



General  
**Social Care**  
Council

General Social Care Council  
**Annual Report and Accounts**  
**2010-11**



# General Social Care Council

## Annual Report and Accounts 2010-11

**Annual Report and Accounts presented to Parliament pursuant to paragraph 18(4) of Schedule 1 of the Care Standards Act 2000.**

Ordered by the House of Commons to be printed on 14 July 2011.

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**ISBN: 9780102971620**

Printed in the UK for The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office

**ID 2428506**      **07/11**

Printed on paper containing 70% recycled fibre content minimum

# Contents

<b>Chair's welcome</b>	<b>4</b>
<b>Chief Executive's review</b>	<b>6</b>
<b>About the GSCC</b>	<b>10</b>
<b>Achievements</b>	<b>14</b>
<b>Our priorities</b>	<b>16</b>
<b>Programme boards</b>	<b>17</b>
<b>Delivering Regulatory Excellence</b>	<b>18</b>
<b>Improving Social Work</b>	<b>24</b>
<b>The Transition Programme</b>	<b>32</b>
<b>The Board</b>	<b>36</b>
<b>The Executive Management Team</b>	<b>39</b>
<b>Management Commentary</b>	<b>40</b>
<b>Remuneration Report</b>	<b>44</b>
<b>Accounts</b>	<b>48</b>
<b>Statement of the GSCC's and Chief Executive's Responsibilities</b>	<b>50</b>
<b>Statement on Internal Control</b>	<b>51</b>
<b>The Certificate and Report of the Comptroller and Auditor</b>	<b>62</b>
<b>General to the Houses of Parliament</b>	
<b>Financial statements 2010-11</b>	<b>64</b>
<b>Notes to financial statements for the year ending 31 March 2011</b>	<b>68</b>

# Chair's Welcome



Welcome to the General Social Care Council's (GSCC's) Annual Report and Accounts. This publication reports on our work, priorities and progress from 1 April 2010 until 31 March 2011.

The past year has been one of growth and change for the GSCC. In July 2010, a year after the discovery of problems within our conduct function, we submitted a progress report to the Department of Health, outlining how we had transformed our internal processes. I can now report with confidence on an equitable and robust conduct system that is fit for its purpose of protecting the public.

Soon after the submission of our progress report came the publication of the Government review, 'Liberating the NHS', which detailed proposals for Arm's Length Bodies (ALBs) in the health and social care sector, including the GSCC. The report formed part of the cross-Government strategy to increase accountability and transparency, and to reduce the number and cost of public bodies. I was surprised and disappointed to learn of the Government's intention to transfer the GSCC's functions to the Health Professions Council (HPC) in 2012.

In light of the Government's pause and engagement regarding the Health and Social Care Bill, the transfer has been delayed and will now take place no earlier than July 2012, and is dependant on legislation being enacted.

However, despite the announcement of the transfer, I can assure you that the GSCC will continue to pursue excellence and to protect the public in a way that is robust and fair right up until the point at which we hand over to the HPC.

One way in which we have sought to build and maintain excellence in social work is through our crucial role on the Social Work Reform Board. Born out of the Social Work Task Force, the Reform Board is taking forward a series of recommendations to improve social work, including the scoping of an assessed and supported year in employment for newly qualified social workers, and the creation of a college of social work, which will promote social work and act as the voice of the profession.

We have played a significant role in three of the Reform Board's working groups. These focus on improvements to social work education, career development and the standards expected of employers. In December 2010 the board published a report, 'Building a safe and confident future: One year on'. This report described what the board had done in its first year of work and focused on five key areas for reform, which we are helping to take forward.

Over the course of the year we have played an active part in sector reforms and developments. In the autumn we submitted evidence to Professor Eileen Munro's review of frontline child protection and to the Family Justice Review and the Education Select Committee's investigation into the role and performance of Ofsted. In early 2011 we briefed MPs on the Health and Social Care Bill and submitted a memorandum to the Bill Committee setting out our thoughts on the provisions in the Bill.

We are currently working on a series of learning reports which will highlight our achievements over the last 10 years, of which there have been many. We hope the HPC will build upon these successes, learn from our challenges and continue to provide a robust system of regulation for the large number of social workers who will be joining their register in 2012.



**Rosie Varley OBE**  
Chair of the General Social Care Council

**“ the GSCC will continue to pursue excellence and to protect the public in a way that is robust and fair ”**

# Chief Executive's Review



In my first Annual Report last year, I recognised the improvements already made by the General Social Care Council (GSCC) and outlined the challenges ahead. These ranged from achieving financial independence to improving the ways in which we work. Plans included the introduction of online registration, improvements to our investigations function and a major transformation programme for social work education providing more proportionate inspections.

However, our ambitious improvement and modernisation programme had to be reviewed when the new coalition Government announced in July 2010 that the GSCC's functions would be transferred to the Health Professions Council (HPC) in 2012. Though disappointed by this decision, the Chair and I, supported by our Executive and Board, were determined that we should reframe our ambition and priorities, and ensure we met this new and unexpected challenge.

We determined three absolutely clear priorities: to deliver and improve until the day that we are not the professional regulator for social work; to undertake an effective transfer of our functions providing for a positive legacy from the years that the GSCC has been in operation; and to support and treat our staff with respect and care so that they deliver for us whilst we are here, and then stand the best possible chance of a positive future for themselves, informed by their experience of working for the GSCC.

These clear priorities have been supported by a programme management approach, which has delivered well for us over the past year.

In the area of Regulatory Operations, we have managed the three-year spike in the renewal of more than 35,000 social workers' registrations, with an efficient and responsive process. We have introduced a new operations manual; revised our

approach to involving registrants who are the subject of a complaint; increased our number of hearings from 59 to 160; and undertaken a significant programme of training for our panellists, who perform the key function of independently hearing the small proportion of conduct cases that need to be adjudicated upon.

In the area of social work education, we have introduced a risk-based inspection programme and, since July 2010, have published all inspection reports. The feedback from this has been positive, both from the higher education institutions themselves and also, critically, from aspiring students who can use the information to inform their choice of courses to apply for.

Our Transition Programme has undertaken the preparatory work to ensure that the transfer of our functions to the HPC can be managed effectively and it is now being supported by a Transfer Board, which I chair, which will oversee the detailed arrangements for the transfer of functions through this coming year.

The commitment of our staff to deliver across all these areas of activities, whilst at the same time managing their uncertainty and disappointment, has been truly magnificent. This is not an organisation with its head down, but rather one that is working hard to meet the expectations of the new Government.

In addition to this challenging agenda, we have continued to deliver on our commitment to supporting the Social Work Reform Board in its ambitious aims for the social work profession, with the ultimate end of improving the lives of those whom we seek to support and serve. We have also given good attention to enhancing our working relationships with employers of social workers, to ensure that they both understand our role and can cooperate with us by the provision of timely information, when this is required.

The future for the regulation of social work was always going to be changing, with independence and efficiency at the heart of the approach to providing this vital aspect of public protection.

We were always supportive of the need for a professional college to work alongside the regulator, led by the profession and driving standards of excellence and good public understanding of the role of social work.

Now that the regulation of social work is destined to be undertaken by a generic, multi-professional regulator, the role of the college will be even more important and, for that reason, we will do everything we can to support it coming into being, to flourish, and to take on some of the early roles that were given to the GSCC, but which did not fit the function of an independent, professional regulator. I am thinking particularly of the role of championing the profession, something that the independent regulator cannot do.

So, we look back over 2010-11 as a year of tumultuous change and also one of improvement, and we look forward to 2011-12 as a successful year of transition and continued improvement in public protection and public confidence.

A handwritten signature in blue ink, consisting of a stylized 'P' followed by a long horizontal line that ends in a small dot.

**Penny Thompson**  
Chief Executive

**“ We determined three absolutely clear priorities:**  
**to deliver and improve until the day that we are not the professional regulator for social work;**  
**to undertake an effective transfer of our functions providing for a positive legacy from the years that the GSCC has been in operation; and**  
**to support and treat our staff with respect and care ”**

# About the GSCC

The General Social Care Council (GSCC) is the regulator for social workers in England. Our job is to protect the public by requiring high standards of professional education, conduct and practise of all social workers in England.

Social workers work with some of the most vulnerable people in society, so it is vital that they are trained, committed to high professional standards and are accountable for their practice.

We maintain a compulsory register of social workers and issue and enforce a code of practice. This code sets out the standards of conduct and practice required of social workers as they go about their daily work. It helps to ensure that employers, colleagues, people who use social work services, carers, and members of the public know what standards they can expect from a social worker.

The GSCC works with social work employers and educators on the development of the standards they must meet. We promote high standards in social work education and training by inspecting the quality of social work courses and qualifications.

All of the higher education institutions offering social work courses have undergone rigorous checks by the GSCC to make sure that they meet the required standards. We can refuse to accredit courses which do not meet these standards.

In addition to the social work degree, social workers must maintain and extend their knowledge and skills in order to remain on the social work register, and we review their progress every three years.

We administer a conduct function for the protection of the public. Our conduct panels hear evidence against social workers who it is alleged have committed misconduct. If someone is found to have breached the code of practice, we can take action, with the severest penalty being removal from the register, meaning the individual can no longer practice as a social worker.

Conduct panel members adjudicate independently of the GSCC and focus on the need for public protection whilst preserving the social worker's right to a fair hearing. We aim to gain the confidence of the public and Parliament through our openness and by

the taking of fair evidence-based judgments that are made in the interests of public protection.

We strive to provide the public and people who use social work services with confidence in our work and in the social work profession. We endeavour to promote a better understanding of our role and the benefits of professionalism amongst social workers.

## Setting and maintaining standards

As well as fulfilling our statutory obligations, we work to gather and evaluate intelligence, and research developments in regulation, social work and social policy. We produce thematic evidence-based reports on knowledge gained through registration, conduct, social work education and international issues of interest to care councils, harmonising policy areas to promoting and sustain high standards in delivery.

## Our ambition

Our ambition is to protect the public through the regulation of social workers and their professional education and training; and through the delivery of excellent services and a professional transition to HPC, provide a lasting legacy which enhances the social work profession and the reputation of the GSCC.

## How we work

The GSCC is a non-departmental public body funded by the Department of Health (DH). We also work closely with the Department for Education and our sister organisations in Wales, Scotland and Northern Ireland. We have supportive relationships with fellow regulators and frequently exchange good practice.

We are governed by a Board currently comprising nine members, which since November 2008 has been chaired by Rosie Varley OBE. The Board scrutinises the work of the executive and sets the strategic direction of the organisation.

The Board revised its governance arrangements in September 2010 to a more streamlined Unitary Board structure. All business is transacted at the Board rather than through Committees, enhancing levels of accountability, scrutiny and risk management. The Board receives regular programme reviews, quarterly quality assurance reports, risk management reviews, the Annual Report, the performance and budget reporting and approves the budget.

The Board has also agreed lead members who focus on particular areas of our functions. This increases understanding and accountability. It also helps in clarifying the different roles of Board and executive members.

We have retained an Audit and Risk Committee and a Remuneration Committee. The Audit and Risk Committee advises the Board on the range of internal controls and risk management, and the remuneration Committee has a specific remit to advise the Board in relation to senior executive salaries.

## Our values

In working towards our ambition we have adopted the following values.

**Fairness** - Treating ourselves and others in an equitable manner and with consistency through our policies, procedures and practices as a professional regulator.

**Openness** - Openness in the way we evaluate and communicate with ourselves and our stakeholders. Being honest about ourselves and our services, recognising where we have to change the way we work in order to improve our services as a professional regulator.

**Integrity** - Delivering our services in a professional manner with honesty, propriety and authenticity at all times.

**Quality** - Delivering excellence as a professional regulator, ensuring our services are fit for purpose in meeting the needs of our registrants, public protection, social work education and reform.

**Efficiency** - Delivering our services and everything we do in a way which delivers value for money and an approach that strives to look at more innovative ways of doing business.

**Respect** - Recognising the diversity and contribution of everyone in the organisation and treating ourselves and our stakeholders with dignity at all times.

These values shape how we interact with each other, our business partners, stakeholders and customers. They underpin our performance appraisal processes and guide our behaviour.

## How we are organised

During 2010-11 the GSCC was organised into three directorates:

The **Directorate of Regulatory Operations** consists of three teams whose core functions focus on public protection by ensuring only suitable people are allowed to practise as social workers;

The **Directorate of Strategy and Social Work Education** works to shape the strategic direction of the organisation and to influence the provision of social work in England;

The **Directorate of Corporate Resources** works to ensure operational activities are supported and the GSCC is equipped to achieve its priorities.

These directorates are led by three Directors, who along with the Chief Executive form the Executive Management Team, which reports to the Board.

The Executive Management Team works closely with the 11 members of the Leadership Team to deliver the organisations objectives. In addition to the three directorates, the Office of the Chair and the Chief Executive provides support to the Chair and Board members, as well as to the Chief Executive and meetings of the Executive Team.

# Achievements

## At a glance: key facts to 31 March 2011

**104,469**

The number of registrants on the Social Care Register

**We had our first successful prosecution of an unqualified person purporting to be a social worker with intent to deceive others**

**86,319**

Qualified social workers registered with us

**We agreed a memorandum of understanding with service regulator, the Care Quality Commission (CQC). This will facilitate information sharing and foster stronger ties between the two organisations**



**We launched a new website with a forum for registrants, along with two quarterly e-bulletins, one for employers and one for HEIs**

**Alongside Skills for Care and Development, we commissioned King's College London to conduct research on social work qualifications and regulations in the European Economic Areas**

We worked with the Social Work Reform Board to implement the 15 recommendations of the Social Work Task Force

**We worked with the Health Professions Council to draft standards of proficiency for social workers, in preparation for the transfer of functions in 2012**

We reviewed our governance arrangements into a streamlined Unitary Board structure to increase accountability, scrutiny and risk management

# 18,150

Social work students registered with us and on a social work degree

 500+ people like this.

