





# General Social Care Council Annual Report and Accounts 2008-09

Annual report presented to Parliament pursuant to paragraph 18(4),  
Schedule 1 of the Care Standards Act 2000

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Working together, ordinary people can perform extraordinary feats. They can push things that come into their hands a little higher up, a little further on towards the **heights of excellence.**

An up-to-date register ensures that social workers are continuing to learn, develop their practice and are keeping their knowledge up to date – contributing to higher standards of practice.

# Annual Report

The Chief Executive of the General Social Care Council (GSCC) presents his account for the year ended 31 March 2009, prepared in accordance with an accounts direction given by the Secretary of State for Health with the approval of the Treasury, in pursuance of paragraph 18(1) Schedule 1 to the Care Standards Act 2000.

# Introduction and mission

## Introduction

The General Social Care Council (GSCC) was established in October 2001 under the Care Standards Act 2000 as an executive Non-Departmental Public Body sponsored by the Department of Health (DH).

We are the social care workforce regulator for England and are responsible for ensuring the highest standards of care are delivered through:

- national codes of practice for social care workers and employers;
- a Social Care Register of regulated professionals and student social workers, trained and accountable for their practice; and
- high quality social work education and training.

The GSCC aims continually to raise and maintain high standards in all aspects of social care and, together with our partner organisations in Scotland, Wales and Northern Ireland, works to promote a high quality, respected profession across the UK.

## Mission statement

To improve the quality of social care for the benefit and protection of people who use services and to safeguard their human rights, by regulating the workforce and requiring high standards of social work education. We will:

- act as a guardian of standards in social care practice by requiring the highest standards of conduct from social care workers and compliance with a code of practice;
- promote and develop a high quality workforce by ensuring the highest standards of initial and ongoing training for social care workers; and
- uphold the value of a committed workforce and the contribution it makes to society.

This new mission statement was developed during 2008 to better reflect the GSCC's role as the regulator of the social care workforce.

## Annual Report and Accounts 2008-09

The Annual Report and Accounts 2008-09 sets out the GSCC's performance and achievements for the period 1 April 2008 to 31 March 2009.

# Chair's welcome



**It is a privilege for me to have been appointed as Chair of the General Social Care Council and I am deeply conscious of the responsibility that such a position brings. I intend to build on the early progress the GSCC has made in the regulation of the social care workforce, and on its reputation as an outward and forward looking organisation. In doing so, I am confident that we will continue to raise standards in social care through a well-trained, well supported and professional workforce.**

I have joined the GSCC at a time when attention is firmly focused upon the social care sector. Significant changes have been introduced to ensure that people have choice in the services they use, and to meet the increasing demands of the future.

The Government has established the Social Work Taskforce to make recommendations for long-term reform in social work. The GSCC will be a key contributor to delivering that reform. With the focus on people who use services at the forefront of our minds, we will continue to raise the standards of the workforce so that people can have confidence in the social care workers whose services make such a difference to their lives.

I came to the GSCC with a background in health professional regulation. Regulation in the social care sector is more recent and less well established than it is in the health care sector. This was brought home to me during my first few weeks at the GSCC when the tragic death of Baby Peter hit the headlines. The GSCC was

not informed of the case until it came to court. This raised major questions for us about our relationship with social care employers and their understanding of our regulatory role and responsibilities for conduct. The GSCC is committed to working with employers to reinforce their responsibilities under the Employer's Code. This will ensure that we are made aware of any potential misconduct on the part of their social workers so that we can take appropriate action to protect the public. Most importantly, compliance with the Employer's Code will mean that social care workers are provided with appropriate training and development to enable them to carry out their duties effectively and continuously improve the service they offer.

Cases like that of Baby Peter highlight the enormous and complex challenges facing social work. We continually strive to ensure that professionals on the Social Care Register meet our rigorous standards and that those who do not measure up are quickly identified and removed, both in the interests of vulnerable people who use services and the tens of thousands of social workers doing an excellent job in, often, difficult circumstances.

The protection of people using social care services is of paramount importance. As the workforce regulator, we are absolutely committed to ensuring the highest standards of practice and addressing misconduct.

We recently identified, and alerted government, that a backlog of referrals to our conduct service,

some of which had not been adequately risk assessed, was building up. This was a matter of extreme concern to the Council and to the Department of Health, and after careful consideration the Council took the difficult decision to suspend our substantive Chief Executive, whilst a thorough investigation into how the issue arose took place.

Paul Philip, Deputy Chief Executive of the General Medical Council, was Acting Chief Executive from 21 July to 30 September 2009. Paul brought extensive experience in health regulation which has been of enormous and immediate value to the GSCC.

We have now reviewed all the cases in the backlog, and based on a risk assessment, have taken action to suspend any social workers facing serious allegations. Council and Ministers have thus been provided with assurance that the risk to public protection in these cases has been appropriately managed.

As awareness of regulation of the social care workforce continues to increase, so will the number of potential cases of misconduct. Much remains to be done but I am confident that we now have in place robust proposals to deliver improvements in our operations to ensure the highest standards in workforce regulation. However we believe that in the future our powers should be extended and enhanced to bring them in line with those of the most modern professional regulators, and we are in discussion with the Department of Health to bring this about.

Paul Snell has been appointed Acting Chief Executive with effect from 1 October 2009. Formerly Chief Inspector of the Commission for Social Care Inspection, Paul's extensive experience in public service, social care and regulation will be of great value in taking forward the good work which has already begun.

