	**5,463**	**7,303**
		(1,840)	1,343

The notes on pages 91 to 114 form an integral part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

	Ref/ note	Pension reserve £000	General reserve £000	Total reserves £000
Balance at 31 March 2021		**(11,604)**	**2,828**	**(8,776)**
Changes in taxpayers' equity for 2021/22				
Pensions adjustment and re-measurement	5b table 2	1,923	(1,923)	0
Total comprehensive net expenditure	SoCNE	0	(15,929)	(15,929)
Total recognised income and expense for 2021/22		**1,923**	**(17,852)**	**(15,929)**
Funding from Government	12a	0	17,426	17,426
Balance at 31 March 2022		**(9,681)**	**2,402**	**(7,279)**
Changes in taxpayers' equity for 2022/23				
Pensions adjustment and re-measurement	5b table 2	21,945	(21,945)	0
Total comprehensive net expenditure	SoCNE	0	334	334
Total recognised income and expense for 2022/23		**21,945**	**(21,611)**	**334**
Funding from Government	12a	0	21,209	21,209
Balance at 31 March 2023		**12,264**	**2,000**	**14,264**

The notes on pages 91 to 114 form an integral part of these accounts.

Notes to the accounts

1 Statement of accounting policies

The accounts have been prepared in accordance with the Accounts Direction issued by the Scottish Ministers. The Accounts Direction (reproduced at appendix 1) requires compliance with the Government's Financial Reporting Manual (FReM) which follows International Financial Reporting Standards as adopted by the United Kingdom, International Financial Reporting Interpretation Committee (IFRIC) interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. 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.

1.1 Basis of accounting

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

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 Adoption of new accounting standards

The IFRS 16 – Lease accounting standard is effective from 1 April 2022 and has been adopted for the first time in the financial statements. Further information is available in 1.10 Leases and Note 14 – Leases.

1.3 Accounting standards issued but not yet effective

In accordance with IAS 8, changes to IFRS that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. There are no new standards not yet effective that will have an impact on the SSSC's accounts.

1.4 Going concern

In common with similar public bodies, the future financing of the SSSC will be met by future grant in aid to be approved annually by Scottish Government. The SSSC has no reason to believe the Scottish Government and Scottish Ministers have any intention to withdraw or reduce support to the organisation. Our Scottish Government Sponsor has confirmed our grant in aid for 2023/24 and there is no reason to believe that future approves will not be forthcoming. It is therefore considered appropriate to adopt a going concern basis for the preparation of these financial statements. Further explanation of the adoption of the going concern basis is contained in the Financial Performance section (pages 24 to 29).

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 due to the low value and short life of the assets held. All property occupied by the SSSC is leasehold.

1.5.3 Depreciation

Depreciation is provided on a straight-line basis using the expected economic life of the asset. Leasehold improvements are depreciated at the lower of expected useful economic life and lease term. 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. Assets in the course of construction are not depreciated until the asset is brought into use.

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 and are determined on an individual basis.

1.7 Impairment of tangible and intangible assets

All tangible and intangible non-current assets are reviewed for impairment 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

IFRS 16 leases became effective for periods beginning on or after 1 January 2019, however the FReM deferred adoption until 1 April 2022. The cumulative catch-up method has been mandated by the FReM. Consequently, the comparatives for 2021-22 reflect the requirements of IAS 17 Leases.

Scope and classification of leases

Leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration. The standard is also applied to accommodation sharing arrangements with other government departments.

Contracts or parts of contract that are leases in substance are determined by evaluating whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use.

The following are excluded: Contracts for low value items, defined as items costing less than £5,000 when new, provided they are not highly dependent or integrated with other items; and contracts with a term shorter than 12 months.

Initial recognition of leases

At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year. We have used the HM Treasury rate of 0.95%. The liability includes payments that are fixed or in-substance fixed, excluding, for example, changes arising from future rent reviews or changes in an index. The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease.

Subsequent measurement

The asset is subsequently measured using the fair value model. The cost model is considered to be a reasonable proxy except for leases of property without regular rent reviews. For these leases, the asset is carried at a revalued amount.

Lease expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability.

Transitional arrangements

The following determinations have been made.