Use of social media channels, such as Facebook and Twitter, to communicate with registrants and stakeholders in a timely and cost effective way

**We held two events for social workers and social work students. They proved very successful with 75 per cent of attendees rating the events as excellent or very good**

We have played an important part in shaping the programme for reform of social work through our membership and contribution to the Social Work Reform Board

# 4,751

students graduated from a social work degree course

**We published 'A report on Social Work Education in England 2009-10' summarising the findings of an analysis of social work education data, which is a vital reference source for the social work sector**



We published the inspection reports of 77 higher education institutions offering the social work degree, giving prospective students a more informed choice when selecting a course

**We held six stakeholder forums to improve social work education and practise, and to ensure that stakeholders were behind us in our drive for better regulation. These focussed on topics such as the new risk management framework and education support grant funding**

# 85 per cent

of renewals processed within 15 days

# Our priorities

In July 2010, Government announced its intention to transfer our regulatory functions to the Health Professions Council (HPC) in 2012. Prior to the announcement we had identified six areas for organisational improvement. Following the transfer announcement we re-focussed our priorities into three key areas. Our commitment for the remainder of our tenure is to:

- deliver and improve until the day that we are not the professional regulator for social work;
- undertake an effective transfer of our functions providing for a positive legacy from the years that the GSCC has been in operation; and
- support and treat our staff with respect and care.

## Delivering and improving

We have already made progress in our aim to deliver and improve. This year we handled the three-year cycle of registration renewal very successfully. Changes to our renewals processes have resulted in a significant improvement to our processing times; from an average of 12 weeks in 2007-08 to just three weeks during 2010-11.

We have made improvements in our regulation of social work education and our quality assurance processes to improve the effectiveness of our conduct function.

## Transferring our functions

A Transfer Board has been established, which will oversee the details of the transfer. At this meeting, members review and discuss all elements of the transfer, from issues impacting on the transfer to how best to communicate the details of the transfer to our registrants and stakeholders.

This year we began drafting a number of Learning Reports. The primary purpose of the reports is to use the data and experience we have at our disposal to inform the sector about what we have learned about regulating social workers and social work education.

# Programme boards

## Staff care and respect

Following the news of our transfer we were very aware of the anxiety that would be caused by impending redundancy. We therefore developed the Employee Assistance Programme (EAP), which began in early 2011. This facility offers staff a counselling service, which is available 24 hours, 7 days a week. All calls are answered by qualified counsellors, and service provides a range of subject areas, both work and non-work related.

As well as the traditional 24-hour confidential counselling helpline, the service also includes online and telephone access to 'LifeTract', which provides support in preparation for future career development. To date 16 per cent of the workforce has made use of the service.

Following engagement with staff on non-financial initiatives to support retention and maintain motivation in the period of transfer, we held regular staff meetings to brief staff on the latest transfer developments and gather any feedback or concerns.

In order to deliver on our priorities, three improvement programmes have been established:

**Delivering Regulatory Excellence;**  
**Improving Social Work; and**  
**The Transition Programme**

These work across organisational boundaries in a focused manner and regularly report to the Executive Management Team and the Council Board.

# Delivering Regulatory Excellence

**The focus of this programme is on providing efficient and effective regulation. This programme is focussed on making our registration, investigation and panel arrangements as effective as possible so they can be utilised as a more unified model for regulatory excellence, focused on public protection, public confidence and the principles of good regulation.**

## Registration

### Maintaining the Social Care Register

We opened the Social Care Register on a voluntary basis to qualified social workers for the first time in 2003. Two years later registration became a legal requirement for all social workers practising in England, and shortly after the register was opened to social work students.

Registration is a thorough process, whereby a social worker's health, character and conduct are checked to ensure they are suitable to be working with some of the most vulnerable people in our society.

This year the number of registrants increased. As of 31 March, the number of social workers and social work students rose to 104,469, from 100,882 last year.

### Registration renewal

It is a legal requirement for social workers to renew their registration every three years. Registration renewal demonstrates that a social worker continues to be competent and safe to

practise, and that they have continued to develop their skills and knowledge in order to provide people with the best possible service.

Legislation protecting the title 'social worker' was introduced in April 2005. Consequently, we received a significant number of applications to join the register before the legislation came into force. As a result, a spike in demand for renewal of registration occurs every three years, and the period January to March 2011 saw the expiry of registration for over 30,000 social workers.

Based on feedback from the first cycle of mass renewals three years ago, we refined our processes to make the registration renewal more efficient for our registrants. We had originally planned to introduce an online renewal process via our online registration tool, MyGSCC. Following the notification of the decision to close the GSCC, this was deemed no longer viable and we developed a contingency plan for handling the high volume of renewal applications. We undertook a full review of our documentation and processes, and consequently we:

- reduced the application form from seven to four pages;
- introduced barcode scanning of forms to help us record receipt of forms quickly to assist with queries;
- introduced self-declaration of post-registration training and learning (PRTL) completion (we are sample checking two-and-a-half per cent of PRTL and require evidence to support the completion of the training and learning activities undertaken);
- strengthened the endorsement of the form to ensure that declarations made by the registrant and the completion of PRTL are checked by the endorser;
- employed additional temporary staff; and
- now offer the facility to pay renewal fees online.

Between 1 April 2010 and 31 March 2011, we renewed the registrations of 35,567 social workers. Of this number, 85

per cent were renewed within 15 days. In addition, 2,974 social workers were removed from the register for failing to renew their registration by the deadline.

### Improvements to registration services

Over the past 12 months the Delivering Regulatory Excellence programme has implemented changes which have led to improvements in how our registration services have been delivered.

We have improved how we allow access to MyGSCC, the online registration tool for registrants. To access MyGSCC registrants must request a secure access code to set up their account. Formerly, registrants were sent their access code in the post or via email. However, we identified a more efficient way of issuing the access code and have worked with a software developer so that registrants can access their code immediately. This new facility has improved the speed and quality of our service by reducing the potential for human error.

**3.5 per cent**  
increase in registrations

**35,567**  
social workers renewing their registration in 2010-11

**85 per cent**  
of renewals processed within 15 days

## Case study

We have made significant improvements in the assessment of applications from social workers who trained and qualified outside the UK, which were driven by a review of our interpretation of Directive 2005/36 EC (the Directive).

Under the requirements of the Directive, if an applicant holds a qualification that gives them eligibility to practise social work in their home EEA state that we do not recognise as being comparable to the UK social work degree, and their experience in practice does not bridge that gap, we must offer compensation measures.

These compensation measures include an aptitude test and an adaptation period. This has seen the number of applicants completing an aptitude test rising from around three per year to four per month during the second half of the year.

We are required to provide specific and detailed advice about the nature of the shortfall in their education and experience when compared with the standard required for registration. In order to provide this detailed assessment of international applications we work with a small team of external social work education experts. This change has improved the detail and quality of assessment reports provided to applicants.

In partnership with Skills for Care and Development and King's College London, we have completed a review of regulation of social work education and social work practice across the European Economic Area. The report will be published on our website and we will share its findings with other EEA member states. We will use the information gathered to inform our country specific knowledge when assessing international applications.

## Conduct

### The Conduct function

The vast majority of social workers and social work students carry out their work with professionalism, and behave in a way, both in and out of work, that is compatible with being part of the social work profession. However, where we receive information raising concerns about a social worker, it is our responsibility to determine whether this calls into question the registrant’s suitability to remain on the register and we undertake an investigation where necessary.

### Improvements to our conduct processes

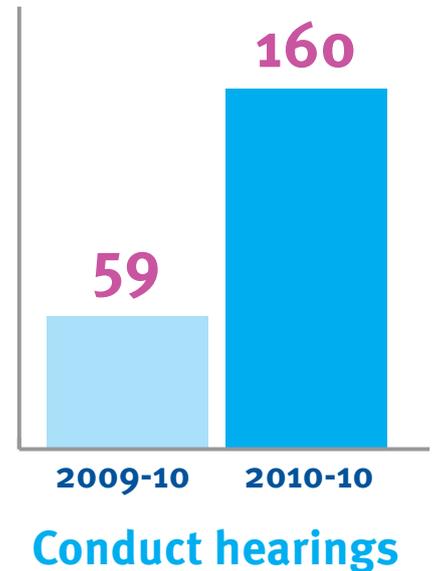
Over the past 12 months we have introduced a new Operations Manual, which was rolled out to all staff. This includes a revised detailed risk assessment framework. The Manual defines how we deal with complaints about misconduct, and assists staff by ensuring they work to the same guidelines, procedures and instructions. The Manual is reviewed on a quarterly basis but is augmented in the interim periods by way of Operational Bulletins. These Bulletins are then

incorporated into the Manual at the review to ensure it is up-to-date. We have established a Manual Review Group which ensures that any emerging issues are raised, addressed and incorporated into standing instructions.

In addition to this we have revised our approach to involving registrants who are the subject of a complaint. We now write to registrants at the outset of the investigation, outlining the allegations and inviting their written or verbal representations. This gives us a more even handed account of events, and we can then investigate the issues the registrant may raise and make more informed decisions at a much earlier stage. This has been part of our overall strategy to improve the quality of our investigations which has included obtaining more first hand information on cases.

### Improving conduct performance

We have dealt with an increased number of cases this year. We received over 25 per cent more referrals about social workers than last year; closed 13 per cent more cases at the initial stage; and 12 per cent more



at the investigation stage. The number of cases that went to a formal conduct hearing this year was 160, compared to 59 cases last year. As a result of these hearings, 68 registrants were admonished, 22 were suspended and 44 were removed from the Social Care Register. In two hearings the facts were not proved; misconduct was not proved in 21 hearings; and in three cases no sanction was imposed.

We significantly increased the throughput of conduct hearings this year due to the streamlining of our processes. We have achieved this increase whilst having a number of vacancies in key posts within the Investigation Team due to the Government recruitment freeze.

### **Panel member training**

This year we ran an open recruitment campaign for panellists and successfully recruited 21 panel members and chairs. This involved setting up and running assessment centres, interviews and a programme of induction and training.

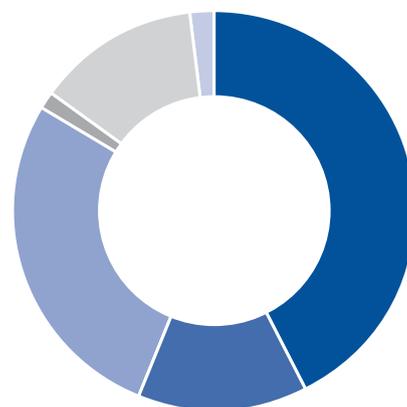
We have undertaken a significant programme of training for new Panel Members. This induction training focussed on increasing understanding of our Registration, Interim Suspension Orders and Conduct Committees. The purpose of the training was to ensure that new members understood the procedure under the Conduct and Registration Rules 2008, and understood the primary legislation and any relevant case law. Feedback received was very positive. Before sitting on panels new members also shadowed a Committee to observe. New Panel Chairs sat as members for their first committee to ensure they were confident to chair future panels.

Improvements have been made in communication with panellists with a refresh of their microsite and a monthly panel briefing which includes updates on corporate and operational matters. It also includes feedback and learning from review of hearing outcomes through the Outcome Review Group.

## Conduct hearings

This year we received 4,723 referrals about social workers and social work students. Of this number, 788 were transferred to our Investigations Team for further scrutiny.

During 2010-11 the average time taken to schedule a hearing from receipt of the case to conclusion was approximately four months. Some cases with more complex issues took longer. However, the faster scheduling time, allowing for prescribed timescales in the rules, shows how cases are being controlled and managed effectively to avoid unnecessary delay.



## Conduct outcomes

<b>Admonished</b>	<b>68</b>
<b>Suspended</b>	<b>22</b>
<b>Removed</b>	<b>44</b>
<b>Facts not proved</b>	<b>2</b>
<b>Misconduct not proved</b>	<b>21</b>
<b>No sanction imposed</b>	<b>3</b>

**4,723**  
referrals of social workers

**788**  
referrals transferred to our  
Investigations Team

# Improving Social Work

**This programme is focused upon improving standards in social work education and practice, and implementing and informing the social work reform agenda. We have been actively engaged in supporting the work of the Social Work Reform Board and the development of the College of Social Work. This has been a key focus for the Improving Social Work Programme and has led to a contribution to the Social Work Reform Board's Employer Standards Working Group, the Careers Working Group and the Education Working Group. Through this programme we have been able to align our current activities, particularly in relation to regulating social work education, with the expectations of the wider improvement agenda.**

## Social work education and training

### Our role in regulating social work education

High standards in social work begin at the point of initial training. A key area of our remit is to set standards for the regulation of social work education, approve higher education institutions (HEIs) to offer social work degree courses, and inspect existing courses to ensure high standards are met. If standards fall below the required level, we can refuse to re-approve a social work course.

In 2003 the social work degree was introduced, replacing a diploma-level qualification. In addition to a social worker's initial training, they must complete 15 days (or 90 hours) of additional training in each three-year period as a condition of continued registration.

One way for social workers to meet the training requirement is to undertake a GSCC-approved post-qualifying (PQ) course. Courses fall

under five different specialist areas of social work: social work with adults; social work with children and families; mental health; leadership and management; and practice education.

There are three levels of award: specialist; high specialist; and advanced level. All courses lead to an academic award at graduate, postgraduate or masters level. They are university-based, but the assessment of practice is at the heart of all awards, meaning work-based learning and assessment is a crucial part of any course.

### This year's cohort

This year, 6,387 students enrolled on to a social work degree course. This is up six per cent on last year's figure of 6,024, showing that social work is still a popular choice for students. In contrast, there was a 34 per cent decrease in the number of social workers enrolling on a GSCC-approved post-qualifying (PQ) course.

## This year's course approvals

This year the number of social work degree course approvals has risen 950 per cent on last year; we approved 21 courses compared to last year's two. Conversely, we approved eight PQ courses compared to 29 last year, a decrease of 72 per cent.

## Changes to our inspection programme

This year we introduced a risk-based inspection programme, which is in keeping with the principles of good regulation. At the heart of this programme is a traffic-light approach to risk assessment, whereby the calculated risk score is matched to a green, amber or red signal status. Each signal will be associated with proportionate regulatory interventions with weaker HEIs being subject to more intensive intervention and possible sanction.

This new risk based approach will mean that those programmes in which we have confidence are allowed increased autonomy, whilst others are subject to greater levels of scrutiny and audit. For most programmes, the impact will be minimal and beneficial in reducing regulatory burden.

## Publication of inspection reports

In summer 2010, we began publishing all HEI inspection reports on our website. In total, 77 institutions' monitoring reports were made public for the first time. This added element of transparency acts as a major motivator for improvement and gives potential social work students the information they need to make an informed decision about the institution they want to study at.

The decision to publish the monitoring and inspection reports was welcomed by the Social Work Task Force in its final report 'Building a safe and confident future'. It is hoped that the release of the reports will improve provision by highlighting best practice and encouraging universities to do more to attract the best students.