At the request of the Secretary of State for Health, the Council for Health Regulatory Excellence (CHRE) has undertaken a review of the conduct function at GSCC. Their report has been submitted to the Secretary of State and has been made available for consideration by the Council, prior to official publication.

On 21 October 2009, I wrote to the Secretaries of State for Health and for Children, Schools & Families, to say that although the report made difficult reading for us all, we, at the GSCC, accepted its findings, conclusions and recommendations. At the time of writing, we await the Secretary of State's response, but we intend to work closely with the Departments and with the CHRE to deliver their recommendations, and I intend to invite CHRE to undertake another review to satisfy their concerns in about nine months time.

**Rosie Varley, OBE**  
Chair, GSCC

# Chief Executive's review:



## Change and progress

**The period 2008-09 has seen many significant changes at the GSCC, reflecting our response to the changing landscape of social care, all of which contribute to our vision of promoting high standards in the social care workforce for the benefit of the people who use services.**

In October 2008, Sir Rodney Brooke retired as our Chair, having led the GSCC since 2002 and having played a very significant role in shaping the organisation. Rosie Varley was appointed as our new Chair in November 2008, bringing to the GSCC considerable experience in health regulation, as well as her commitment and enthusiasm for bolstering the regulation of the social care sector.

We also welcomed Lin Hinnigan as Director of Strategy and Richard Healey as Director of Corporate Resources. Tragically, Richard passed away in the summer of 2009 after a sudden illness.

During the past year we also had significant achievements, as this report will demonstrate. Throughout 2008-09, we have implemented our Vision and Future Structure review – including relocation to Rugby of many of our functions – to create a more efficient, streamlined organisation.

Continual professional development is an essential requirement for social workers on the frontline and this year was our first experience of registration renewal by those social workers who have been on the Social Care Register for three years. We were particularly pleased to find that many have

demonstrated significant commitment to their development by not only meeting, but exceeding the 90 hours of Post-Registration Training and Learning required to renew their registration.

To continue to deliver on our mission of creating a highly qualified workforce, we have begun a review of how we regulate social work education and training to see how we can reinforce the current system to ensure that social work education remains of a consistently high standard. In this way, we will help to ensure that social work students are given the right tools and support to equip them for their demanding roles and to help them deliver the best outcomes for people who use services.

There has been much attention from the Government on all aspects of social work during 2008-09 and, with over seven years of regulatory experience, we look forward to contributing with increasing authority to the reform agenda to strengthen and sustain public confidence in the profession.

That said, the events of the summer, as mentioned in the Chair's introduction, loom large for the organisation. When I took over from Paul Philip on 1 October 2009, it was evident to us both that much work needs to be done to make the conduct work of the Council fit for purpose. GSCC are at the beginning of this journey. The basics of public protection have been addressed and a plan of action to develop our conduct procedures has been developed.

The Report on our conduct work by the Council for Health Regulatory Excellence (CHRE) has been submitted to the Secretary of State for Health. A summary of its findings is included in the Statement on Internal Control on pages 49 to 57.

As referred to in the Chair's introduction, we intend working with the Departments concerned to continue to build on the work which is already underway, and to implement the Report's recommendations.



**Paul Snell, CBE**  
Acting Chief Executive, GSCC



These concepts of vision and togetherness are only words if we don't live up to them. We understand that **our actions** are much more meaningful than our words.

By developing and enforcing professional codes of conduct and practice we can improve services and public protection.



# GSCC achievements 2008-09

**This section of the Annual Report sets out the strategic aims of the GSCC and gives an overview of how we have delivered against these.**

## Strategic aim 1

**To develop and maintain a comprehensive and up-to-date register of social care workers.**

### Registration

Registration with the GSCC is a legal requirement for all social workers practising in England. At 31 March 2009, there were 95,511 registrants on our Social Care Register. All of these have undergone the rigorous process of having their qualifications and character checked and verified to ensure that they are suitable to work in social work. Of these, 72,047 were UK qualified social workers; 6,488 were internationally qualified social workers, and 16,976 were social work students.

This year we received 13,888 applications to the Social Care Register. Of these 6,928 were from qualified social workers; 6,474 were from social work students, and 486 were applications for restoration. One hundred and forty-six applicants were refused registration on the basis either of lack of qualifications or on the grounds of suitability.

### Renewals

It is a legal requirement for social workers to renew their registration with the GSCC every three years, and the protection of title in England means that it is an offence to use the job title 'Social Worker' without GSCC registration.

Protection of the title 'Social Worker' was introduced in April 2005 and it was at this point that the majority of social workers registered with the GSCC. This meant that this year those social workers came up to renewal for the first time. Between 1 April 2008 and 31 March 2009, we received a total of 41,526 renewal applications.

As a part of the renewal process, qualified social workers must certify that they have completed at least 15 days or 90 hours of Post-Registration Training and Learning (PRTL). This ensures that social workers are continuing to learn, develop their practice and keep their knowledge up to date, all of which contributes to a higher standard of professional practice. A survey of a sample of renewal applications indicated that many social workers were exceeding their PRTL requirements, doing an average of double the amount required.