- To adopt IFRS 16 retrospectively, without restatement of comparative balances. Consequently, the Statement of Comprehensive Net Expenditure and the Statement of Financial Position for 2021-22 reflect the requirements of IAS 17.
- Not to reassess the classification of contracts previously classified as leases or service contracts under IAS 17 and IFRIC 4. However, new contracts entered into from 1 April 2022 have been classified using the IFRS 16 criteria.
- For leases previously treated as operating leases:
  - to measure the liability at the present value of the remaining payments, discounted by the discount rate issued by HM Treasury
  - to measure the asset at an amount equal to the liability, adjusted for any prepayment or accrual balances previously recognised for that lease
  - to exclude leases whose term ends within twelve months of first adoption
  - to use hindsight in assessing remaining lease terms
  - for leases previously identified as onerous and provided for, to use the practical expedient of adjusting the right-of-use asset by the amount of that provision.

Accounting for leases under IAS 17 (2021-22)

Operating leases

Operating leases and the rentals are charged to expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to expenditure over the life of the lease.

Amortisation of lease incentives

Prior to the adoption of IFRS 16 – Leases, the benefit of lease incentives was amortised over the period of the lease or over the period to a lease break when this is the most probable end of lease, whichever is the shorter. This incentive has now been included in the initial recognition of the carrying amounts of the right of use asset and lease liability at 1 April 2022.

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 scheme assets are recorded at fair value. The operating and financing costs of such schemes 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 property, finance, procurement and human resource services provided, based on a Service Level Agreement (SLA). The SLA contains arrangements akin to an operating lease for accommodation.

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 recognised in accordance with IFRS 15, so they are recorded in the accounts on an income and expenditure basis, meaning they are 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 2023 have been brought into account. Similarly, capital transactions are recognised as they are agreed or incurred, not as money received or paid.

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. Most 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.

The SSSC's financial instruments comprise trade and other receivables, trade and other payables, and cash and liquid resources.

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 assets and liabilities

Contingent assets and liabilities are disclosed in accordance with IAS 37. There are three contingent liabilities at 31 March 2023 (note 16).

1.21 Assumptions made about the future and other major sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements that have a risk of adjustment to the carrying amount of assets and liabilities within the financial statements within the next financial year are detailed below.

Judgements

Provisions have been made where management judge that it is more likely than not a financial liability exists. (See note 15).

Estimates

Estimation of the net pension liability or asset is based on a number of complex judgements including the discount rate, salary increase rate, retirement ages, mortality rates and expected returns on pension fund assets, following work carried out by our actuaries. Note 5 provides more detail on the movement in the net pension position.

2 Operating income

	2022/23 £000	2021/22 £000
2a Registration fees	**4,743**	**5,951**
2b Other operating income:		
Modern apprenticeship fees	224	280
Recharges for shared service	177	0
Recharges for seconded staff	148	250
Protection of Vulnerable Groups (PVG) fee recovery	4	5
Other income	15	20
Total other operating income	**568**	**555**

3 Staff numbers and costs

3a An analysis of staff numbers and costs is disclosed in the Staff Report (staff numbers by permanent and other) on pages 69 to 75 of this report. A summary of cost is provided in the table below.

Staff cost summary	2022/23 £000	2021/22 £000
Directly employed staff	17,563	16,376
Other people engaged	1,046	864
Other staff costs	147	205
Total staff costs	**18,756**	**17,445**

3b Analysis of impact of actuarial pension valuation adjustments (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. Tayside Pension Fund has a common employer contribution rate. (17% in 2022/23, 17% in 2021/22). Service cost is a figure derived from actuarial analysis in accordance with IAS19.

Analysis of impact of actuarial pension valuation adjustments - staff costs (note 5)	2022/23 £000	2021/22 £000
Actual payments		
Employer pension contributions actually paid	1,870	1,693
Unfunded pension payments actually paid	23	22
Total pension related payments actually paid	**1,892**	**1,715**
Accounting entries (IAS 19 note 5)		
Service costs included in staff costs (SoCNE)	4,874	5,002
Variance between actual costs and accounting basis	**2,982**	**3,287**

4 Severance and settlement costs

There were three exit packages in 2022/23 with total costs of £10k. (2021/22 £8k). Details of exit packages are disclosed on page 73 (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.