## Raising Standards report

Every year the GSCC reports on the information it collects about GSCC-approved social work courses (both qualifying and post-qualifying); the HEIs that provide them; and the students enrolled on them. Throughout the summer of 2010, we compiled and analysed large amounts

# 6,387

students on a social work degree course

# 6 per cent

increase in social work degree course sign up from 2009-10

# 21

new GSCC approved courses for 2010-11

**4,751**

**students graduated from a social work degree course**

**84,561**

**calls answered by our helpdesk between April 2010 and March 2011**

**93 per cent**

**survey respondents satisfied with enquiry response times**

of data on every aspect of social work education, and put together the 2009-2010 report that was published in January 2011. The main publication provides a highly comprehensive overview of social work education and its students in England.

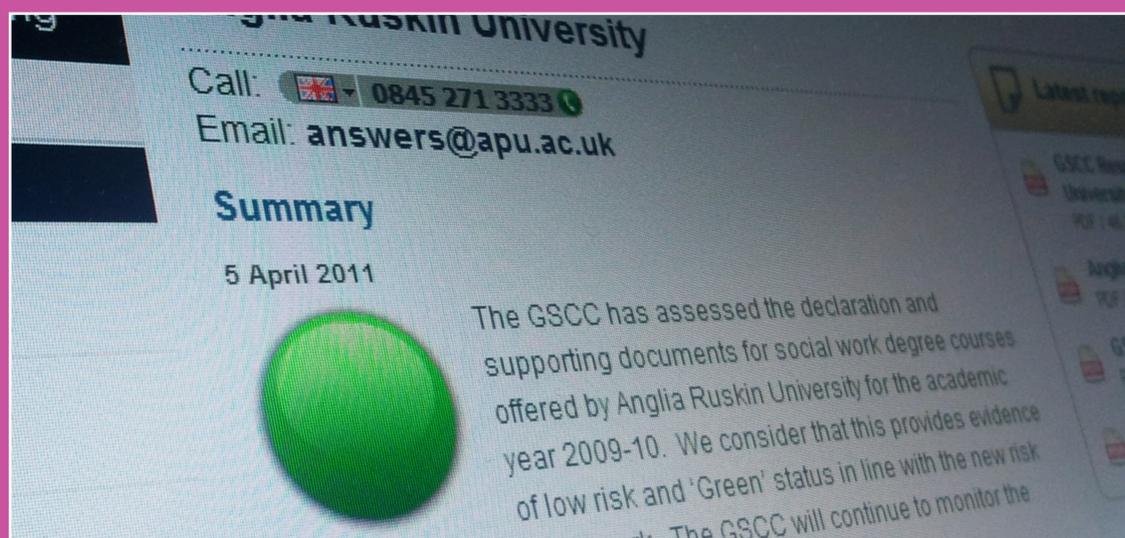
### **Contract with and first delivery of Higher Education Statistics Agency (HESA) data**

Until 2010-11, we were the only organisation that could give accurate data on the student population on our approved social work courses. Over the past year we have agreed a comprehensive set of validation rules with HESA, so that the data for students on GSCC-approved social work degree courses is now identifiable from their data set. The value of HESA data is that it is much richer and more complete, and can be used in comparison with other professions, such as medicine and psychology. HESA also carries out destination surveys at six months and three years to show what students are doing after graduation, to provide important workforce data.

### **Commitment to our registrants**

Our commitment to excellent customer service continues to flourish. This was illustrated in a fall in the number of complaints about our service, from 154 in 2009-10 to 144 this year. Between 1 April 2010 and 31 March 2011 our helpdesk answered 84,561 phone calls and replied to 21,992 customer emails.

In a recent customer satisfaction survey, which was completed by 100 people who had recently contacted our helpline or email service, 25 per cent said they received a response within a day. Forty per cent received a response within two days and only seven per cent had to wait longer than five days. Ninety-three per cent of respondents considered our response time to be acceptable. In the remarks section, customers commented “fast and clear response - thank you” and “the whole matter was dealt with in the matter of a few minutes... Brilliant, I wish everything was this easy.” Following customer feedback we have addressed issues with our new website and have set up an out of hours messaging service.



## Case study

This year we developed a new risk management framework for monitoring social work degree courses. Higher education institutions (HEIs) were asked to submit a self-declaration of risk based on their own quality assurance processes. Our Inspectors assessed the declarations to confirm that the risk status identified by the HEI was supported by a range of evidence.

We agreed with the majority of the self-declarations and most universities were confirmed as green (low risk). A very small number of universities declared themselves as amber (medium risk). However, our Inspectors were satisfied that these HEIs had put in place actions to address the identified risk. Two universities were given a red (high risk) score and were subsequently visited by the Inspector to investigate. At both universities the risks related to the systems for allocation, monitoring and auditing of practice learning opportunities. Since the inspection one of the universities has been reduced to amber risk and is continuing to undertake further actions to reduce their risk status to green. The other university has been reduced to green. The declarations and our responses were published on the website with a brief summary and coloured flag to show their risk status.

The new self-declaration process has proved a successful way of targeting regulatory resources to the universities that need it most and reducing duplication of effort. The majority of HEIs found the declarations less burdensome to complete than previous returns, and we were given confidence that universities' own quality assurance mechanisms ensure adherence to requirements.

**75 per cent**  
GSCC event delegates  
rating the day as  
'excellent' or 'very good'

**60,000**  
audience reach of *Social  
Work Connections*  
e-newsletter

### Social worker engagement strategy

Keeping our registrants and stakeholders informed, especially in run up to the transfer, is something we take very seriously. As a result this year we launched a new, interactive website, with a dedicated forum for social workers and social work students. The forum is a secure area of the website that allows registrants to engage in dialogue with their peers. In addition we have introduced a social media strategy as a cost effective way of communicating with registrants and stakeholders.

In March 2011 we held two social worker events, which explored prospective sector changes and gave registrants the opportunity to ask questions about the transfer of our functions to the HPC. We used these events to outline the Social Work Reform Board's proposals and fed the attendees' views back to the Reform Board.

The events were free to attend and interest in them far outweighed the number of places available. At each event more than two-hundred registrants applied for 100

places and overall satisfaction with the events was high, with 75 per cent rating them as excellent or very good.

Our registrant e-newsletter, *Social Work Connections*, continues to reach a large audience, with over 60,000 people receiving it each quarter. Of this number at least 25 per cent open the email, suggesting that on average 15,000 people regularly read it.

### Employer engagement strategy

Research carried out in 2009 identified that employer awareness of the GSCC was fairly low, with a quarter of employers saying they lacked knowledge of the GSCC. This was a concern to us as employer cooperation around regulation, registration and conduct procedures is critical to our ability to regulate the profession effectively.

In order to raise awareness of our role and inform employers of important reforms in the sector, we implemented an employer engagement strategy. As part of this strategy we embarked upon a series of meetings

with employers, we have presented at employer events and launched a quarterly e-bulletin in November 2010 which has approximately 300 subscribers so far.

### **Safeguarding Vulnerable Groups Act 2006**

Under the Safeguarding Vulnerable Groups Act 2006 we have a duty to refer social workers and social work students to the Independent Safeguarding Authority (ISA) if certain referral criteria are met. The ISA can take into account the information that we provide when deciding whether to bar a person from working with children, vulnerable adults, or both.

This year we have developed and implemented a robust decision-making framework for ISA assessments, to ensure we are fully compliant. Each decision to refer or not to refer, for which we are accountable, is fully documented and signed-off at the appropriate level. We were one of the first professional regulators in the UK to develop such a framework, and we have worked closely with other bodies, including the GMC and other health professional regulators, to share the learning from this process.

### **Developing a memorandum of understanding with the Care Quality Commission**

The relationship between the professional regulator and the service regulator is crucial to maintaining public protection and high standards of service. This year we have worked closely with the Care Quality Commission to develop a memorandum of understanding that would have the maximum positive impact on public protection. The resulting agreement commits both bodies to sharing concerns about organisations and individuals in adult social care, to ensure that any intelligence that could contribute to public protection is not missed by either body. It represents a significant step to improve joined-up working in the sector.

### **The Social Work Reform Board**

Over the past 12 months we have made significant contributions to the reform agenda. We have worked closely with the Health Professions Council (HPC) to draft standards of proficiency for social workers in advance of the transfer of our functions to the HPC in 2012.

We have played an important role in supporting the Social Work Reform Board's activities. The Chief Executive is a member of the board and other officers have served on the three main working groups.

The Employers Standards Working Group has developed a draft set of standards which set out amongst other things the expectation that employers will support professional registration of their staff and provide appropriate supervision arrangements.

We have also contributed to the work of the Careers Working Group to develop a Professional Capabilities Framework, which will be used to underpin the career development framework for social workers, and the new training curriculum for social work students. We drew on our experience of PQ courses and continuous professional development (CPD) to work with others to develop a new CPD framework for the social work profession.

We have worked within the Education Working Group to consider how the quality and consistency of social work education can be improved in the light of the transfer of functions to the HPC. A GSCC staff member has also been seconded to the Joint Social Work Unit to assist in the development and delivery of the Reform Board's recommendations.

We used our social worker events to gather feedback from registrants on proposals for employer standards and a professional capabilities framework, which we then fed back to the Social Work Reform Board.

# The Transition Programme

**The programme is focused on the efficient and effective transfer of our functions into the HPC (and other agencies), and our subsequent closure. We will be taking this work forward in a manner that reflects our professionalism and the importance we place upon the welfare of our staff and protection of the public.**

In July 2010, the Government announced that GSCC functions will be transferred to the Health Professions Council (HPC) initially no earlier than April 2012. In light of the Government's pause and engagement regarding the Health and Social Care Bill, the transfer has been delayed and will now take place no earlier than July 2012. Planning work has progressed well to identify the key activities, timelines and personnel to enable a smooth transfer.

The Transition Programme has seven workstreams which cover: staffing arrangements; data migration; communications; registration and conduct operational management; education; governance and closure; and assets and liabilities. These workstreams are in place to ensure standards are upheld and public protection is maintained during the transfer.

Throughout the year the internal governance of the Transition Programme has evolved to reflect the growing complexity and the importance of making the handover as smooth as possible, whilst maintaining our focus on public protection.

The Chief Executive is also at the forefront of managing our relationships with key stakeholders in Government (Department of Health and Department for Education) and HPC. The principal forum is the Social Work Regulation Oversight Group (SWROG) where we, along with the DH and HPC, discuss the strategic direction for the transition. The DH is also informed on progress through bi-monthly accountability meetings.

## **Key achievements for the Transition Programme are:**

- We reached agreement with HPC as to the data to be transferred to them, including the provision of the student section of the Social Care Register.
- We reached agreement with the HPC to implement a shared approach to the transfer and to manage the staffing implications.
- Agreement reached with DH and HPC as to the applicability of TUPE-like arrangements for GSCC staff.
- We have implemented an enhanced staff care arrangements through the implementation of an Employee Assistance Programme.

- We maintain regular contact with the HPC at Board, Chief Executive and the Leadership Team to manage the implications of the transfer.
- We have engaged with the College of Social Work as to the future management of the Education Support Grants for social work students.
- We have established a joint communications plan with HPC.
- We have produced detailed operational planning and key milestones have been identified for the sound delivery of functions to HPC, whilst managing our public protection responsibilities.
- We have successfully completed an internal audit of our transfer governance arrangements, which was given the highest possible grading.
- We have proactively worked with the Care Councils of Scotland, Wales and Northern Ireland to help them manage issues arising from our abolition. In particular, to agree data transfer arrangements as they move to new IT systems.
- We have monitored and analysed staff turnover to proactively manage the risks to capacity of staff leaving to find permanent employment elsewhere.

### Programme management

There has been a step change in the way we have put programme management arrangements in place in the GSCC. Our three programmes are co-ordinated through our Executive Management Team and this discipline has also brought about improvements elsewhere in the organisation in the way we have managed improvements to our day to day operations. During the past 12 months these arrangements were subject to an internal audit and were subsequently afforded the highest possible grading.

### Commitment to our staff

In order to support our staff through the transfer, we have placed a big emphasis on staff care and effective internal communications. This began with the development of organisational values into meaningful definitions to support an understanding of what it means to work at the GSCC.

## Internal communications

We are strongly committed to communicating effectively with our registrants, especially during this time of change. We are aware of the anxiety felt by many staff members by the prospect of redundancy and have therefore taken a number of steps to ensure staff members are aware of any new developments.

We have introduced a weekly Chief Executive's blog on our intranet site which highlights any key issues that staff ought to be aware of, such as policy developments and information about meetings the GSCC has been involved in and their outcome. The blog has the facility for staff to post questions about any of the issues raised and encourages two-way communication with senior management. A frequently asked question document has been added to the intranet for staff to consult.

In the past we have held an annual staff event. However, in the current climate, where changes which affect staff

are happening on a regular basis, we have begun holding shorter, more regular briefings for staff, which are held every three to four months and led by the Executive Management Team. All staff members are required to attend and are encouraged to take part in discussions about the transfer.

In addition to the blog and staff information days, we cascade a monthly team briefing to all staff. This highlights key discussions from meetings attended by heads of each department across the organisation.

## Training and development

As part of the 2010-11 review of training and development requirements to support delivery of the business plan, Leadership and Management Development Programmes were identified as an important facet to support building capacity and a more enabling culture.

An example of this can be seen in the participation of GSCC in the Department of Health's Arms Length

Bodies Talent Management Programme known as the Hubbub. This collaborative and bespoke leadership development programme provides a progressive approach to leadership development where applicants can obtain a place on accelerated leadership modules through a series of assessed development centres. This year, seven GSCC applicants have successfully achieved places on the accelerated pathway compared to just one last year.

### Employee Assistance Programme

Following engagement with staff on non-financial initiatives to support retention and maintain motivation in the period of transfer, we introduced an Employee Assistance Programme. As well as the traditional 24-hour confidential counselling helpline, the service also includes online and telephone access to 'LifeTract', which provides support in preparation for future career development. To date 16 per cent of the workforce has made use of the service.

# 6

**communication channels to keep staff informed of organisational news**

**600 per cent increase of GSCC staff applications to ALB programmes**

# The Board

The GSCC's Board members determine the organisation's strategic direction, scrutinise performance and hold the Chief Executive to account. The Board, which is made up of nine members, is selected by the Appointments Commission on behalf of the Secretary of State for Health. The Board meets publicly five times a year and has a majority of lay members. Board members have experience across the spectrum of social work, either as people who use services, carers, or service providers from the public, private or voluntary sectors.

The GSCC has two advisory committees, which are made up of Board members. The committees work closely with the Executive Management Team and advise other members of the Board on key areas of business. The two advisory committees are the Audit and Risk Committee, and the Remuneration Committee.