### Renewing through the Online Social Care Register (OSCAR) portal

The GSCC sends out a renewal application pack to those on the register three months before registration is due to expire, and throughout 2009 we will be inviting registrants to renew online as part of the roll-out of our OSCAR portal (to be known to registrants as MyGSCC). Online services will be quicker and easier for applicants, as well as being more efficient and cost-effective. This is further explained under Strategic aim 5 on page 22.

## Strategic aim 2

**To develop and enforce professional standards of conduct and practice in order to improve services and public protection.**

### Conduct

The vast majority of social workers carry out their work with integrity and professionalism. However, where breaches of the code of practice occur, it is the GSCC's responsibility to hold these social workers to account and to take action to admonish, suspend or remove them from the Social Care Register.

A conduct hearing is the final stage in a process of establishing whether a social worker's actions have called into question their suitability to remain on the register. When a conduct committee removes or suspends those social workers where misconduct has been proven, the GSCC acts to protect people who use services. It also supports the social work profession by sending a clear message that the small number of social workers who do not act in a professional way will be held to account for their actions.

As the awareness of the GSCC's conduct role increases, so do the number of conduct hearings held year on year. The period 2008-9 has seen an increase in conduct activity with 33 conduct hearings, compared to 26 hearings in 2007-8. As a result of these hearings, there were seven admonishments, five suspensions,

19 removals from the Social Care Register and three cases dismissed.

Since the end of 2008-09, we identified significant internal control weaknesses relating to our conduct work and these are raised in the Acting Chief Executive's Statement on Internal Control presented on page 49.

### Conduct hearing outcomes

**Admonishment** – a caution on the registrant's entry to the Social Care Register.

**Suspension** – the registrant is unable to practise for a period of up to two years.

**Removal** – the registrant is removed from the Social Care Register, preventing them from further practising as a social worker.

**Exoneration** – the facts in the registrant's case are proved but no misconduct has taken place.

**Case dismissed** – the facts in the registrant's case are not proved and no misconduct has taken place.

### Professional boundaries project

Inappropriate relationships between social workers and people who use services has been a consistent theme in allegations of misconduct made to the GSCC and we are aware that some social workers feel

uncertain about what is and is not a boundary transgression.

To address this, and to deepen our understanding of the issues, the GSCC commissioned two pieces of research from Sheffield Hallam University and WITNESS (the professional boundaries charity). The findings are shaping our plans to provide guidance to social workers on maintaining appropriate professional boundaries.

*Raising standards: Social work conduct in England 2003-08*

At the end of 2008, the GSCC produced its first report on conduct work entitled, *Raising Standards: Social work conduct in England 2003-08*.

Some key themes highlighted by the report have informed GSCC policy. It noted that the requirement to declare health issues in order to register may create difficulties in complying with disability legislation and GSCC has asked for this requirement to be removed from the statute for social care registration. Conduct hearings have identified the crucial role that employers have in ensuring high standards of professional practice and informed the GSCC call for the Code of Practice for Employers to be given statutory force.

In the future we will publish an annual report on this activity.

## Strategic aim 3

**To ensure high quality training for social workers and continuous assessment of the continued relevance of social work education and training to practice.**

### **Our role in regulating social work education**

Our regulatory activity to ensure the quality of initial and ongoing training for social workers is at the heart of ensuring high standards in social work practice. We inspect the quality of training against standards and content agreed by the Government and work closely with others, including Higher Education Institutes (HEIs), people who use services, students, employers and skills councils to ensure that high quality, relevant social work education is being delivered.

This year 4,813 undergraduate and postgraduate students completed their training successfully at the 81 HEIs in England which offer the social work degree.

### **Review of the way we inspect courses**

During the year we began a review of our approach to the regulation of social work training to determine whether it was fit for purpose for the changing world of social work. In November 2008 we offered advice to the Government on how we might deliver a more effective inspection regime. We believe that our proposed actions could provide an

important lever for raising quality in social work training.

At the end of the year Lord Laming endorsed this view in *The Protection of Children in England: A Progress Report*, which recommended that the inspection regime should be strengthened to raise the quality and consistency of social work degrees across HEIs. We look forward to a decision on our proposals for a more robust inspection system and hope that the Government will authorise and resource us to take these forward.

### **Research into the effectiveness of social work training**

Over the last year there has been a lot of welcome interest in how well social work training is equipping social workers at all stages of their careers for the challenging work they do. A range of evidence and views emerged during the year indicating a mixed picture in terms of experiences and perceptions, and highlighting particular issues about the demands placed on newly qualified social workers (NQSWs).

The GSCC produced a number of reports (see pages 28 and 29) which provided valuable evidence on a range of aspects of social work education and training. This has informed our contribution to policy discussions ongoing in

Government and with the Social Work Taskforce. We will take forward the recommendations from all of these studies to ensure confidence in the quality of social work education.

### **Post-qualifying (PQ) awards**

Post-qualifying (PQ) awards are designed to help social workers continue their education in a flexible way alongside their work commitments. They are modular, university-based awards, and are available in five specialist areas (including children and young people) at three levels, providing progression for social workers throughout their careers.

We launched a new PQ framework in 2007, which saw an increase in the number of enrolments, particularly on the mental health courses.

### **Post-registration Training and Learning (PRTL)**

During 2008-09, the GSCC undertook a review of PRTL<sup>1</sup> which revealed a strong body of support for strengthening the requirements. At present, the requirement is only for a specified time to be dedicated to training and development.