Employer contributions are set every three years as a result of an actuarial valuation of the fund required by the Regulations. The most recent actuarial valuation of the fund was carried out as at 31 March 2020. This set the contribution rate at 17% for 2021/22 to 2023/24. The next valuation of the fund will be carried out based on scheme data as at 31 March 2023. 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 2023 were £1,870k representing 17.0% of pensionable pay (2021/22: £1,693k representing 17.0% of pensionable pay). The employer's contribution rate for the year to 31 March 2024 will remain at 17%. Employee contribution rates were in the range 5.5% to 9.4% based on earnings bands.

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

- **Investment risk**: The fund may hold 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. This may be mitigated by a longevity insurance contract held by the fund. There are also other demographic risks.
- **Climate risk**: Climate risk can be grouped into two categories; Physical and Transitional risks. Physical risks are direct risks associated with an increased global temperature such as heatwaves and rising sea levels. Transitional risks are the costs of transitioning to a low carbon economy. These risks will manifest themselves in many of the other risks detailed above which the fund is exposed to, for example investment returns may be affected.

- **Regulatory risk**: Regulatory uncertainties could result in benefit changes to past or future benefits which could result in additional costs.
- **Orphan risk**: As many unrelated employers participate in each 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 the remaining employers in that fund.

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

There are currently uncertainties in relation to LGPS benefits due to the McCloud and Sargeant judgements. Remedial regulations are expected in 2023 and uncertainty over the benefit changes proposed for the LGPS will remain until these have been finalised.

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

5a Employee benefits – Statement of Financial Position

	As at 31 March 2023 £000	As at 31 March 2022 £000
Present value of funded obligation	(44,257)	(67,231)
Fair value of scheme assets (bid value)	56,837	57,934
Net liability	**12,580**	**(9,297)**
Present value of unfunded obligation	(316)	(384)
Net asset (liability) in Statement of Financial Position	**12,264**	**(9,681)**

Unfunded liabilities included in the figure for present value of liabilities is £316k (2021/22 £384k).

5b Statement of Comprehensive Net Expenditure costs for the year to 31 March 2023

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

Table 1:	Year to 31 March 2023		Year to 31 March 2022	
	£000	£000	£000	£000
Service costs		4,874		5,002
Administration expenses		14		21
Net interest on defined liability/(asset)		228		215
Difference between actual employer's contributions plus unfunded payments and actuarial assumptions	19		(0)	
Return on assets less interest	4,395		(1,896)	
Other actuarial (gains)/losses on assets	0		0	
Change in financial assumptions	(34,966)		(3,707)	
Change in demographic assumptions	0		0	
Experience loss/(gain) on defined benefit obligation	5,382		157	
Total re-measurements		(25,170)		(5,446)
Total		**(20,054)**		**(208)**
Actual return on scheme assets		**2,866**		**(2,978)**

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 the Statement of Changes in Taxpayers' Equity during the year.

Table 2: Actuarial adjustments are made for:	note	2022/23 £000	2021/22 £000
Staff costs	3b	2,983	3,287
Administration expenses	5b table 1	14	21
Net interest on defined liability/(asset)	5b table 1	228	215
Total re-measurements	5b table 1	(25,170)	(5,446)
Total actuarial adjustments		**(21,945)**	**(1,923)**

5c Benefit obligation reconciliation - year to 31 March 2023

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

	Year to 31 March 2023		Year to 31 March 2022	
	£000	£000	£000	£000
Opening defined benefit obligation		**67,615**		**64,861**
Current service costs		4,874		5,002
Interest costs		1,757		1,297
Estimated benefits paid net of transfers in	(795)		(617)	
Contributions by scheme participants	729		644	
Unfunded pension payments	(23)		(22)	
Total scheme transactions		**(89)**		**5**
Change in financial assumptions	(34,966)		(3,707)	
Experience loss/(gain) on defined benefit obligation	5,382		157	
Change in demographic assumptions	0		0	
Total actuarial (gains)/losses		**(29,584)**		**(3,550)**
Closing defined benefit obligation		**44,573**		**67,615**

The experience loss on the defined benefit obligation included £5.382m in respect of the allowance for actual pensions increases and CPI inflation over the accounting period.