## Lay members



### **Rosie Varley OBE (Chair)**

Rosie took up the role in November 2008. In the past she has chaired other regulatory bodies, including the General Optical Council and Acting Chair of the Council for Regulatory Excellence.



### **Jill Crawford OBE**

Jill has a background in service user involvement and regulation. She is also on the board of social enterprise organisation IMUK (Independent Midwives UK) and is an independent advisor on maternity service issues.



### **David Plank**

David currently holds several positions including Chair of the Professional Conduct Committee and Chair of the General Osteopathic Council. David joined the Board in 2009.



### **David Prince CBE**

David joined the Board in 2007. He is a former chief executive of The Standards Board for England and has held senior positions at the Audit Commission and District Audit.



### **John Tate**

John is a barrister and until recently was Director of Legal Services at the Independent Police Complaints Commission. He has been a senior civil servant for more than 20 years. John joined the Board in 2009.

## **Non-lay members**



### **Terry Butler CBE**

Terry is an independent advisor in public services and social care. He is a registered social worker and was Hampshire County Council's Director of Social Services. Terry is in his second term as a member of the Council.



### **Robin Currie**

Robin is an independent advisor in voluntary sector management and a Senior Research Fellow at Liverpool Hope University. He is a registered social worker and joined the Board in 2009.



### **Gordon Ratcliffe**

Gordon is currently a senior manager in the NSPCC. He is a registered social worker with 35 years' experience of delivering and managing child protection services. Gordon has a particular interest in service user participation.



### **Hilary Tompsett (Vice-Chair)**

Hilary is the head of two university schools of social work and chairs the Joint University Council Social Work Education Committee (JUC SWEC). Hilary was appointed to the Board in 2008 and took over as Vice-Chair in April 2010. Hilary is a qualified social worker

# The Executive Management Team

The GSCC's Executive Management Team comprises our Chief Executive and three directors who are responsible for leading the organisation and setting its strategic direction.



**Penny Thompson**  
**Chief Executive**

Penny joined the GSCC as Chief Executive in March 2010. She has over 30 years' experience as a senior public services manager including 10 years' experience as a frontline social worker.



**Michael Andrews**  
**Director of Regulatory Operations**

Michael Andrews took up the post of Director of Regulatory Operations in May 2010. He has significant experience in the regulation of healthcare workers.



**Sherry Malik**  
**Director of Strategy and Social Work Education**

Sherry joined the GSCC in 2010. Sherry has worked in the public sector for 25 years in a range of leadership and management roles. Sherry is a qualified social worker.



**Chris Savory**  
**Director of Corporate Resources (Interim)**

Chris joined the GSCC in April 2010. He is an experienced public sector Finance and Corporate Resources Director.

# Management Commentary

## Financial position

For ease of cross referencing to the primary Financial Statements and the Notes to the Accounts presented later in the Annual Accounts section of the report, references have been included where appropriate and are shown in [ ]. The cross references relating to the Financial Statements are:

- [SFP] for Statement of Financial Position as at 31 March 2011;
- [SCF] for Statement of Cash Flows for the year ended 31 March 2011;

- [SCNE] for Statement of Comprehensive Net Expenditure Account for the year ended 31 March 2011.

The cross references used in relation to information shown in the Notes to the Accounts are identified by reference to the Note number, for example [N4] for the information on Education support grants.

## Financing and income

### Government grants

Table 1: Grant Type	2010-11	2009-10
	£000s	£000s
Education support grants (ESG)	27,966	26,596
Core grant	8,253	8,529
Specific grants <sup>1</sup>	N/A	7,150
Capital grants	1,120	800

GSCC is funded predominantly by its sponsoring department, the Department of

Health (DH) with various Grants in Aid. In 2010-11 the GSCC had confirmation of Cash Grants as detailed above. The ESG was all drawn down in full.

The core and specific grants support management and administration costs.

The core grant of £8.253m (2009-10 £8.529m) was all drawn down in full.

The GSCC via quarterly business cases drew down a further £7.797m (2009-10 £4.546m) of specific grants.

Following the Government's announcement to transfer GSCC activities to HPC the key capital grant funded project (e-enablement) ceased and as such access to this grant was no longer required (2009-10 £700k).

Making the total value of grants drawn down £44.016m [SCF] (2009-10 £40.371m).

<sup>1</sup> There was no formal confirmation. Access to this grant in 2010-11 was through a formal process of submitting quarterly financial business cases to the DH.

## Non-grant Income

In addition to Government grants, the DH allows the GSCC to retain registration fee income from qualified social workers and students, and income from recharges and fees. For 2010-11 the GSCC projection from this

was £3.578m. The actual non-grant income receivable [N7] totalled £3.803m (2009-10 £3.391m) and was made up of:

<b>Table 2: GSCC Income</b>	<b>2010-11 Outturn</b>	<b>2009-10 Outturn</b>
	£000s	£000s
Social Worker registration fees	2,975	2,533
Rentals from operating leases	570	571
Recharges to devolved social care authorities	242	266
Other operating income	16	21

## Expenditure

<b>Table 3: Activity</b>	<b>2010-11 Outturn</b>	<b>2009-10 Outturn</b>
	£000s	£000s
Operating activity	19,146	18,696
Distribution of ESG	28,148	26,570
<b>Total Operational activities</b>	<b>47,294</b>	<b>45,266</b>
Capital activity	111	914
<b>Total Cash Expenditure</b>	<b>47,405</b>	<b>46,180</b>

Table 3 above shows how the GSCC utilised the DH grants and non grant income on operational (including transformation) activity, capital activity and distribution to higher education institutes as ESG.

GSCC's gross operating cost [SCNE] in 2010-11 was £48.729m (2009-10 £47.811m) and included the following items not shown in table 3.

<b>Table 4: Non cash items</b>	<b>2010-11 Outturn</b>	<b>2009-10 Outturn</b>
	£000s	£000s
Depreciation	2,216	2,191
Loss on revaluation of assets	73	-
Provision	109	383
Pensions current and past service costs	(1,284)	(340)
Return on Pension Scheme Assets	321	311
<b>Total Operating Expenditure</b>	<b>1,435</b>	<b>2,545</b>

### Education Support Grants

Payments made on education support grants [N4] increased to £28.148m in 2010-11 from £26.570m in 2009-10. The actual spend was slightly more than the budget of £27.966m because more HEIs underestimated their

placement need for academic year 2009-10 than in previous years, resulting in higher payments compared to budget. Also, those HEIs that overestimated their placement need did so by a smaller margin than in all previous years.

<b>Table 5: Distribution of ESG</b>	<b>2010-11 Outturn</b>
	£000s
To higher education institutions to support practice learning opportunities for social work degree courses	27,245
To higher education institutions to support the involvement of people who use services and carers in the design and delivery of the social work degree	658
Payments to voluntary organisations supporting members of staff to undertake the social work degree	245
Return of unspent funds	0
<b>Total Operating Expenditure</b>	<b>28,148</b>

### Risk and uncertainty

A comprehensive statement on the GSCC's internal control forms part of these Accounts. The statement covers the scope of responsibility of the GSCC's Accounting Officer, the purpose of the system of internal control,

the GSCC's capacity to handle risk, the GSCC's risk and control framework, a review of the effectiveness of internal control in the year, and any significant internal control problems that have occurred.

### Managing Risk in Financial Instruments

The GSCC has no borrowings and relies primarily on departmental grants for its cash requirements. Neither does the GSCC have material deposits. All material assets and liabilities are denominated in sterling. The GSCC therefore manages a continuing liquidity risk but is not exposed to any interest rate or currency risks.

The GSCC does have trade debtors. As the majority of these Debtors are prepayments and social worker registration income, they are considered to have minimal risk to the GSCC.

## Critical Accounting Judgements - Pensions

Essex County Council manage the assumption applied to the valuations of the local Government Pension Scheme and management have ultimate responsibility for these assumptions. The accounting policy applied by the GSCC is as detailed in note 1.7 to the

accounts. Provisions for known deficits are included within non current liabilities on the balance sheet. Any significant movement in financial markets may adversely/favourably impact the actuarial valuations of the scheme.

## Going Concern

The preparation of the 2010-11 accounts does not in any way pre-empt the enactment of legislation and as such the accounts are prepared on a going concern basis.

## Auditors

The GSCC is audited by the Comptroller and Auditor General. The Chief Executive, as Accounting Officer, has responsibility to ensure that there is no relevant audit information of which the auditors are unaware and has taken all necessary steps to make herself

aware of any relevant audit information and to establish that the GSCC's auditors are aware of this information. The GSCC employs Moore Stephens LLP to provide internal audit services.

## Payment of creditors

The GSCC complies with the Confederation of British Industry's (CBI's) Better Payment Practice Code. Unless the amounts charged are considered to be wrong, the GSCC's policy is to settle invoices within contractual periods, and in the absence of contractual provisions, within 30 days of the date of receipt of goods and services or receipt of a valid invoice, whichever is later.

For invoices received between 1 April 2010 and 31 March 2011, 91% (2009-10 96%) of invoices by number were paid in accordance with these terms. No claims were received from suppliers for statutory interest under the Late Payment of Commercial Debts (Interest) Act 1998.

## Employees

The GSCC has adopted principles of openness and participation in its organisation and places a high level of importance on both informing and consulting staff. It does so by providing access to Council papers and management minutes, through oral and written briefings and by staff meetings. Information is only withheld where this can be shown to be justified or where a duty of confidence is owed to a third party, in accordance with the Data Protection Act 1998.

The Council has a formal recognition agreement with the Unite trade union, through which staff are informed and consulted about all aspects of their employment.

As at 31 March 2011, an average of 9 working days were lost due to sickness per full time equivalent staff member in the previous 12 months. This represents 3.6% of working days.



**Penny Thompson**  
Chief Executive

Date: 30 June 2011

# Remuneration Report

The Companies Act section 234B and schedule 7A include requirements for the disclosure of information about directors' remuneration. These requirements are interpreted in HM Treasury's Financial Reporting Manual (FRM) (paras 7.2.21 – 29) and are covered in the paragraphs below.

## Delegation from the Department of Health

The DH and the GSCC have an agreed management statement and its associated financial memorandum. These documents set out the broad framework within which the GSCC will operate, in particular the rules and guidelines relevant to the exercise of the GSCC's functions, duties and powers; the conditions under which any public funds are paid to the GSCC; how the GSCC is to be held to account for its performance.

## Remuneration Committee

In accordance with its Standing Orders, the Council has established a Remuneration Committee. The Council has set terms of reference (TOR) for this committee 'to advise the Chair on matters relating to the performance and review of remuneration of the Chief Executive and to advise the Council on matters relating to the recruitment of any new Chief Executive'.

The Committee shall consist of three members including the Chair of the Council, the Vice-chair of the Council and one other. Membership will be agreed by the Council annually. The Chair of the Council will act as Chair of the Committee.

## Chief Executive's remuneration

The Chief Executive joined GSCC on 22nd March 2010 for a period of handover from the previous interim post incumbent and officially started in the role as Chief Executive on 31 March 2010. Chief Executive remuneration is determined in line with the Department of Health's Pay Framework for Very Senior Managers in Strategic and Special Health Authorities, Primary Care Trusts and Ambulance Trusts. The Chief Executive is an ordinary member of the Local Government Superannuation Scheme, to which GSCC is an admitted body. The Chief Executive has a notice period of 12 weeks and there is no provision made in the accounts for early retirement of the Chief Executive. Details of Chief Executive remuneration during 2010 -11 are contained in the table 6.

The GSCC's former Chief Executive made an employment claim and the claim was settled.

## Staff's remuneration

The management statement and financial memorandum states that 'terms and conditions for staff [including senior managers] are decided by the GSCC. Any increases will be subject to a performance related pay scheme.' The Council has delegated this responsibility to the Chief Executive in the appendix to the Standing Orders where in paragraph 4 (e), the Chief Executive may 'make arrangements necessary relating to the employment of staff, their terms, conditions and pay.'

Standing Financial Instruction 16.7 reaffirms this delegation. In this context therefore decisions about the remuneration of GSCC staff (excluding the Chief Executive) are taken on the authority of the Chief Executive, who may take advice as necessary.

The GSCC commenced a comprehensive pay and grading review in 2010, however this review ceased upon the announcement of the GSCC abolition now no earlier than July 2012.

With consideration for this and the contractual nature of GSCC's performance pay structure, the Department of Health agreed the 2010-11 pay award. The 2010-11 pay award had been negotiated between GSCC and the Unite Trade Union, based on progression through pay points as a result of annual performance assessment.

The general contract of employment for GSCC staff is not time limited. The notice periods on appointment for staff are four weeks, eight weeks or 12 weeks depending on their grade. Notice periods for staff increase on the anniversary of their appointment up to a maximum of 12 weeks.

The majority of the GSCC's employees are eligible for membership of the Local Government Pension Scheme (LGPS) via an admission agreement with Essex County Council Pension Fund. The scheme is a multi-employer defined benefit scheme. The GSCC has implemented International Accounting Standard 19, retirement benefits in full. Note 19 to the Annual Accounts provides full details. Information on the remuneration of staff is covered in Note 5 to the Annual Accounts.

## Senior managers' remuneration

As required by the FReM, GSCC has provided in the two tables below information on the salary and pension rights of named individuals who are the "most senior managers" of the GSCC, and the Council members.

Senior managers at the GSCC who are permanently employed have the standard terms and conditions of employment as for other staff. All permanently employed senior managers have open-ended contracts. All permanently employed senior managers have notice periods of 12 weeks. There is no provision made in the accounts for early retirement of senior managers.

## Pension entitlements of senior managers

The table below shows the cash equivalent transfer value (CETV) accrued at the beginning and end of the reporting period. Also shown is the increase in CETV effectively funded by the employer. It takes account of 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). A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

The information in the table on the next page has been subject to an external audit.

<b>Table 6: Permanently employed Senior Managers</b>	<b>Penny Thompson</b>	<b>Sherry Malik</b>	<b>Michael Andrews</b>
Date of appointment	22/03/10	14/04/10	17/05/10
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Remuneration year ended 31/03/11	145-50	95-100	75-80
Real increase/ (decrease) in accrued pension and lump sum over year	33	18	12
Total accrued pension at 31/3/11 and related lump sum	33	18	12
CETV* at 31/3/10	N/A	N/A	N/A
CETV* at 31/3/11	33	18	12
Real increase / (decrease) in transfer value over year net of adjustment for market conditions	N/A	N/A	N/A

CETV - cash equivalent transfer values

## Interim Senior Managers

As required by FReM 7.2.21 (l) details of amounts payable to third parties for services

of interim senior managers are disclosed in the table below.