<sup>1</sup> The GSCC requires all registered social workers to complete either 90 hours or 15 days of training within each three-year registration period.

A number of respondents to our review were willing to support more prescription about the sort of learning that should be required. We have raised this with the Social Work Taskforce and we expect to firm up proposals and mount a formal consultation in due course.

### **Comparator for international social work students**

As part of the move to establish social work as a wholly graduate profession in the UK, the GSCC (together with the other UK care councils) raised the comparator benchmark for international qualifications and training from 1 October 2008. This ensures that social workers registering with us who have trained outside the UK will meet the same high standards as those who have trained here, thereby creating a more highly qualified workforce.

### **Securing quality placements**

A key element of initial training is learning through placements in social work settings ('practice learning'), and the GSCC has given heightened focus to both the sufficiency and quality of this element of courses in all its approval, reapproval, annual monitoring and inspection activity.

Throughout the year, we have worked with Skills for Care (SfC) and the Children's Workforce Development Council (CWDC) as part of a

national social work development partnership board set up, among other linked objectives, to meet the long-term challenge of securing good quality placements for students.

Together with our key partners we carried out a consultation project to produce a set of benchmark statements for the quality assurance of practice learning. Our aim is for this to provide a standardised system for driving up placement standards against national criteria and, most importantly, for identifying inadequacy of provision.

We have also been working with our partners on training standards and role specifications for staff who support students in their practice learning, along with the design of related employer-led training programmes for qualified social workers.

We have also made significant progress with our joint work with SfC and CWDC to ensure that all placements prepare students thoroughly for the core duties of safeguarding work before qualifying.

### **Involving people who use services**

Through our quality assurance work we know that the majority of HEIs are involving people who use services in the design and delivery of courses. Service users' involvement in selection and teaching makes an incredibly

valuable contribution, helping to endorse the idea of personalisation which students will then take with them into the workforce. We will continue to ensure that this is in place in all HEIs.

More broadly, we will continue our pioneering work in involving people who use services in our regulatory activity and project groups, such as the diversity and progression project and the national social work education stakeholders' forum.

## Strategic aim 4

### To develop and maintain a strategic leadership role in social care working with partner organisations as a modern regulator.

In addition to our operational activities, the GSCC has a significant part to play in providing expertise and advice to shape developments in the social care sector to improve the quality of practice – and 2008-09 saw unprecedented levels of political interest in social care.

The Department of Health's "Putting People First" agenda for personalising care and support posed some challenging questions, in particular: how should regulation protect people and ensure high standards without fettering people's ability to direct their own care and exercise choice? We have begun to explore these issues by commissioning research into the views of personal assistants and their employers, which reinforced our view that any system of regulation must preserve the principles of choice and control. We will be taking forward work on this over the coming months.

The development of children's services had the Government's attention in equal measure with a review of how social work education and training was preparing people for social work practice, particularly in children's services. This work was already well under way when the tragic death of Baby Peter came to light, sending shockwaves through the profession

(as well as the public in general), and focusing minds even more on all aspects of support and training for the people working in these immensely challenging roles.

This political interest in social work provided the GSCC with a welcome opportunity to start to translate what it had learned during its seven years in operation into recommendations to inform policy developments and reforms. We presented a number of submissions to consultations and inquiries – including giving oral evidence to the House of Commons Children's and Families Select Committee – and provided briefings for debates and legislative scrutiny in Parliament.

We were delighted that Lord Laming in *The Protection of Children in England: a Progress Report*, endorsed many of the proposals which we had recommended to the Government, including that the GSCC's code of practice for employers should become mandatory and that there should be specialist training for people working in safeguarding.

We were also very pleased to be invited to be a member of the Key Partners Group supporting the Social Work Taskforce that has been set up to examine how social work can be strengthened, and to be asked to second a member of staff to its support unit. We believe that we have a central role to play in informing many aspects of the reform agenda

and are committed to providing our expertise and advice to this very important work.

### **Engagement with social workers and employers**

During 2008-09, we sought to improve our engagement with social workers and their employers to improve awareness and understanding of the importance of regulation.

In May 2008 we launched a quarterly electronic newsletter – *Social Work Connections* – to inform our registrants about our work and wider developments in the sector, and to provide an opportunity for people to give feedback to us via polls and by posting comments on articles. It is emailed to all our registrants and is also available for other people to subscribe to via our website [www.socialworkconnections.org.uk](http://www.socialworkconnections.org.uk)

During the year it came to light that a number of cases of potential misconduct involving social workers had not been brought to our attention by their employers. In response to this, we began to develop plans for raising awareness of the need for cooperation with the GSCC among employers. These plans are now being taken forward and will be of particular significance in light of the Government accepting Lord Laming's recommendation that the code of practice for employers should be given statutory force.

### **Home care worker registration**

We had expected the Government to ask us to begin to register home care workers and their managers during 2008-09 and were disappointed that the year closed without this happening. The Government has indicated that it remains committed to registration of home care workers and to considering the case for registration for other workers in the sector. However, the GSCC's current priority must be to ensure that it has the right systems, processes and resources in place to carry out its existing duties and to strengthen its conduct function. In light of this the Government has indicated that further work to open a register of home care workers should be put on hold temporarily to enable the GSCC to do so.

During the year we made significant progress on taking this agenda forward by undertaking a study for the DH which demonstrated the value that GSCC registration of this workforce would have in improving the quality of care and ensuring the protection of people who use services.