5d Fair value of fund assets reconciliation for the year to 31 March 2023

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

	Year to 31 March 2023		Year to 31 March 2022	
	£000	£000	£000	£000
Opening fair value of fund assets		**57,934**		**53,257**
Interest on assets		1,529		1,082
Estimated benefits paid plus unfunded net of transfers in	(818)		(639)	
Contributions by employer including unfunded	1,872		1,715	
Contributions by scheme participants	729		644	
Total scheme transactions		**1,783**		**1,720**
Return on assets less interest		(4,395)		1,896
Administration expenses		(14)		(21)
Closing fair value of fund assets		**56,837**		**57,934**

5e Projected pension expense for the year to 31 March 2024

Projected pension expense	Year to 31 March 2024 £000
Service cost	1,900
Net interest on the defined liability/(asset)	(634)
Administration expenses	14
Total	**1,280**
Employer contributions	1,871

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2023.

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 2023 £000	31 March 2023 %	31 March 2022 £000	31 March 2022 %
Equities	41,054	72%	41,025	71%
Gilts	1,374	2%	2,728	5%
Other bonds	7,184	13%	6,916	12%
Property	5,560	10%	6,318	11%
Cash	1,566	3%	889	1%
Alternatives	99	0%	58	0%
Total	**56,837**	**100%**	**57,934**	**100%**

The SSSC's share of the assets of the fund is approximately 1.18%. The return on the fund (on a bid to value basis) for the year to 31 March 2023 is estimated to be (4.87)%.

5g Financial assumptions as at 31 March 2023

The financial assumptions used for IAS 19 calculations are below. These assumptions are set with reference to market conditions at 31 March 2023.

Assumptions at:	31 March 2023 % pa	31 March 2022 % pa	31 March 2021 % pa
Discount rates	4.80%	2.60%	2.00%
Pensions increases	2.90%	3.20%	2.80%
Salary increases	3.90%	4.20%	3.80%

Demographic/statistical assumptions

The actuary has adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2020. Details of the post retirement mortality assumption are set out below.

Post Retirement Mortality	31 March 2023	31 March 2022
Base table	S3PA_H	S3PA_H
Multiplier M/F	110%	110%
Future improvements model	CMI_2020	CMI_2020
Long term rate of improvement	1.25% p.a.	1.25% p.a.
Smoothing parameter	7.5	7.5
Initial addition parameter	0.0% p.a.	0.0% p.a.
2020 weight parameter	25%	25%
2021 weight parameter	n/a	n/a

The assumed life expectations, based on the assumptions set out above are shown below.

Life expectancy from age 65 (years)		31 March 2023	31 March 2022
Retiring today	Males	19.0	18.9
	Females	22.4	22.3
Retiring in 20 years	Males	20.4	20.3
	Females	23.9	23.9

Overall impact of changes to financial assumptions

The effect of the changes in the financial assumptions on an employer's liabilities are dependent on the assumptions adopted as well as the specific duration of the employer's liabilities. Typically, employers with greater liability durations are more sensitive to changes in financial assumptions as benefits will be paid over a longer term. The table below describes the estimated effects for employers based on assumptions derived as at 31 March 2023 under the three maturity scenarios.

Maturity	Estimated effect of change in financial assumptions on employer's liabilities
Very Mature	Decrease of 13% to 24%
Mature	Decrease of 24% to 41%
Immature	Decrease of over 41%

Based on market conditions at 31 March 2023, most employers will see the value of their defined benefit obligation decrease. However, the extent of this will depend on each employer's membership profile, cashflows over the year, experience and any bespoke assumptions or approaches.

5h Sensitivity analysis

The following table sets out the impact of a change of a +/- 0.1% change to key assumptions and a +/- one year age rating adjustment to the mortality assumption.