<b>Table 7: Third Party</b>	<b>Senior Manager</b>	<b>Dates to/from</b>	<b>Cost £000s</b>
Gatenby Sanderson Ltd	Hilary Lloyd*	01/04/10 – 17/05/10	11
David Clark	David Clark**	01/04/10 – 05/05/10	11
Ogders Berndtson	Chris Savory**	27/04/10 – 31/03/11	222

\* Director of Regulation

\*\* Director of Corporate Resources

## Remuneration of GSCC Council Members

The remuneration for members of the Council is determined by the Secretary of State. The Chair of Council is appointed for a three year term and Council Members for up to four year terms. Both the Chair and Council Members can be re-appointed for an additional term. There is no notice period for the Chair or Council Members.

Members of the Council are paid by the GSCC. Members of the Council do not receive a pension. The table below shows details of remuneration of members of Council during 2010-11 and 2009-10.

<b>Table 8: Chair of Council and Council Members</b>	<b>Appointment Start / End date</b>	<b>Remuneration 2010/11</b>	<b>Remuneration 2009/10</b>
		£000	£000
Varley, R (chair)	Started 01/11/08	45 – 50	45 – 50
Bostan, H	Ended 31/03/10	N/A	5 – 10
Butler, T	Started 13/10/05	10 – 15	10 – 15
Crawford, J	Started 01/09/09	5 – 10	0 – 5
Currie, R	Started 01/09/09	5 – 10	0 – 5
Henwood, M	Ended 30/04/10	0 – 5	5 – 10
Knight, J	Ended 31/07/09	N/A	0 – 5
Leadbetter, M	Ended 30/04/09	N/A	0 – 5
Marsh, H	Ended 31/08/09	N/A	0 – 5
Plank, D	Started 01/05/10	5 – 10	N/A
Prince, D	Started 03/09/07	5 – 10	5 – 10
Ratcliffe, G	Started 01/09/09	5 – 10	0 – 5
Tate, J	Started 01/09/09	5 – 10	0 – 5
Tompsett, H	Started 01/09/08	10 – 15	10 – 15

**Penny Thompson**  
Chief Executive

Date: 30 June 2011

# General Social Care Council Accounts 2010-11

# Statement of the GSCC's and Chief Executive's Responsibilities

Under Section 18 of Schedule 1 to the Care Standards Act 2000, the General Social Care Council is required to prepare a statement of accounts for each financial year in the form and on the basis directed by the Secretary of State for Health, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the GSCC's state of affairs at the year end and of its surplus/deficit, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the GSCC is required to:

- observe the accounts direction issued by the Secretary of State with the consent of the Treasury, 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 as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer for the Department of Health has appointed the Chief Executive as the Accounting Officer for the GSCC. The Chief Executive's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which they are answerable and for the keeping of proper records, are set out in the non-departmental public bodies' Accounting Officer Memorandum issued by the Treasury and published in *Managing Public Money*.

# Statement on Internal Control

## 1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports:

- the obligations laid down, or arising from, the Care Standards Act 2000, which sets out the constitution, general powers and duties of the GSCC;
- the GSCC Management Statement and Financial Memorandum, which was agreed in September 2002 by the Minister of State for Community Care. It sets out the broad framework within which the GSCC is expected to operate, including how the GSCC is to be held to account for its performance. The document covers responsibilities and accountability; planning, budgeting and control; and external accountability;
- the achievement of GSCC's policies, aims and objectives; whilst
- safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

I was appointed as the Chief Executive (Accounting Officer) on 31 March 2010 and I am fully responsible for the day-to-day management of the GSCC and for having in place effective systems of risk management and internal control. I am accountable to Parliament and to the Principal Accounting Officer of the Department of Health for the efficient management and overall performance of the GSCC.

On 26 July 2010 the Government announced

the transfer of regulatory functions from the GSCC to the Health Professions Council (HPC) by no earlier than April 2012, subject to the satisfactory progression of the legislation through Parliament and Royal Assent being granted. The announcement required modifications to the ambitious programme of change that had been set out for the year and commenced by refocusing the number of improvement programmes from six to three. Significant planning work has identified key activities, timelines and personnel to enable a smooth transfer to the HPC and, for some functions, other bodies. The programmes taken forward are Transition; Delivering Regulatory Excellence; and Improving Social Work. The transfer has been, and will continue to be, a key focus and we are fully committed to an effective transfer whilst remaining dedicated to service delivery and public protection.

On 13 April 2011 the DH announced that the 'pause' in the passage of the Health and Social Care Bill would mean that the transfer of GSCC functions would now happen no earlier than 1 July 2012.

## 2. The purpose of the system of internal control

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

The system of internal control is based on a continuous process designed to identify and prioritise the risks to the achievement of GSCC's policies, aims and objectives; to

evaluate the likelihood of those risks being realised and the impact should they be realised; and to mitigate and manage them efficiently, effectively and economically.

The system of internal control has been in place in the GSCC for the year ended 31 March 2011 and up to the date of the approval of the Annual Report and Accounts and accords with Treasury guidance.

### 3. Capacity to handle risk

The Management Statement and Financial Memorandum sets out the arrangements for sponsorship by the Department of Health (DH). As Chief Executive I have fortnightly telephone meetings with our main sponsor, and formal accountability meetings involving the Executive Management Team take place in alternate months.

In addition, I have frequent contact with officials from both the DH and other Departments, particularly the Department for Education, with whom the GSCC works closely to ensure that our operations reflect the Government's priorities and objectives. Officials from the DH and Department for Education, on occasion, attend the GSCC's Council Board (the Board) meetings and have an open invitation to attend all such meetings. They are provided with the papers for the Board.

The DH receives the papers of the Audit and Risk Committee of the Board. The Board sets the Committee's work plan through its terms of reference and Board members receive all papers. A written report is produced for the Board following each meeting to detail the business undertaken and the views and

advice from the Committee on any issues they consider the Board or the Accounting Officer should be taking action on.

In accordance with the agreed Management Statement, Ministers are involved in the management of risk through the approval process of the GSCC's annual Business Plan and the three-year Corporate Plan. In terms of their content and structure the Business Plan and Corporate Plan comply with DH guidance. The Corporate and Business Plans include sections on accountability and governance, management of strategic risks and sensitivity analysis together with a copy of the GSCC's strategic risk register. The section on management of risks details the arrangements the GSCC has in place to deliver a risk management framework that allows early identification of risks and appropriate risk control measures to be put in place.

The Audit and Risk Committee reviews, on behalf of the Board, the establishment and maintenance of an effective system of governance, internal control and risk management. The Committee reviews the adequacy of all risk and control related disclosure statements, together with any accompanying internal audit statements, prior to endorsement by the full Board.

The internal audit strategy and annual audit plan are submitted each year to the Head of Internal Audit at the DH.

I attend Audit and Risk Committee and Board meetings, and have ultimate responsibility for the reports submitted to them.

The Director of Corporate Resources is the designated Risk Management Co-ordinator for

the GSCC with responsibility for leadership on the effective delivery of risk management and internal control. During 2010-11 the Corporate Risk Register has been considered at Leadership Team meetings, comprising all heads of services and the Executive Management Team (EMT). The programmes and projects undertaken by the GSCC include both an assessment of initial risk and continuous risk management.

In 2010 the Board initiated a review of its governance arrangements, with support from external consultants, and in September 2010 they were revised to a more streamlined “Unitary Board” structure. The Board is collectively responsible for decision making and sets the strategic direction of the organisation. All business is transacted at the Board rather than through Committees, enhancing levels of accountability, scrutiny and risk management. There are two advisory committees (Audit and Risk and Remuneration) to support the Board with their scrutiny of the work of the Executive.

The Board receives regular programme reviews (including the Transition programme), quarterly quality assurance reports, risk management reviews, the Annual Report, monthly performance reports that highlight performance exceptions, budget reports and approves the budget. An extranet facility for Board members has been introduced to allow members access to all data online for more detailed scrutiny and transparency.

The Board has also identified Lead Members who focus on particular areas of the GSCC. This increases understanding and accountability; it also helps in clarifying the different roles of Board and executive members.

#### 4. The risk and control framework

The GSCC’s Risk Management Strategy sets out the key features of the risk management and assurance framework and provides guidance for staff on their role in the process. The GSCC has a two-tier risk management structure comprising a strategic risk register, which identifies risks to the organisation as a whole, and a corporate risk register informed by the active risk management of our programmes (and as the year progresses the profile of transfer registers) and team risk registers, which identifies risks to delivering key aims and objectives set out in the Business Plan.

During 2010 the GSCC’s Board approved proposals, shaped by the Audit and Risk Committee, for a revised risk management and assurance framework that aligns risk even more closely to business planning and provides for a tighter focus on the most critical strategic risks to the effective delivery of the Council’s public protection objectives, and a stronger and clearer line of accountability through the Executive Directors for the management of these risks. To strengthen the link between risk management and business planning the post of Internal Controls Advisor moved from Finance into the Performance and Planning team and is now more closely involved in the business planning and improvement programmes.

The key principles underpinning the framework are that risk management should be proportionate to the needs, size and complexity of the GSCC and to the public impact of our work; and that risk management and assurance should together provide a coherent framework for management and accountability.

The Audit and Risk Committee systematically review each of the strategic risks quarterly as part of an in depth review and the Board receives three reports during the year on the management of the strategic risks, including the consideration of one of these reports in a workshop forum. In addition, Directors are required to provide me with an assurance statement twice a year that assesses the status of risk management in his / her directorate and details any exceptions that have occurred over the period.

Both the strategic and the corporate risk registers are available to staff on GSCC's intranet. The registers identify risk owners and control actions along with progress and next steps. Version control records revisions and updates to the register, allowing risk owners to identify and respond to developments easily and in a timely fashion.

We have embedded a culture where risk is not just a process but is integral to everything we do. Risks are identified in a variety of ways, including by general and continuous review of operations, evaluation of new opportunities and developments and by assessment of complaints and incidents. All the reports to the Executive Management Team (EMT) and to the Board and its committees include a section, within the standard report template, on risk implications and performance reports now include risks to the achievement of targets. The Board has increased the visibility of risks through the reporting of risk registers, and also the in depth reviews of the programmes (each programme is reviewed quarterly), this ensures that risks take proper account of transition.

Other regular reports, such as performance indicators, summaries of customer complaints,

and budget monitoring are produced for EMT meetings, Board meetings, and for discussion at accountability meetings with our sponsor department. At each meeting the Board receives integrated performance reporting and budget information. This was previously provided quarterly however I have increased the frequency of reporting to monthly, thereby enhancing our grip of any issues arising. I also report to members on the critical matters facing the GSCC in my detailed Chief Executive's Report; the report highlights successes and issues for Board discussion and enables the Board to scrutinize more effectively the work of the organisation.

Additionally, during 2010-11 we:

- Established an improved quality assurance framework for case handling. Developed as part of the Delivering Regulatory Excellence programme, this approach, which includes the systematic sampling of cases by senior management; the utilisation of external four country expertise; and an Outcome Review Group, is enabling learning to be identified and driving up standards of our investigatory work, thereby improving public protection.
- Introduced a new risk management framework for higher education institutions (HEIs) providing the social work degree, which aligns with the Social Work Reform Board agenda and is driving up standards in the sector and better equipping newly qualified social workers.

### **Information assurance**

Progress against the DH guidelines to its ALBs on the standards required for information security were reported to the Audit and Risk

Committee in June and November 2010 and January and March 2011. The DH ALBs are setting objectives against a variety of information assurance measures and the GSCC is making good progress towards its agreed targets.

We have developed and implemented corporate data protection policies and training to strengthen, improve and support effective information assurance, moving towards implementation of the Department of Health Information Risk Reporting level 2.

### **Personal data related incidents**

Over the last twelve months, we have implemented a programme of mandatory annual data protection training for all staff. As at 16 February 2011 82% of staff have attended data protection training courses and 57% have attended and passed the National School of Government Protecting Information Level 1 Training; it is our intention that all staff will have completed the training in 2011. Increased staff awareness has resulted in a significant increase in the number of data security incidents reported during the year. This increase was expected, as trained staff are better able to identify items of concern, resulting in strengthened procedures.

21 data security incidents were reported during the year; 17 of these were categorized as the lowest grade where additional training, changes to procedures and shared learning have reduced the likelihood of these occurring again. Two of these were assessed as medium grade and were reported to the Audit and Risk Committee and DH, and two were assessed as significant breaches which were reported to the Audit and Risk Committee, DH and the

Information Commissioners Office.

The two serious breaches occurred in November 2010 and January 2011. Both incidents concerned information about private aspects of a person's life becoming known. One incident involved the use of an incorrect external email address; the other involved a technical software issue which resulted in a letter going to the wrong address. A technical software change, additional training, awareness raising and procedural changes have reduced the likelihood of these occurring again and both breaches have been managed to satisfaction with the individuals involved.

Whilst all data protection incidents are regrettable the number is small in relation to the number of transactions carried out by the GSCC throughout the year. In 2010-11 we assessed some 4,700 referrals, heard approximately 150 conduct cases and processed 50,000 registration renewals, applications and restorations. The Director of Corporate Resources, in his role as SIRO, has taken a directive approach in relation to data protection training and has raised the importance of data protection within the GSCC by visiting teams and emphasising the importance of maintaining and fostering an open no-blame culture. In addition, in line with DH guidance, the SIRO is notified within one hour of any incidents that involve data loss or breaches of confidentiality.

## **5. Review of effectiveness**

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

by the work of the internal auditors and the executive managers within the GSCC who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have received advice from the Audit and Risk Committee and the Board regarding the results of my review of the effectiveness of the system of internal control and a plan to address risks / weaknesses and ensure continuous improvement of the system is in place.

My review is informed in a number of ways:

**Internal Audit:** The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. The DH assess the effectiveness of the GSCC's internal audit arrangements by scrutiny of the audit plans and reports prepared by the GSCC's internal audit contractor on future and past activity. Once these plans and reports have been approved by myself they are forwarded to the Head of Internal Audit at DH. The annual audit work programme is risk based; the 2010-11 audit plan was finalised by EMT and then considered by the Audit and Risk Committee at its meeting on 10 March 2010 and I approved the plan upon my appointment in April 2010. In response to the Government's announcement in July the internal audit plan was reviewed to ensure that the key risk areas were included and the refocused plan was endorsed at the 8 November 2010 Audit and Risk Committee meeting.