We also commissioned research into the views of home care workers and of people who use social care services concerning registration. In addition to benefits to the quality of care and protection for people who use services, many care workers felt that registration is a long-overdue recognition of an important occupation. They felt it would give good

workers legitimacy and weed out those who are unsuitable, and that it would improve training standards, which are currently variable.

### **Benefits barriers to involvement of people who use services**

As a people-centred organisation, the GSCC seeks to involve people who use social care services in its work.

Since 2005, the GSCC, together with its partners the Commission for Social Care Inspection, Skills for Care and Social Care Institute for Excellence, has continued to raise concerns with the Government about the difficulties experienced by people who use services when receiving payment for their contribution to planning, developing, and reviewing services and policies. There are particular problems for those people who are in receipt of welfare benefits, and for whom the reduction of benefits constitutes a very real disincentive to participation.

A new GSCC Payments Policy, which came into force on 1 April 2008, ensures that people's benefits are not adversely affected by payments received for being involved in our work. The principles in this policy are agreed by all of the participating organisations and they now have or are implementing similar policies.

### **Codes of practice review**

The codes of practice for social care workers and employers are a key plank of social care regulation, providing a clear guide on the standards of practice and conduct that are expected both of workers and employers.

During 2008-09 we distributed over 160,000 copies of our codes of practice. This includes copies available in 28 foreign languages and also in alternative formats such as Braille, large print and Makaton.

During the year, on behalf of the four UK care councils, we commissioned Kings College Social Care Workforce Research Unit (KCSCWRU) to carry out a study to find out how the codes are used and understood by social care workers, employers and people who use services.

The study identified that guidance may be needed for employers about how to use the codes more effectively and that work with HEIs should ensure that the codes are used by all organisations offering practice placements to students.

We will take this work forward in line with the review of the codes that Lord Laming recommended should be carried out before the code for employers is given statutory force.

## Strategic aim 5

**To ensure the organisation is fit for purpose and able to adapt to change.**

### GSCC organisational restructure

During 2008-09, the GSCC undertook an organisational restructure, the starting point for which was the following vision, decided by our staff, managers and Council:

“The GSCC works to improve the quality of the social care workforce for the benefit of people who use social care services.”

We will deliver this vision through:

- **Excellence** – demonstrating excellence in all that we do;
- **Partnership** – working in partnership with other organisations and leading in our sector;
- **Influence** – using our role as regulator to influence policy makers and workers, taking into account the requirements of the people who use services;
- **Authority** – acting with authority and purpose; and
- **Support** – offering support to all of the GSCC’s staff to demonstrate the values that underpin our vision.

We consulted staff at all levels to find the best structure to make this happen. As a result we have re-organised our directorates to give each a clear focus:

- **The Strategy Directorate** is focused on positioning the GSCC in the social care sector through policy, research and communications functions, and driving internal transformation, embedding customer focus and continual improvement.
- **The Regulation Directorate** is concerned with operational delivery.
- **The Corporate Resources Directorate** is focused on enabling, creating and sustaining the appropriate operating environment and providing the tools for change through the finance, legal, procurement and ICT functions.

In line with the requirements of the 2008 DH review of Arms Length Bodies, we have relocated many of our functions to our Rugby office, reducing overheads and delivering efficiencies.

### Introducing online services

The GSCC strives to deliver high quality services whilst providing the best value for money for the public purse. To this end, we have developed an online service for registrants to renew their registrations, update their details, and record their PRTL hours.

During January 2009, we invited a pilot group of 3,000 social workers to use the online service and provide us with feedback. As a result of their comments, we are now refining the system with a view to launching the live portal to all registrants over the coming year.

We will continue to expand online service delivery during 2009-10.

### Equality and diversity

In December 2008 the GSCC launched the Single Equality Scheme setting out a comprehensive three-year action plan to eliminate discrimination, promote equality and value diversity through everything we do.

In 2008-09 we progressed on our four key areas of focus across the six strands of equality: age, disability, gender, race, religious belief and faith, and sexual orientation.

Our focus on **accessibility** has meant the e-enablement software for online registration is DDA compliant. A streamlined process for enabling reasonable adjustments for disabled staff working at the GSCC has been implemented and the GSCC achieved the two ticks 'positive about employing disabled people' symbol.

Our focus on **promotion** has meant we have trained staff and managers in promoting equality and diversity through their work. We promoted our new 'Dignity at work' policy to all staff in conjunction with 'Ban bullying at work' day, holding a series of lunchtime events and creating a dedicated intranet site. All Council and Executive Management Team papers require consideration of the equality impact.

Our focus on **involvement and consultation** has meant that service user representatives have been involved in the evaluation of our service user involvement strategy and produced recommendations on integrating an equality and diversity focus into future service user involvement work.

Our focus on **information gathering** has meant we now gather information on the makeup of registered social workers and social work students to determine the impact on different

equality groups through the registration process. Following the change in social work qualification comparator for internationally qualified social workers, data has been gathered on the impact of raising the academic standard of the comparator across different age, disability, gender and racial groups.

Further information about the work the GSCC is doing to promote equality and value diversity can be found at [www.gsc.org.uk/About+us/Equality+and+Diversity/](http://www.gsc.org.uk/About+us/Equality+and+Diversity/)

### **Freedom of information**

Between 1 April 2008 and 31 March 2009 the GSCC received and responded to 15 requests for information under the Freedom of Information Act, and 14 data subject access requests under the Data Protection Act.