	£000	£000	£000	£000	£000
Adjustment to discount rate	**+0.5%**	**+0.1%**	**0.0%**	**-0.1%**	**-0.5%**
Present value of total obligation	40,762	43,768	44,573	45,401	48,959
Projected service cost	1,570	1,829	1,900	1,973	2,294
Adjustment to long term salary increase	**+0.5%**	**+0.1%**	**0.0%**	**-0.1%**	**-0.5%**
Present value of total obligation	45,022	44,661	44,573	44,486	44,144
Projected service cost	1,906	1,901	1,900	1,899	1,894
Adjustment to pension increases and deferred revaluation	**+0.5%**	**+0.1%**	**0.0%**	**-0.1%**	**-0.5%**
Present value of total obligation	48,574	45,328	44,573	43,840	41,108
Projected service cost	2,304	1,974	1,900	1,828	1,561
Adjustment to life expectancy assumptions		**+1 year**	**None**	**-1 year**	
Present value of total obligation		45,968	44,573	43,222	
Projected service cost		1,974	1,900	1,828	

5i Remeasurements in other comprehensive income

The following table sets out the remeasurement of the net assets /(defined liability).

	As at 31 March 2023 £000	As at 31 March 2022 £000
Return on fund assets in excess of interest	(4,395)	1,896
Other actuarial gains/(losses) on assets	-	-
Change in financial assumptions	34,966	3,707
Change in demographic assumptions	-	-
Experience loss on defined benefit obligation	(5,382)	(157)
Remeasurement of net assets/(defined liability)	**25,189**	**5,446**

6a Operating expenditure

	2022/23 £000	2021/22 £000
Supplies and services	2,398	1,453
Administration costs	1,166	1,139
Property costs	519	752
Depreciation - right of use asset	339	0
Depreciation - tangible assets	2	1
Transport costs	36	7
Non-cash items:		
Pension administration costs (IAS 19)	14	21
Changes in debt impairment allowance	19	4
Total operating expenditure	**4,493**	**3,377**

The above total includes £27.4k (2021/22 £21.1k) for external auditor's remuneration paid to Audit Scotland. Deloitte (appointed auditors) did not receive any fees in relation to non-audit work.

6b Analysis of disbursements

	2022/23 £000	2021/22 £000
Postgraduate bursaries:		
Tuition fees paid to universities	968	988
Bursaries paid to students	1,636	1,622
Total bursary disbursement	**2,604**	**2,610**
Other disbursements:		
Practice learning fees	2,951	2,776
Voluntary Sector Development Fund - training support	1,031	1,074
Workforce development	50	350
Total disbursements	**6,636**	**6,810**

7 Furniture and fittings

	Furniture and fittings £000
Cost or valuation:	
At 1 April 2022	27
Additions	0
Disposal/de-recognition	0
At 31 March 2023	**27**
Depreciation:	
At 1 April 2022	13
Charged in year	2
Disposal/de-recognition	0
At 31 March 2023	**15**
Net book value:	
At 31 March 2023	**12**
At 31 March 2022	14

	Furniture and fittings £000
Cost or valuation:	
At 1 April 2021	27
Additions	0
Disposal/de-recognition	0
At 31 March 2022	**27**
Depreciation:	
At 1 April 2021	12
Charged in year	1
Disposal/de-recognition	0
At 31 March 2022	**13**
Net book value:	
At 31 March 2022	**14**
At 31 March 2021	15

All assets are owned.

8 Trade and other receivables

8a Summary of trade and other receivables

	2022/23		2021/22	
	£000	£000	£000	£000
Amounts falling due within one year				
Prepayments and accrued income		1,321		865
Trade receivables	1,669		440	
Other receivables	9		42	
		1,678		482
Total trade and other receivables		**2,999**		**1,347**

Amounts falling due after more than one year				
Prepayments	4		4	
Trade receivables	42		0	
Other receivables	24		0	
		70		4
Total trade and other receivables		**3,069**		**1,351**

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.

8b Provision for impairment of receivables

	2022/23 £000	2021/22 £000
As at 1 April	(42)	(38)
Charge for the year	(441)	(464)
Unused amounts reversed	8	7
Uncollectable amounts written off	414	453
As at 31 March	**(61)**	**(42)**

As at 31 March 2023, trade and other receivables of £61k (2021/22 £42k) were past due and impaired. The amount of the provision is £61k (2021/22 £42k). The ageing analysis of these receivables is as follows.