I have introduced the consideration of all finalised internal audit reports at meetings of the EMT to allow collective review to

ensure corporate grip, support and where appropriate challenge of findings. All audit recommendations are logged and progress against implementation is monitored and reported to each Audit and Risk Committee meeting and also to the Board and EMT in performance reporting. The Director of Corporate Resources is the designated lead officer for the Audit and Risk Committee and is also the Risk Management Coordinator.

There were 12 audits conducted in 2010-11 spanning the areas of governance and risk, business systems, financial systems and operating systems. Five audits received 'reasonable assurance', six 'limited assurance' and one 'no assurance'. The 'no assurance' was concluded for the audit of IT Infrastructure and the fourteen recommendations detailed in the report were welcomed. In response a detailed project plan was developed and all recommendations have been addressed and implemented.

**Executive Management Team (EMT):** Executive directors who have responsibility for the development and maintenance of a system of internal control in their areas of work provide me with assurance. The assurance framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

I Chair the GSCC's EMT meetings, which meet weekly. EMT considers all strategic and policy issues affecting the GSCC's delivery of its aims and objectives and has collective responsibility for the financial, performance and risk management of the organisation. EMT are presented with monthly performance reports that detail key aspects of performance

and track progress against the outcomes we are intent upon achieving. With regard to risk management, EMT considers the risk implications of all proposals that are brought before it for consideration and decision.

The Board's Risk Management Policy includes the provision of an Annual Risk Statement. The statement is presented by the Director of Corporate Resources to the Annual Risk Meeting of EMT. The Annual Risk Meeting for 2010-11 took place on 1 March 2011.

Agendas and minutes of all EMT meetings, including the Annual Risk Meeting, are published on the GSCC's Intranet and are available to all staff.

**Audit and Risk Committee:** The Audit and Risk Committee meets at least four times per year. For 2010-11, the meetings were held on 11 June 2010, 8 November 2010, 21 January 2011 and 15 March 2011. The National Audit Office (NAO) and the internal audit provider may request that the Audit and Risk Committee meets additionally, if they consider that to be necessary. The internal audit providers (Moore Stephens LLP) and the external auditors (NAO together with their outsourced provider Deloitte) meet with the members of the Audit and Risk Committee separately (without GSCC officers present) immediately after each June Committee meeting.

Work plans for the year were constructed, and complied with, to ensure that all the responsibilities in the terms of reference on which the Committee was to provide advice were covered during the year.

The Audit and Risk Committee considered the Annual Report and Accounts 2009-10 at its meeting on 11 June 2010.

**Leadership Team:** As Chief Executive I attend and Chair monthly meetings of the Leadership Team. The team is made up of the Executive Directors and Heads of Service and is the principal forum for considering and developing major issues of strategic importance, delivering leadership, influencing and shaping organisational policy and culture and reviewing the effectiveness of risk management arrangements.

The nature of the team membership promotes and encourages cross-organisational working and provides me with an additional level of assurance.

**Personal Assurance:** In addition to the formal arrangements detailed, during the year I have gained personal assurance through a "back to the floor" programme of visits. The visits allowed direct communications with staff and enabled me to understand the operational delivery in departments and fostered a culture of openness which is one of our core values.

Our values were developed during 2010 through a series of staff meetings where staff were encouraged to identify and develop the GSCC's values. Following the meetings the core values for 2010-11 were launched: fairness, openness, integrity, quality, efficiency and respect. These have shaped and informed our behaviour during 2010-11 with integrity and openness particularly supporting the approach we are taking to risk management.

## 6. Significant internal control issues

As reported in the GSCC's Annual Report and Accounts 2009-10, during 2009-10, and for a variety of reasons, the Board had to make a succession of interim appointments to its Executive Management Team; this was correctly

identified as a significant internal control issue. I am pleased to report that two permanent appointments have been made to the director posts and the one remaining post has been filled on an interim basis as this was agreed to be the most cost effective option. Planned transition and induction arrangements have ensured a transfer of knowledge and minimised risks during the hand over period; the full management team has been in post throughout 2010-11.

It was also reported in 2009-10 that the Council for Healthcare Regulatory Excellence (CHRE) had undertaken a comprehensive review of the GSCC's conduct function. The CHRE's report and conclusions made a number of recommendations and in response a recovery plan was developed and agreed with the Board and DH to bring about improvements. Progress in implementing the action plan was overseen by a Programme Board, chaired by the then Chief Executive, and was reported regularly to the Board and was the basis for discussions at monthly accountability meetings to DH.

The Board and DH have noted the improvements in the conduct function reports demonstrating that the 'front end' of the casework process is operating more effectively and efficiently following the successful introduction of new practices and the deployment of additional staff resources where necessary. Key aspects of the recovery plan were incorporated into the work of the Delivering Regulatory Excellence (DRE) programme and a number of improvement projects agreed that would deliver value to the quality of regulation provided by the GSCC. Following the Government's announcement and the timescales attached, the difficult but correct decision to not proceed with some projects (eg. e-enablement of registration

processes and moving to a fitness to practice regime in investigations) within the programme was made. Whilst some activity has ended we have delivered on a number of the planned improvements and the remaining DRE programme has and is being implemented.

We have developed a risk management framework for HEI's to drive up standards in the sector and a revised Conduct Group Operational Manual was published in December 2010; this outlines Standard Operating Procedures of the GSCC Conduct Team and provides a framework for good practice.

As referenced above, the Government's announcement in July 2010 regarding the transfer of GSCC functions to the HPC has understandably presented a number of significant internal control issues related to the reprioritisation of activities and risks to manage in relation to transition and staffing arrangements.

The 2010-11 Business Plan had set out an ambitious programme of change to support the GSCC's strategic priorities and six improvement programmes were established. In response to the announcement, the business plan was revised and the priorities for the GSCC refined. The improvement programmes were rationalised from six to three and the GSCC's ambition refocused as follows:

To **protect the public** through the regulation of social workers and their professional education and training; and through the **delivery of excellent services** and a **professional transition to HPC**, provide a lasting legacy which enhances the social work profession and the reputation of the GSCC.

In support of our ambition the Board have identified three main priorities:

- Transition – the efficient and effective transfer of GSCC functions into the HPC (and other agencies) and the subsequent closure of the GSCC, leaving a positive legacy.
- Staff Care – measures to provide support, motivation and retention of skilled and experienced staff in the organisation.
- Delivery – delivering the GSCC’s statutory obligations to protect the public; and striving to improve all the time.

The achievement of our priorities is supported by the three improvement programmes which have been, and continue to be, the focus of our activity.

We have demonstrated an agile and responsive approach since the announcement and planning work commenced to identify the key activities, timelines and personnel to enable a smooth transfer to the HPC and, for certain functions, other bodies by no earlier than April 2012. The agility of the response to our new circumstances is testament to the adaptability of the Board, the Executive Management Team and the GSCC’s workforce who remain focused on the delivery of our core functions alongside transition arrangements.

Since the announcement we have undertaken the following steps that will be maintained going forward:

- We will continue to seek to develop a constructive working relationship with HPC to ensure an orderly transfer of functions and to ensure key risks are managed and understood at the point of transfer. Contact

has been established between the Chair of the GSCC’s Audit and Risk Committee and the Chair of the HPC’s Audit Committee to compliment the process and, at our request, a joint meeting of the two Boards is planned for early July 2011. The Chair and Chief Executive attend the Social Work Regulation Oversight Group, with other parties to the transfer (DH, DfE, HPC, SWRB); it is independently chaired by Harry Cayton, Chief Executive Officer of CHRE.

- The improvement programmes were rationalised from six to three allowing greater focus on the remaining key activities: Transition, Delivering Regulatory Excellence (DRE) and Improving Social Work (ISW); each programme is sponsored by a member of the Executive Management Team. The DRE and ISW programmes are focussed on improving the delivery of our statutory functions. In 2011-12 the Transition Programme will move to its next phase and become the Transfer Programme. I will lead fortnightly Board meetings and all issues from regulatory operations, education, policy and communications, as well as resources, that have anything to do with the transfer will be overseen through that Board. In this way, I hope we will ensure joined-up planning and good internal and external communications throughout our final year.
- As the date for transferring functions draws closer the DRE and ISW programmes will move their focus to completing a smooth and effective transfer of the two operational elements. By operational we mean the day to day management of the people, processes and systems to make sure public protection is delivered throughout the transition period and where work is handed over to another organisation, it is in the best possible order.

- Risk logs are maintained for each of the programme boards and ensure that risks are closely reviewed and mitigating actions are owned, proportionate to the risk, and managed. The visibility of programme risks to the Board has been increased through quarterly in depth reviews of each of the improvement programmes, this includes reporting on risk. The risk registers have been drawn upon and are linked to the highly focused and responsive internal audit strategy and plan for 2011-12.
- Through improved financial management information, reporting and efficiency we have been able to significantly reduce expenditure forecasts during the 2010-11 financial year and have responded to Government requirements for reduced expenditure achieving a ten percent saving in our budget. The plans detailed continue to be taken forward in difficult financial circumstances for public finances and we will therefore continue to be rigorous in scrutinising our budgets, seeking best value, and identifying efficiency savings where possible.
- I engage directly with staff and during the year have instigated a programme of internal communications including the Chief Executive's weekly blog, monthly team briefings, regular all-staff meetings and "back to the floor" visits. Staff events have been held throughout the year to develop the core values that underpin the work of the GSCC and all staff had the opportunity to contribute to defining the values. I am committed to sustaining the communication programme and my visibility and openness to staff and fully recognise the critical importance of retaining and motivating staff through a challenging period. In addition to aiding communication the feedback I receive from my blogs and "back to the floor" visits informs my assurance.
- We are committed to continuing joint communications with HPC and, where appropriate, consistent and coordinated messages to staff in both organisations via a joint communications plan. In addition to staff, the plan details messages to external stakeholders: social workers, employers and HEIs to ensure people are kept informed of developments in the Transition Programme. Critical channels for registrants are the newly enhanced website which received 554,000 visitors in 2009-10 and the quarterly newsletter *Social Work Connections* which is sent to over 60,000 registrants; we also utilise social media networks.
- We continue to work with HPC to manage the risks surrounding the HR implications of organisational change. A learning and development plan appropriate for a closing organisation has been introduced alongside an Employee Assistance Programme to offer support and guidance to staff; in 2011-12 this will be complimented by an outplacement service.
- The organisation has become increasingly adept at identifying risks and we will build on this sound foundation during 2011-12 with a particular focus on managing the risks and issues arising. The Audit and Risk Committee provide real value in ensuring that mitigating actions are robust and effective.
- The GSCC will support and advise the DH and other stakeholders during the transfer process and ensure that our experience

in regulating social workers is put to good use. We will produce a number of reports to capture the GSCC's learning from over 10 years of professional regulation and envisage that these reports, primarily focused on our investigation, education and registration activity, will be of significant interest, not only to HPC but to other professional regulators and will help raise standards in social work.

It is of great importance to the GSCC that the transfer of functions should happen smoothly and we are determined to maintain public protection throughout the period of uncertainty as the transfer takes place. We will work to continue the close management of risk and ensure that the regulation of the social work workforce is in a strong position when the transfer to HPC is complete. Our overwhelming priority remains as the continued protection of the public together with the best possible positioning of our staff as we collectively face the future.

A handwritten signature in blue ink, appearing to read 'Penny Thompson', with a long horizontal stroke extending to the right.

**Penny Thompson**  
Chief Executive

Date: 30 June 2011

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the General Social Care Council for the year ended 31 March 2011 under the Care Standards Act 2000. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Council, Chief Executive and auditor

As explained more fully in the Statement of the General Social Care Council's and Chief Executive's Responsibilities, the Council and the Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Care Standards Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable

assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the General Social Care Council's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Social Care Council; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the General Social Care

Council's affairs as at 31 March 2011 and of its net expenditure for the year then ended; and

- the financial statements have been properly prepared in accordance with the Care Standards Act 2000 and Secretary of State directions issued there under.

### Emphasis of matter – Going concern

In forming my opinion, which is not qualified, I have considered the adequacy of the disclosures in the financial statements made in note 1.1 'Going Concern' which address the Government's announcement that subject to Parliamentary approval for the necessary legislation they intend to transfer the regulatory functions of GSCC to the Health Professions Council in 2012 and to abolish the General Social Care Council. This announcement indicates the existence of a material uncertainty which may cast significant doubt about the ability of the General Social Care Council to continue as a going concern.

### Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Care Standards Act 2000; and
- the information given in the Management Commentary section of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

### Report

I have no observations to make on these financial statements.

#### Amyas C E Morse

Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

Date: 4 July 2011

# Financial Statements 2010-11

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2011

		2011		2010 Restated (Note 2)	
	Note	£'000	£'000	£'000	£'000
<b>Comprehensive Expenditure</b>					
<b>Programme</b>					
Education support grants	4		28,148		26,570
<b>Operating</b>					
Total staff costs (excluding past service cost)		9,554		9,098	
Past service cost		(1,389)		-	
Staff cost	5	8,165		9,098	
Non pay costs	6	9,806		9,641	
Depreciation and amortisation	6	2,216		2,191	
Loss on revaluation of assets		73		-	
Net finance charge on pension scheme	6	321		311	
			20,581		21,241
<b>Gross costs</b>			<b>48,729</b>		<b>47,811</b>
<b>Income</b>					
Income from activities	7	(2,975)		(2,533)	
Other income	7	(828)		(858)	
					(3,391)
<b>Net Comprehensive Expenditure</b>			<b>44,926</b>		<b>44,420</b>
<b>Other Comprehensive Expenditure</b>					
Net loss/(gain) on revaluation of Property Plant and Equipment			12		(15)
Net loss on revaluation of Intangibles			33		206
Actuarial (gain)/loss on pension scheme			(1,104)		2,898
<b>Total comprehensive Expenditure for the year ended 31 March 2011</b>			<b>43,867</b>		<b>47,509</b>

All activities are from continuing operations

The notes on pages 68 to 85 form part of these accounts.