### **Complaints/compliments**

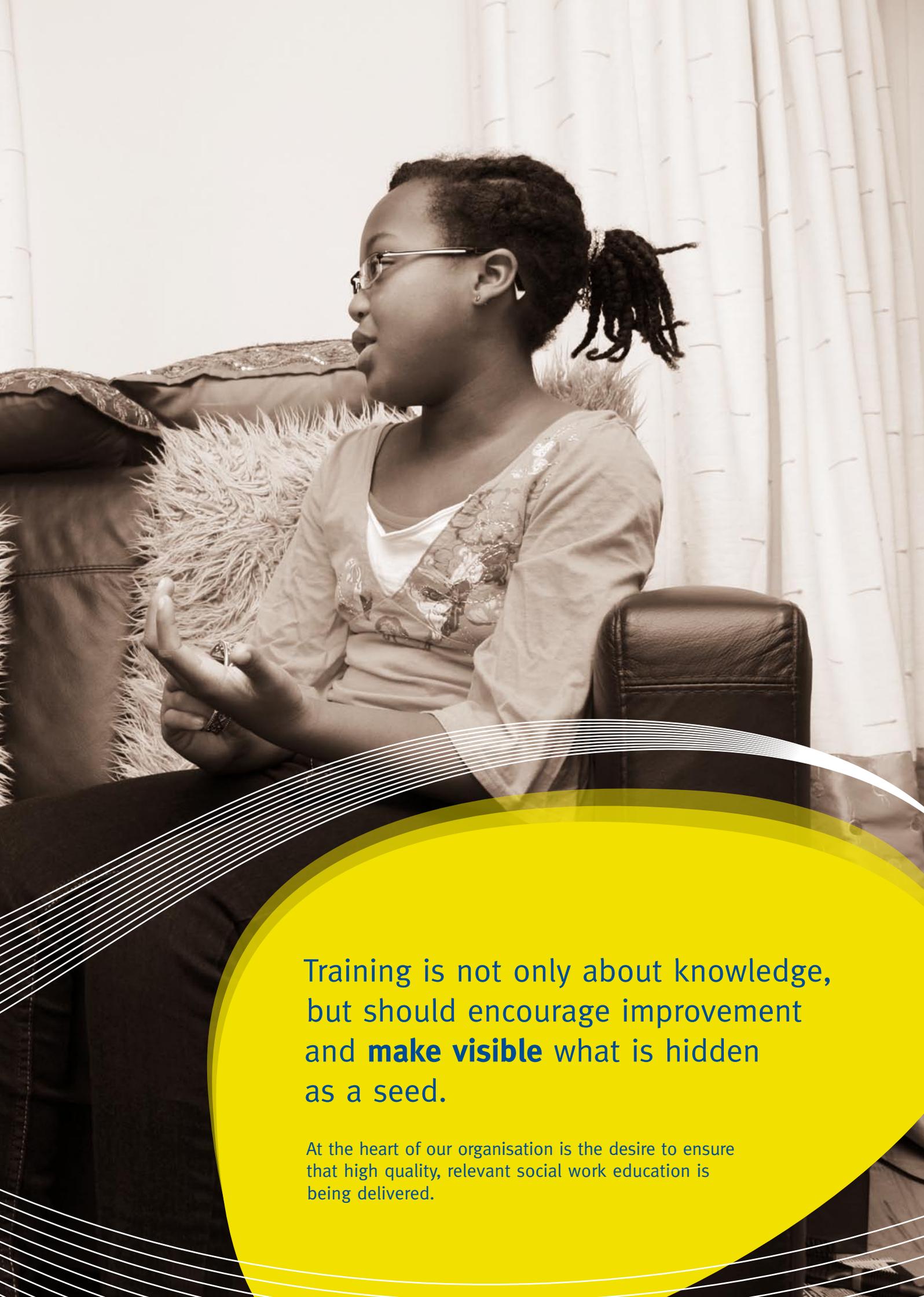
To support our commitment to continuous improvement, the GSCC welcomes feedback from those who come into contact with us. We act on the comments, compliments and complaints we receive to improve our service delivery.

We responded to 158 complaints between 1 April 2008 and 31 March 2009. Of these, 56 were upheld and 43 were partly upheld. We received 113 complaints related to registration; 34 related to conduct, and 11 related to other services.

During the same period, we received 11 compliments; 12 comments, and 22 policy representations. Each of these was taken into consideration in ongoing reviews of policy development and service delivery.







Training is not only about knowledge, but should encourage improvement and **make visible** what is hidden as a seed.

At the heart of our organisation is the desire to ensure that high quality, relevant social work education is being delivered.

# Social work education and training reports

**The following GSCC reports published in 2008-09 provided valuable evidence on a range of aspects of social work education and training:**

*Raising Standards: Social work education and training in England*

This report, published in February 2009, looked at all aspects of social work education and training for the academic year 2007-2008. It found that overall the degree is preparing students well for the start of their career in social work, but the support and ongoing training once they enter the workplace needs to be strengthened.

The report made a number of key recommendations, including that all social work graduates should be supported to continue to develop practice knowledge and proficiency through PQ training; that HEI funding arrangements should be simplified, with funding linked to quality standards; and that a workforce model should be developed to ensure the right number of social workers are being trained in the right regions.