Aged analysis of past due and impaired receivables	2022/23 £000	2021/22 £000
Up to 3 months past due	40	11
3 to 6 months past due	2	5
6 to 12 months past due	4	6
Over 12 months past due	15	20
	61	42

As at 31 March 2023, trade and other receivables of £1,687k (2021/22 £468k) were due but not impaired. The ageing analysis of these receivables is as follows.

Aged analysis of unimpaired receivables due	2022/23 £000	2021/22 £000
Not yet due	1,396	357
Up to 3 months past due	60	84
3 to 6 months past due	172	5
6 to 12 months past due	9	9
Over 12 months past due	50	13
	1,687	**468**

8c Analysis of trade and other receivables

	2022/23 £000	2021/22 £000
Amounts falling due within one year		
Bodies external to Government	1,594	1,176
Other Government bodies	1,402	169
Local authorities	3	2
NHS Bodies	0	0
	2,999	**1,347**
Amounts falling due after more than one year		
Bodies external to Government	43	2
Other Government bodies	27	2
	70	4
Total trade and other receivables	**3,069**	**1,351**

9 Cash and cash equivalents

	2022/23 £000	2021/22 £000
Balance as at 1 April	7,303	5,960
Net change in cash and cash equivalent balances	(1,840)	1,343
Balance as at 31 March	**5,463**	**7,303**
The following balances as at 31 March were held at:		
Government banking service	5,260	7,244
Commercial banks and cash in hand	203	59
Balance as at 31 March	**5,463**	**7,303**

10 Trade and other payables

10a Summary of trade and other payables

	2022/23 £000	2021/22 £000
Amounts falling due within one year		
Trade payables	1,512	405
Accruals and deferred income	3,276	4,916
Other payables	685	204
Other taxation and social security	523	275
VAT	1	0
Total trade and other payables	**5,997**	**5,800**

10b Analysis of trade and other payables

	2022/23 £000	2021/22 £000
Amounts falling due within one year		
Bodies external to Government	3,528	3,625
Higher education institutes (HEIs)	416	1,402
Other Government bodies	1,604	492
Local authorities	447	275
NHS bodies	2	6
Total trade and other payables	**5,997**	**5,800**

11 Sources of financing

2021/22 Total £000	General reserve	2022/23 Ref/ note	2022/23 Revenue £000	2022/23 Capital £000	2022/23 Total £000
2,828	Opening balance		2,389	13	2,402
(15,929)	Surplus/(deficit) for the year	SoCNE	675	(341)	334
(1,923)	Pension adjustments and re-measurements	5b	(21,945)	0	(21,945)
17,426	Grants and grant in aid	13a	20,870	339	21,209
2,402	**Closing balance**		**1,989**	**11**	**2,000**

12 Government funding

12a Grants and grant in aid

	2022/23 £000	2021/22 £000
Grant in aid	19,192	16,217
Voluntary Sector Development Fund	1,346	1,097
Workforce Development Grant	671	112
Total funding from Government	**21,209**	**17,426**

All grant conditions have been met. The amounts in the table reflect grants drawn down, net of any repayments. Therefore, as at 31 March 2023 no grants are due for repayment.

12b Grand in aid analysis

	2022/23 £000	**2021/22 £000**
Approved grant in aid from Scottish Government	16,035	16,035
Additional grant in aid claimed during the year	3,157	182
Total approved grant in aid	**19,192**	**16,217**
Grant received during the year	18,073	16,217
Grant received in 2023/24*	**1,119**	**0**

*Scottish Government changed the way we are funded for Local Authority registrants in 2022/23. We receive grant in aid for Local Authority registration fees, rather than fees being paid by the registrants themselves. In 2022/23 we claimed £1.119m of grant in aid for Local Authority registration fees from Scottish Government. This income was not received until 2023/24 and is included in receivables (note 8).

13 Capital commitments

There were no capital commitments as at 31 March 2023.

14 Leases

We have two operating leases, one for Compass House and another for Quadrant House. Our building leases expire in June 2023. We expect to remain in our current accommodation. There is uncertainty about future lease costs as the Memorandum of Terms of Occupation (MOTO) agreements are not yet in place. A provision for dilapidations has been made (note 15).