## Statement of Financial Position as at March 2011

		2011		2010 Restated (Note 2)	
	Note	£'000	£'000	£'000	£'000
<b>Non-Current Assets</b>					
Property, plant & equipment	8	422		1,116	
Intangible assets	8	<u>3,371</u>		<u>4,900</u>	
Total non-current assets			3,793		6,016
<b>Current Assets</b>					
Trade & other receivables	9	836		457	
Other current assets	9	697		845	
Cash at bank and in hand	10	<u>2,043</u>		<u>1,672</u>	
Total current assets			3,576		2,974
<b>Total Assets</b>			<b>7,369</b>		<b>8,990</b>
<b>Current Liabilities</b>					
Trade & Other payables	11	(7)		(86)	
Taxation creditors and accruals	11	<u>(1,505)</u>		<u>(1,538)</u>	
Total current liabilities			(1,512)		(1,624)
<b>Non-current assets plus current assets less current liabilities</b>			<b>5,857</b>		<b>7,366</b>
<b>Non-Current Liabilities</b>					
Provisions	12	(492)		(383)	
Pensions liability	19	<u>(4,788)</u>		<u>(6,855)</u>	
			(5,280)		(7,238)
<b>Net Assets</b>			<b>577</b>		<b>128</b>
<b>Funds</b>					
Revaluation reserve			-		45
General reserves			<u>577</u>		<u>83</u>
Total funds	16		<b>577</b>		<b>128</b>

The notes on pages 68 to 85 form part of these accounts.

The financial statements on pages 64 to 85 were approved and signed by the accounting officer on 30 June 2011.



**Penny Thompson**  
Chief Executive

Date: 30 June 2011

## Statement of Cashflows for the year ended 31 March 2011

		2011	2010 Restated (Note 2)
	Note	£'000	£'000
<b>Net Cash outflow from operating activities</b>	17	(43,534)	(41,885)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(22)	(489)
Purchase of Intangibles assets	8	(89)	(425)
Net cash outflow from investing activities		(111)	(914)
<b>Cash flows from financing activities</b>			
- Education support grants		27,966	26,596
- Operating		16,050	13,075
- Capital		-	700
Net financing		44,016	40,371
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b>371</b>	<b>(2,428)</b>
Cash and cash equivalents at the beginning of the period	10	1,672	4,100
Cash and cash equivalents at the end of the period	10	2,043	1,672

The notes on pages 68 to 85 form part of these accounts.

## Statement of change in Taxpayers Equity for the year ended 31 March 2011

	Note	Revaluation Reserve	I & E Reserve	Total Reserves
<b>Balance as at 31 March 2009</b>		<b>236</b>	<b>7,209</b>	<b>7,445</b>
<b>Changes In taxpayers Equity 2009-10 Restated</b>	2			
Net gain on revaluation of property, plant & equipment	8	15	-	15
Net (loss) on revaluation of intangible assets	8	(206)	-	(206)
Actuarial loss	19	-	(2,898)	(2,898)
Adjustments to general reserves	16	-	(179)	(179)
Retained (Deficit)		-	(4,049)	(4,049)
Total recognised income and expense for 2009-10		(191)	(7,126)	(7,317)
<b>Balance at 31 March 2010</b>		<b>45</b>	<b>83</b>	<b>128</b>
<b>Changes In taxpayers Equity 2010-11</b>				
Net (loss) on revaluation of property, plant & equipment	8	(12)	-	(12)
Net (loss) on revaluation of intangible assets	8	(33)	-	(33)
Actuarial gain	19	-	1,104	1,104
Adjustments to general reserves	16	-	-	-
Retained (Deficit)	3	-	(610)	(610)
Total recognised income and expense for 2010-11		(45)	494	449
<b>Balance at 31 March 2011</b>		<b>0</b>	<b>577</b>	<b>577</b>

The notes on pages 68 to 85 form part of these accounts.

# Notes to financial statements for the year ending 31 March 2011

## NOTE 1 – Statement of accounting policies

These financial statements have been prepared in accordance with the 2010-11 Government Reporting Manual (FReM) issued by HM Treasury and any subsequent updates as advised by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the GSCC for the purposes of giving a true and fair view has been selected. The particular policies adopted by the GSCC for the reportable activity are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

#### **Going Concern**

In July 2010 Government announced their intention to transfer the regulatory functions of GSCC to the Health Professions Council and for GSCC to be abolished. This is expected to happen in 2012 subject to the passage of the Health and Social Care Bill. The Department of Health has confirmed that it will continue to finance the GSCC through Grant in Aid until the legislation abolishing the GSCC takes full and final effect. In the absence of the passing of the legislation necessary to abolish GSCC and transfer its functions, it is appropriate for the accounts, for the year ended 31 March 2011, to be prepared on the going concern basis.

### 1.2 Format of accounts

The GSCC is required to draw up its accounts in a form determined by the Secretary of State for Health with the approval of the Treasury. The GSCC is required to prepare its accounts on an accruals basis and to present its published financial statements in a format as set out in the Accounts Direction

### 1.3 Materiality

IAS 1 and IAS 8 state that accounting policies in IFRSs need not be applied when the effect of applying them is immaterial.

### 1.4 Non-Current Assets

#### 1.4.1 Property, Plant & Equipment

Property, plant and equipment includes building improvements, office equipment and furniture, computer equipment and the costs of acquiring computer software systems (including cost of implementation). All assets falling into these categories with a value of £5,000 or more have been capitalised. Also assets of similar types have been capitalised where the value of individual assets is less than £5,000, provided that the total value of all assets of that type exceeds £5,000. PP&E are stated at current cost less depreciation.

The accounting treatment of PP&E under IAS 16 Property, Plant & Equipment has been reviewed and no material changes to current policy or calculations due to impairments deemed necessary.

### 1.4.2 Intangible fixed assets

Intangible fixed assets comprise purchased licences to use third party software systems (including cost of implementation). All assets falling into this category with a value of £5,000 or more have been capitalised.

Intangible assets are stated at current cost less depreciation. The accounting treatment under IAS 38 Intangible Assets has been reviewed and no material changes to current policy or calculations due to impairments deemed necessary.

### 1.4.3 Development costs

Development expenditure is capitalised if it meets the criteria specified in Managing Public Money, which was originally adapted from SSAP<sup>13</sup> to take account of the not-for-profit context. IAS 38 Intangible Assets has been reviewed under the heading 'Internally Generated Intangible Assets' and capitalised development costs held at GSCC deemed to meet the criteria laid down by the IAS for recognition.

### 1.4.4 Depreciation

Depreciation is provided on all tangible fixed assets held at the year end on a straight line basis, at rates calculated to write off the cost over their estimated useful economic lives as follows:

Building improvements	shorter of lease term or UEL
Office equipment and furniture	10 years
Computer equipment	4 years
Computer software	3 - 10 years

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

### 1.4.5 Amortisation of intangible fixed assets

Amortisation is provided on software licences held at the year end on a straight line basis, at rates calculated to write off the cost over the shorter of the period of the licence or their estimated useful economic life with computer software licences 2 - 10 years.

Four years of amortisation has been provided on the Social Care Regulation programme as elements of the system were operational in the 2006-07 financial year. The useful economic life of the system is seven years.

### 1.4.5 Indexation

Fixed assets are re-valued as at 31 March using indices taken from "Price index numbers for current cost accounting" issued by the Office for National Statistics.

### 1.4.6 Impairments

Impairment losses resulting from short-term changes in price that are considered to be recoverable in the longer term are taken in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets. An annual impairment review is conducted which assesses whether the recoverable value of an asset is below its carrying value. Impairments in advance of amounts recorded in the revaluation reserve or where no revaluation has previously occurred are recorded in the statement of comprehensive net expenditure.

## 1.5 Financing and income

The majority of the GSCC's funding is Grant in Aid provided by the Department of Health. The funds may be used to meet the general objectives of the GSCC at the discretion of the GSCC's Council, subject to total cash payments in each year not exceeding several cash limits imposed by the Department. These cash limits cover payments in respect of operating costs, training support grants and capital. All other income is credited to income in the year in which it is earned.

## 1.6 Expenditure

### 1.6.1 Management and administration

Management and administration costs relate to expenditure incurred in the management of the GSCC's activities, including quality-assurance work to ensure training is delivered to the appropriate standard, organisational administration and compliance with statutory requirements.

### 1.6.2 Education support grants

Education support grants comprise expenditure on social work degree grants, grants and practice learning/practice teaching grants. Grants payable are recorded as expenditure in the period that the underlying activity giving entitlement to the grant occurs.

## 1.7 Retirement Benefit Costs

The majority of the GSCC's employees are eligible for membership of the Local Government Pension Scheme (LGPS) via an admission agreement with Essex County Council Pension Fund. The scheme is a multi-employer defined benefit scheme.

For defined benefit schemes, the liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of the scheme assets, together with any adjustments for the unrecognised past service costs, less any amounts recoverable from third parties. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in statement of comprehensive net expenditure to the extent that the benefits are already vested, and otherwise amortised on a straight line basis over the average period until the benefits become vested. The interest cost and the expected return on assets are shown as a net amount of finance costs.

The assets of the LGPS are held and managed by the constituent administering authorities and therefore entirely independent of the GSCC's finances.

## 1.8 Leases

Operating lease rentals and related service charges are charged directly to the Expenditure Account in line with IAS 17 Leases requirements, on a straight line basis.

## 1.9 Value Added Tax

The GSCC is not registered for Value Added Tax (VAT). All figures reported in these statements therefore include VAT.

## 1.10 Capital charge

Note 2 includes detail on the change in accounting treatment for the cost of capital charge, as advised by HM Treasury.

## 1.11 Adoption of new and revised standards

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9	Financial Instruments
IAS 24 (amended)	Related Party Disclosures
IAS 32 (amended)	Classification of Rights Issues
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

IFRIC 14 (amended) Prepayments of a Minimum Funding Requirement  
Improvements to IFRSs  
(May 2010)

The following standards are due imminently for implementation for years ended December 2013:

IFRS 10	Consolidation
IFRS 11	Joint Ventures
IFRS 12	Disclosure on interest in other entities
IFRS 13	Fair Value Measurement

Amendments to the following standards are due imminently for implementation for years ended December 2013:

IAS 27	Separate financial statements
IAS 28	Associates

GSCC do not expect that the adoption of the standards listed above will have a material impact on the financial statements in future periods.

## 2. Prior year adjustment

	2011	2010
	£'000	£'000
Cost of Capital – Statement of Comprehensive Expenditure		(133)
Cost of Capital – Income & Expenditure Reserve		133
		<u>0</u>

A restatement of the 2009-10 accounts is included for the removal of the cost of capital charge from the face of the financial accounts in line with instructions issued by HM Treasury.

### 3. Reconciliation of net operating expenditure and gross capital expenditure to Grant in Aid

	2011	2010 Restated (Note 2)
	£'000	£'000
Total Net Expenditure for the financial year	44,926	44,420
Operating Grant in Aid Receivable	44,316	39,671
<b>Over spend against Financing receivable from the Department of Health</b>	<b>(610)</b>	<b>(4,749)</b>

	2011	2010
	£'000	£'000
Gross capital costs	(111)	(914)
Net book value of assets disposed	-	-
Net capital resource outturn	(111)	(914)
Capital Grant in Aid	-	700
<b>Over spend against Financing received from the Department of Health</b>	<b>(111)</b>	<b>(214)</b>

In 2010-11, GSCC's gross capital expenditure above included £88k on the development of the UK social care regulation system.

### 4. Programme expenditure – Education support grants

	2011	2010
	£'000	£'000
Social Work Degree Grants	27,903	26,239
Other Grants *	245	331
<b>Total</b>	<b>28,148</b>	<b>26,570</b>

\* Other grants comprises: grants to voluntary organisations £245k (2009-10 £359k), PQ consortia £ok (2009-10 £28k refund).

## 5. Staff numbers and related costs

The total cost of employing staff was:

	2011 £'000	2010 Restated £'000
<b>Pay</b>		
Salaries and wages	5,871	5,388
National insurance employers' contributions	457	411
Occupational pension scheme, employers' contributions	487	489
Pensions: deficiency payments	221	212
Current and past service costs *	(1,284)	(340)
Short term employee benefits **	30	29
Total permanently employed staff expenditure	5,782	6,189
Temporary staff+	2,418	2,922
Total pay costs	8,200	9,111
Less receivables in respect of outward secondment	(35)	(13)
<b>Total net costs</b>	<b>8,165</b>	<b>9,098</b>

\* In the UK Budget Statement of 22 June 2010, the Chancellor of the Exchequer announced that, with effect from 1 April 2011, the Government would use the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI) for price indexation of benefits and tax credits; and that this would also apply to public service pensions through the statutory link to the indexation of the Second State Pension.

The change from RPI to CPI for the purposes of uprating index-linked features of post employment benefits has been recognised as a negative past service cost in accordance with IAS 19. This accounting treatment has been adopted by all central Government reporting entities where RPI has been used for inflation indexing for many years.

The question of whether, as regards the main public service pensions schemes, there is a legitimate expectation that RPI will be used for inflation indexing is currently before the courts in judicial review proceedings. The Government case is that no legitimate expectation exists and that, in any event, even if there was a legitimate expectation this was overridden by the clear public interest in making very substantial savings at a time when Government had adjudged that deficit reduction was a fundamental objective for the country. If the Government's case is proven, there would be no change to the accounting treatment adopted in these accounts.

\*\* IAS19 Employee Benefits disclosure

+ For the purposes of consistency, in 2010 £656k has been reclassified from business development in note 6 to temporary staff in note 5.