The report also looked at the diversity of people training in social work and found that the number of men entering the profession is declining, and that progression rates amongst students from some black and minority ethnic communities are poor. We will carry out further studies to examine how this can be improved.

*Fit for Purpose?: The social work degree in 2008*

In October 2008, we published this independent research that we commissioned into the views of a group of six HEIs and 19 providers on current policy and practice around the social work degree programme, particularly in children's social work.

One of the key findings was that, while good practice exists, some HEIs were not doing enough to forge partnerships with the employers that take on their students after graduation. Many managers wanted a greater role in providing training in colleges and in the selection of students for degree places.

Partnership work was also seen to be key to addressing issues around quality and availability of practice placements and support available to newly qualified social workers once they enter the workplace.

### *Grow Your Own*

In December 2008, we published research at the request of Department for Innovation, Universities and Skills into the effectiveness of schemes known as Grow Your Own (GYO), used by social care employers to increase the number and diversity of people going into social work. The schemes involve employers supporting existing staff or targeting new recruits from groups under-represented in the profession to qualify as social workers.

The research, carried out by King's College London working with the Open University, concluded that GYO schemes are valued by employers and students for recruiting social workers who already have working experience of the profession.

The report's principal recommendation is that employers should make greater use of targeted GYO activity to improve the diversity of their workforce, and that policy makers could also consider how GYO could be used to deliver the Government's commitment to widening access to the social work profession.

# Council Members

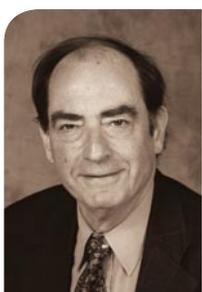
## Lay Members

### Rosie Varley OBE (Chair)



Rosie Varley OBE took up the role of GSCC Chair on 1 November 2008. She is also Chair of the Public Guardian Board, Chair of Skills for Health Eastern Region, a member of the NMC Appointments Board and of the Mental Health and Disability Living Allowance tribunals. She was Chairman of the General Optical Council until the end of December 2008 and continued on its board until 31 March 2009 as a lay member. She was Acting Chair of the Council for Healthcare Regulatory Excellence (CHRE – which oversees all health regulatory bodies) until December 2008. During 2008-09 Rosie chaired a DH working group on the governance arrangements for the new General Pharmaceutical Council. She has been an Appointments Commissioner, an NHS Regional Chairman, and an NHS Trust Chairman. Rosie is also a governor of the Priory School for Children with Special Needs in Bury St Edmunds, and President of West Suffolk MIND.

### Sir Rodney Brooke CBE DL



Outgoing Chair Sir Rodney Brooke CBE DL was Chair of the GSCC from 1 March 2002 to 31 October 2008. He was appointed Chair of the Quality Assurance Agency for Higher Education (QAA) from

1 March 2009 and serves as a non-executive member on the General Medical Council, the National Information Governance Board, the Tavistock Institute, Capacitybuilders and the Internet Watch Foundation. Sir Rodney is a solicitor; a trustee of the Dolphin Square Trust and the Dolphin Square Charitable Foundation. His career has been in local government, including Chief Executive roles at West Yorkshire County Council, Westminster City Council and the Association of Metropolitan Authorities. He was formerly Chair of the Bradford District Health Authority and the National Electricity Consumers' Council, a member of the Ethics Standards Board for Accountants and a trustee of the Community Development Foundation. He has written extensively on public sector policy, management and ethics.

### Haqeeq Bostan



Haqeeq Bostan is a lawyer by training but now works as an independent consultant with an interest in equality and discrimination issues. He has advised a number of public authorities (such as TfL and the Crown Prosecution Service) on matters concerning disability and equalities. He is a Non-executive Director of Southwark PCT, Chair of the London Black Disability Forum and a Director of Independent Living Alternatives.

### Melanie Henwood OBE



Vice-Chair Melanie Henwood OBE is an independent health and social care consultant. She is a specialist advisor to the Health Select Committee, and Chair of the Advisory Group on Independent Living to the MS Society. Ms Henwood has held visiting fellowships with the London School of Economics, the University of Leeds and the University of New South Wales, Australia. Melanie has more than 25 years' experience in research and analysis, focusing particularly on the interface between health and care, and most recently on the emerging personalisation agenda. Before establishing her own consultancy in 1991, she held research posts at the King's Fund, the Family Policy Studies Centre, and the University of Bath.

### John Knight (resigned in July 2009)



John Knight is Assistant Director of Policy and Campaigns at Leonard Cheshire Disability and was a mainspring in forming the Voluntary Organisations Disability Group of which he was convenor. He is a JP, a member of the Cabinet Office's Third Sector Advisory Board and is a former trustee of NCVO. Mr Knight has two other Ministerial appointments, one as a Commissioner with the Commission for Social Care Inspection and one

on the DWP Management Board of the Office for Disability Issues. John uses social care services.

### Harry Marsh MBE



Harry Marsh MBE is an independent consultant in the voluntary and charitable trust sectors specialising in children, families and disability. He is a former trustee and Vice-Chair of the National Children's Bureau and also a member and former Chair of the Council for Disabled Children. He was appointed to the Board of the Children and Families Court Advisory and Support Service (CAFCASS) in 2004 and is lead member on diversity and a member of the CAFCASS Audit Committee. From 1988 to 2000, Harry served as Chief Executive of Contact a Family, a national charity supporting parents caring for disabled children, and prior to that was Assistant Director at Family Service Units. He was Vice-Chair of the General Social Care Council from 2001 to 2003 and chaired the Audit Committee from 2002 to September 2008.