The SSSC recognises a right of use asset upon lease commencement. The right of use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made before the commencement date, less incentives received.

At transition to IFRS 16 on 1 April 2022 the right of use assets have been measured at an equal amount to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date over the term (which is equal to, or shorter than, the asset's useful life). The right of use asset will be periodically reviewed for impairment losses and adjustments on remeasurement of the lease liability.

	Buildings £000
At 1 April 2022 - Recognition of right of use asset on initial application of IFRS 16	357
Depreciation expense	(339)
As at 31 March 2023	**18**

Commitments under leases

On transition to IFRS 16 lease liabilities have been measured at cost of the remaining lease payments at 1 April 2022. Upon commencements of any new leases, the liability is measured at cost of unpaid lease payments.

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:	2022/23 £000
Buildings:	
within 1 year	18
within 2 to 5 years	0
beyond 5 years	0
	18
Total cash outflows for leases	**339**

There are no obligations or commitments under finance leases.

15 Other provisions

Other provisions comprise property dilapidations in respect of lease obligations £465k and a provision for the settlement of the 2022/23 pay award.

	2022/23 £000
Balance at 1 April 2022	465
Provided in year	82
Balance at 31 March 2023	**547**

We have provided for property dilapidations in respect of our building lease which ends June 2023. The leases contain provisions in respect of obligations for property dilapidations, reinstatement and decoration of £465k. Estimates of likely costs in respect of obligations under our property leases for dilapidations, reinstatement and property decoration are charged in accordance with IFRS 16 Leases. There is uncertainty about the cost and nature of dilapidations as the MOTO agreements are not yet in place.

The SSSC has not yet reached an agreed pay award for the 2022/23 financial year. An interim award was made to all staff in March 2023 pending conclusion of the pay negotiations. The provision of £82k is based on the cost of the latest submission agreed by Scottish Government Pay Policy Unit and offered to our staff through the Partnership Forum. It is hoped agreement will be reached by Autumn 2023.

16 Contingent liabilities and assets

There is a contingent liability at 31 March 2023, which was first disclosed in the 2020/21 Annual Accounts. There was an ongoing court case involving action taken against the Nursing and Midwifery Council on the employment status of panel members. Appeals have now been exhausted and the status of panel members has been confirmed as 'workers'. This means that we are now legally obliged to pay Fitness to Practise panel members holiday pay and pension contributions. We have accounted for backdated holiday pay and pension contributions. If the employment tribunal judgement requires us to pay increased holiday backpay it is estimated at up to £280k, likely payable over the 2023/24 and 2024/25 financial years. There is a risk that this ruling may also apply to SSSC Council Members, though no final decision has been made.

There may be a future liability arising from the Rewards Review project which could materialise during the 2023/24 financial year. The potential cost cannot be quantified at the time of preparing the accounts.

Expenses for a court action we lost during 2022/23 are still being negotiated, but estimated to be £25k.

There are no contingent assets at 31 March 2023. (none 2022/23).

17 Related party transactions

The SSSC is a Non-Departmental Public Body (NDPB) sponsored by the Scottish Government Office of the Chief Social Work Adviser of the Children and Families Directorate. The SSSC has shared service arrangements with the Care Inspectorate in 2022/23 totalling £1,004k (2021/22 £728k). The SSSC charged the Care Inspectorate £177k for financial transactions services in 2022/23. Both Scottish Government and the Care Inspectorate are regarded as related parties with which the SSSC has had various material transactions during the year.

The SSSC provides financial transactions and accounting services to OSCR, the Scottish Charities Regulator. The SSSC charged OSCR £15k in 2022/23.

There are no other organisations that are regarded as related parties with which the SSSC has had material transactions during the year.

A Register of Interests is maintained and updated annually. No Council Members, key managerial staff or other related parties have 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 2022/23 financial year.

Appendix 1

Scottish Social Services Council

Scottish Government
Riaghaltas na h-Alba

Direction by The Scottish Ministers

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

Kate Vincent

Signed by the authority of the Scottish Ministers

Dated: 16 January 2006

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If you would like this document in another format, please contact the SSSC on 0345 60 30 891