## 5. Staff numbers and related costs (cont.)

The average number of whole-time equivalent employees, including the Chief Executive, during the period ended 31 March 2011 was:

	2011	2010
	No.	No.
Directly employed	209	201
Other	57	38
<b>Total</b>	<b>266</b>	<b>239</b>

<b>Exit Packages</b>	2011	2010
<b>Total number of exit packages</b>	<b>5</b>	<b>1</b>
<b>Total resource cost/£</b>	<b>98,569</b>	<b>6,316</b>

## 6. Other expenditure

	2011 £'000	2010 Restated £'000
<b>Running costs</b>		
Staff travel and subsistence expenses	221	304
Staff development and training	239	270
Staff recruitment	225	361
Premises costs (excluding operating lease payments)	1,034	873
Rentals under operating leases:		
- Hire of plant and machinery	244	131
- Other	1,180	1,237
Communications	283	287
Other office services	1,416	1,423
Business Development	129	176
Publications and Promotions	188	423
Courses and Workshops	150	209
Cost of Council and Conduct Committees	243	143
International Recognition Service	25	-
Conduct including legal fees	3,915	3,220
Audit Fees	60	81
Other fees and charges	133	205
<b>Non-cash items</b>		
- Increase / (Decrease) in provision for doubtful debts	12	(85)
- Depreciation	704	631
- Amortisation	1,512	1,560
- Loss on revaluation	73	-
- Provision provided in the year	109	383
- Net finance Charge on pension scheme	321	311
<b>Total</b>	<b>12,416</b>	<b>12,143</b>

During the year the GSCC did not purchase any non audit services from its external auditor the National Audit Office

## 7. Income

	2011 £'000	2010 £'000
Social care registration fees	2,975	2,533
Rentals from operating leases	570	571
Income from devolved social care authorities	242	266
Other operating income	16	21
<b>Total</b>	<b>3,803</b>	<b>3,391</b>

## 8. Property, plant and equipment

	Leasehold Improvements	Furniture and Fittings	Information Technology	Total
	£'000	£'000	£'000	£'000
<b>Cost or revaluation</b>				
At 1 April 2010	1,863	832	947	3,642
Additions	-	-	22	22
Revaluation	(73)	(11)	(18)	(102)
<b>At 31 March 2011</b>	<b>1,790</b>	<b>821</b>	<b>951</b>	<b>3,562</b>
<b>Depreciation</b>				
At 1 April 2010	1,342	585	599	2,526
Provided during the year	444	82	178	704
Revaluation	(69)	(9)	(12)	(90)
<b>At 31 March 2011</b>	<b>1,717</b>	<b>658</b>	<b>765</b>	<b>3,140</b>
<b>Net book value</b>				
<b>At 31 March 2011</b>	<b>73</b>	<b>163</b>	<b>186</b>	<b>422</b>
<b>At 31 March 2010</b>	<b>521</b>	<b>247</b>	<b>348</b>	<b>1,116</b>
<b>Intangible assets</b>				
	Software Licences	Development Expenditure	Total	
	£'000	£'000	£'000	
<b>Cost or revaluation</b>				
At 1 April 2010	429	10,130	10,559	
Additions	2	87	89	
Revaluation	(5)	(310)	(315)	
<b>At 31 March 2011</b>	<b>426</b>	<b>9,907</b>	<b>10,333</b>	
<b>Amortisation</b>				
At 1 April 2010	313	5,346	5,659	
Provided during the year	66	1,446	1,512	
Revaluation	(3)	(206)	(209)	
<b>At 31 March 2011</b>	<b>376</b>	<b>6,586</b>	<b>6,962</b>	
<b>Net book value</b>				
<b>At 31 March 2011</b>	<b>50</b>	<b>3,321</b>	<b>3,371</b>	
<b>At 31 March 2010</b>	<b>116</b>	<b>4,784</b>	<b>4,900</b>	

## 9. Trade receivables and other current assets

	2011	2010
	£'000	£'000
Trade receivables	95	450
Other receivables	741	7
Prepayments and accrued income	697	845
<b>Total</b>	<b>1,533</b>	<b>1,302</b>

<b>Intra-Government Balances</b>	2011	2010
	£'000	£'000
Balances with central government bodies	382	31
Balances with local government	-	-
Balances with bodies external to Government	1,151	1,271
<b>Total</b>	<b>1,533</b>	<b>1,302</b>

## 10. Cash and cash equivalents

	2011	2010
	£'000	£'000
Balance at start of year	1,672	4,100
Net change in cash and cash equivalents outflow/(inflow)	371	(2,428)
<b>Balance at end of year</b>	<b>2,043</b>	<b>1,672</b>

All balances were held with commercial banks and cash in hand

## 11. Trade payables and other current liabilities

	2011	2010
	£'000	£'000
Trade payables	7	23
Other payables	-	63
Other liabilities: Tax and social security	-	132
Other liabilities: Accrued expenditure and deferred income	1,505	1,406
<b>Total</b>	<b>1,512</b>	<b>1,624</b>

<b>Intra-government balances</b>	2011	2010
	£'000	£'000
Balances with central government bodies	-	132
Balances with local government	-	-
Balances with bodies external to government	1,512	1,492
<b>Total</b>	<b>1,512</b>	<b>1,624</b>

## 12. Provisions for liabilities and charges

	Dilapidations £'000
Balance at 1 April 2010	383
Provided in the year	109
<b>Balance at 31 March 2011</b>	<b>492</b>

The whole of this provision is for dilapidations in line with the leases for the premises occupied by the GSCC. The provision was calculated with the input of specialist advice. The expenditure likely to be incurred in the calendar years, 2012 and 2013.

## 13. Capital Commitments

	2011 £'000	2010 £'000
<b>Contractual capital commitments at 31 March not otherwise included in the financial statements</b>		
Intangible assets	-	78

## 14. Commitments under leases

Total minimum future lease payments under operating leases are given in the table below for each of the following periods.

	2011 £'000	2010 £'000
<b>Buildings</b>		
Leases which expire between 1 and 5 years	1,855	2,113
Leases which expire after 5 years	-	-
<b>Sub-total</b>	<b>1,855</b>	<b>2,113</b>
<b>Other</b>		
Leases which expire between 1 and 5 years	51	43
Leases which expire after 5 years	-	-
<b>Sub-total</b>	<b>51</b>	<b>43</b>
<b>Total</b>	<b>1,906</b>	<b>2,156</b>

The above figures exclude maintenance agreements for equipment and service charges for buildings. £570k of the buildings rent shown above is rechargeable.

## 15. Contingent liabilities disclosed under IAS 37

There is an outstanding claim for damages arising from a registration case. The claim is for anxiety and frustration, past loss of earnings and future loss of earnings and damage suffered to reputation by the GSCC's decision which was overturned on appeal. The Council is defending the claim. Due to the uncertainty around timing and outcome no provision for future costs in respect of this claim has been included in these accounts.

There is an outstanding claim at the Employment Tribunal by an external applicant for a panellist role which the GSCC is robustly defending.

## 16. Movement in reserves

	2011	2010 Restated (Note 2)
	£'000	£'000
At 1 April general reserve	128	7,445
Adjustment to general reserve	-	(179)
Indexation of fixed assets	(45)	(191)
Actuarial gain/(loss)	1,104	(2,898)
Grant receivable in the period	44,316	40,371
Net expenditure	(44,926)	(44,420)
<b>Balance at 31 March</b>	<b>577</b>	<b>128</b>
Balance excluding pensions liability	5,365	6,983
Pension liability	(4,788)	(6,855)
<b>Balance at 31 March</b>	<b>577</b>	<b>128</b>

## 17. Reconciliation of net operating cost to operating cash flow

	2011	2010 Restated (Note 2)
	£'000	£'000
Net surplus after cost of capital and interest	(44,926)	(44,420)
Depreciation and amortisation charges	2,216	2,191
Loss on revaluation	73	-
(increase)/decrease in trade and other receivables	69	5
Increase/(decrease) in trade payables & Provisions	(3)	368
Increase/(reduction) in pension liability	(2,067)	3,048
Adjustments to general reserves	1,104	(3,077)
<b>Net Cash outflow from operating activities</b>	<b>(43,534)</b>	<b>(41,885)</b>

## 18. Reconciliation of net movement in funds

	2011	2010 Restated (Note 2)
	£'000	£'000
Total reserves at 1 April	128	7,445
Movement in reserves	(655)	(4,419)
Actuarial gain / (loss) on pension scheme	1,104	(2,898)
<b>Total reserves at 31 March</b>	<b>577</b>	<b>128</b>

## 19. Pension Schemes

In Line with Accounting Standards Board requirements, the GSCC has implemented IAS 19 in full.

### (i). Contribution rates

The majority of the GSCC's employees are eligible for membership of the Local Government Pension Scheme (LGPS) via an admission agreement with Essex County Council pension fund. The scheme is a multi-employer defined benefit scheme. Contributions for 2010-11 were paid by employees depending on salary as outlined in the table below.

Full time equivalent salary	Contribution rate
£0.00 - £12,600	5.50%
£12,600.01 - £14,700	5.80%
£14,700.01 - £18,900	5.90%
£18,900.01 - £31,500	6.50%
£31,500.01 - £42,000	6.80%
£42,000.01 - £78,700	7.20%
£78,700.01 or more	7.50%

Employer contributions for 2010-11 were paid at 10.7% of pensionable pay

The GSCC will make a deficit payment of £303,700 during 2011/12

**(ii). [a] Actuarial information**

Triennial valuations of the Essex Fund are carried out by Mercer Limited, a qualified actuary. The latest valuation as at 31 March 2010 showed a deficit of £5.056m. For the year ending 31 March 2011, the GSCC contributed deficit payments to the Fund of £0.221m (2009/10 £0.212 m).

Under accounting standard IAS 19, the principal financial assumptions made by the actuary are:

	As at 31/03/2011	As at 31/03/2010
Rate of increase in salaries	4.4%	5.0%
Rate of increase in pensions in payment	2.9%	3.5%
Discount rate	5.5%	5.7%
Rate of RPI inflation	3.4%	3.5%
Rate of CPI inflation	2.9%	

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular class. The assumed investment return on government bonds is the yield on 20-year fixed interest gilts at the relevant date. The expected investment return on corporate bonds is based on market yields at the relevant date, restricted to 2% p.a. over and above that available on gilts, reflecting an increased risk of default in the corporate bond yield. The assumed investment return on equities is the yield on 20-year fixed interest gilts plus an allowance of about 3.5% p.a. for the "risk premium" associated with equity investment.

**[b] The assets in the scheme and the expected rate of return were (IAS 19 disclosure):**

	Expected rate of return at	Value at	Expected rate of return at	Value at
	31/03/2011	31/03/2011	31/03/2010	31/03/2010
	%	£'000	%	£'000
Equities	7.5	10,341	7.5	8,761
Government Bonds	4.4	997	4.5	1,025
Other Bonds	5.1	1,413	5.2	1,298
Property	6.5	1,666	6.5	1,207
Cash/liquidity	0.5	461	0.5	688
Other	N/A	-	N/A	-
Fair value of assets		14,878		12,979
Actuarial value of scheme liabilities		(19,666)		(19,834)
<b>Deficit in the scheme</b>		<b>(4,788)</b>		<b>(6,855)</b>
Actual return on plan assets		1,295		3,307

**[c] Components of pension cost for the period to 31 March**

	2011	2010
	£'000	£'000
Current service cost	860	479
Interest on Pension Liabilities	1,156	929
Expected return on assets	(835)	(618)
Past service cost	(1,389)	45
Effect of curtailments or settlements	14	88
<b>Total pension cost recognised in Net Expenditure Account</b>	<b>(194)</b>	<b>923</b>

**[d] Change in Benefit Obligation during period to 31 March**

	2011	2010
	£'000	£'000
Benefit obligation at beginning of period	19,834	12,989
Current Service Cost	860	479
Interest on Pension Liabilities	1,156	929
Member Contributions	319	309
Past Service Cost	(1,389)	45
Effect of curtailments or settlements	14	88
Actuarial(gains)/losses on liabilities	(838)	5,587
Benefits/transfers paid	(290)	(592)
<b>Benefit obligation at end of period</b>	<b>19,666</b>	<b>19,834</b>

**[e] Change in Plan Asset during period to 31 March**

	2011	2010
	£'000	£'000
Fair value of plan assets at beginning of period	12,979	9,136
Expected return on plan assets	835	618
Actuarial gains/(losses) on assets	266	2,689
Employer contributions	769	819
Member contributions	319	309
Benefits/transfers paid	(290)	(592)
<b>Fair value of plan assets at end of period</b>	<b>14,878</b>	<b>12,979</b>

**[f] Statement of changes in taxpayers equity**

	2011	2010
	£'000	£'000
Actuarial (gains)/losses	(1,104)	2,898
<b>Total pension (gain)/cost recognised in SOCITE</b>	<b>(1,104)</b>	<b>2,898</b>

**[g] History of experience gains and losses (IAS 19 Disclosure)**

	2011	2010	2009	2008
	£'000	£'000	£'000	£'000
Actual Return on Plan Assets	1,295	3,307	(2,307)	(477)
Experience Gain/(losses) on assets	266	2,689	(3,038)	(1,227)
Experience Gain and losses on liabilities	346	-	-	(183)

**20. Related Party Transactions**

The GSCC is a Non-Departmental Public Body of the Department of Health. The Department of Health is regarded as a related party. During the period, the GSCC received £44,015,907 as grant in aid from DH and £16,000 as other operating income from other central government bodies. GSCC has had a number of material transactions with other departments and bodies for which the DH is considered to be the parent department via:

Scottish Social Services Council: GSCC earned income of £119,181 (2009-10: £240,610) through recharges for the UK Social Care Regulation programme and for costs of providing external assessment (of social work courses) service to the SSSC.

Care Council for Wales: GSCC earned income of £79,454 (2009-10: £143,096) through recharges for the UK Social Care Regulation Programme and for cost of providing the external assessment (of social work courses) service to the CCW.

Northern Ireland Social Care Council: GSCC earned income of £43,000 (2009-10 £71,646) through recharges for the UK Social Care Regulation Programme and for costs of providing external assessment (of social work courses) service to the NISCC.

None of the GSCC's board members, key managerial staff, or other related parties have undertaken any material transactions with the GSCC during the period.

**21. IAS 32 Financial Instruments**

International Accounting Standard 32, Financial Instruments: Disclosure and Presentation, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks the GSCC faces in undertaking its activities. As permitted by FRS 13, debtors and creditors which mature or become payable within 12 months from the balance sheet date have been omitted from disclosures.

**(i). Liquidity Risk**

The GSCC operates within a funding envelope that is provided partly by the Department of Health and partly by income received as fees from social work registrants. The mix of funding allows the GSCC to ensure that its commitments are consistent with its income across the year.

## **(ii). Currency Risk**

The GSCC is not exposed to currency risk.

## **(iii). Credit Risk**

The GSCC is not exposed to significant credit risk.

## **(iv). Market and Interest Rate Risk**

Market risk is defined under IFRS in accordance with the requirements of IFRS 7 as “the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk, and other price risks.”

## **(v). Financial Assets and Liabilities**

The GSCC’s financial assets and liabilities carry nil rate of interest. All financial liabilities are due within one year. Income received from registrants is based on standard rates below market average for the services received. Therefore the GSCC is not exposed to any significant market or interest rate risks.

## **22. Post Balance Sheet Events**

In accordance with the requirements of IAS 10 events after the balance sheet date, post balance sheet events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

The decision to uprate public service pensions using the Consumer Prices Index rather than the Retail Prices Index has been recognised in these accounts. This decision is currently before the courts in judicial review proceedings. The Government is robustly defending the case and therefore no adjustment has been made to the accounts for this matter. The financial implications consequent on the review finding against the government have not been assessed.

### **23. Losses and Special payments**

A complaint to the Parliamentary Ombudsman resulted in a recommendation for a one off consolatory payment of £5,000 to be made to the complainant. This has been agreed by HM Treasury and paid.

The GSCC's former Chief Executive made an employment claim and the claim was settled.

### **24. Declarations of interest**

There are no declarations of interest.

# Contact us

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