### David Prince CBE



David Prince CBE is the former Chief Executive of The Standards Board for England, the regulatory body that champions and ensures high standards of conduct in local authorities. He held senior positions at the

Audit Commission, as Managing Director, Strategy and Resources and Chief Executive, District Audit. Most of his career was in local government, where posts included Chief Executive, Leicestershire County Council and Director of Finance and Administration, Cambridgeshire County Council. Non-executive independent appointments include Leicestershire Police Authority, the Audit Committee of the Rural Payments Agency, the Committee on Standards in Public Life and the Performance and Best Value Committee of the Bar Standards Board. He has chaired the Audit Committee since March 2009.

## Non-Lay Members

### Terry Butler CBE



Terry Butler CBE 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 until August 2005. He joined Hampshire in 1988 from East Sussex County Council, where he was Deputy Director of Social Services, having previously worked for several social services departments in London and the Midlands. Nationally, he has acted as a Government advisor and was seconded to the Department of Health to help implement the community care reforms in the early 1990s. He was an advisor on social care

to the National Patient Safety Agency until 2007 and is now an advisor to Nestor Health Care. Terry is also a member of the Information Tribunal, Patron of the Relatives and Residents Association, a Non-executive Director of the South Central Strategic Health Authority and an International Tour Leader for Jon Baines Tours.

### Michael Leadbetter – a tribute



Michael Leadbetter, a former Director of Social Services, a consultant in Children's and Adult Care Services and Chair of the Children's Workforce Development Council (CWDC), had been a member of the GSCC's Council since 2007.

It was with great sadness that we learned of his death in April 2009 after a long illness. Not only did he have considerable experience as a qualified social worker, he was also a Non-executive Director and Audit Chair for North East Essex Primary Care Trust, and Chair of two national voluntary organisations – Parentline Plus and Voice – not to mention his roles as a trustee of three other children's charities: Caldecote Foundation, Youth at Risk and the Wooden Spoon Rugby Charity. We will remember Michael for his valuable contribution to the GSCC, his deep commitment to social care and his unfailing dedication to ensure the best outcomes for people who use services, particularly children and young people.

### Bill McClimont



Bill McClimont has worked in health and social care for 19 years. He now works as Non-executive Chairman of Active Assistance, a specialist provider of live-in care for people with spinal injury. Bill acts as Chair in selection panels for the Judicial Appointments Commission and is also a member of the CRB health and social care sub-group. Now Vice-Chair of the UK Home Care Association, Bill previously served them as Chair, Hon Sec. and Vice-President. He was a founding board member/trustee of TOPSS and then of Skills for Care until 2007. For several years, he was also Chair of the nursing and social care division at the Recruitment and Employment Confederation.

### Hilary Tompsett



Hilary Tompsett is Head of the School of Social Work at Kingston University and St. George's, University of London, and Chair of the Learning and Teaching Committee of the Joint University Council Social Work Education Committee (JUC SWEC). She is Chair of the Surrey and Sussex Post Qualifying Consortium Assessment Board, Chair of the Social Work Education Group for the two counties and has been Chair and a member of a number of national working groups. She is a registered social worker.

## Advisory Committees

**The GSCC has established the following committees, made up of Council members, who work closely with the management team and advise the wider Council on key areas of business.**

### Audit Committee

The Audit Committee supports the Council, the Chair and the Chief Executive, as Accounting Officer for the GSCC, in their assurance needs on issues relating to corporate governance, internal control and quality control, risk management and financial audit.

### Regulation Committee

The Regulation Committee advises the wider Council on all aspects of social care workforce regulation and in particular on registration and conduct policies.

### Education and Training Committee

The Education and Training Committee addresses the Council's statutory functions in relation to the education and training of social workers.

### Remuneration Committee

The Remuneration Committee advises the Chair on matters relating to the performance and review of remuneration of the Chief Executive; advises the Council on arrangements for recruiting any new Chief Executive; and advises the Chief Executive on arrangements for recruiting any executive director to the organisation.

# Executive Management Team

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

## Mike Wardle (Chief Executive)



Mike was appointed Chief Executive of the GSCC in October 2007. His tenure of office extended to 4 November 2009.

## Richard Healey



Richard Healey joined the GSCC as Director of Corporate Resources in October 2008. He was in charge of the main support services, including finance and ICT, and he was also the lead for internal audit, risk management and business continuity. Richard was unfortunately taken ill in April 2009 and it was with great shock and sadness that we heard the news of his death on 2 July. During his short time at the GSCC he made a great impact with his energy, enthusiasm, passion for improvement and ambition for the future of the GSCC. His death is a huge loss to colleagues and to the business.

## Lin Hinnigan



Lin Hinnigan is the Director of Strategy and leads on policy, human resources, communications and business development. Prior to the GSCC, Lin was at the Ministry of Justice, where she headed up the Legal Services Regulation and Redress Division, following senior positions as Principal Educational Psychologist in Coventry City, Director of Learning for the Inland Revenue and Area Director of Her Majesty's Court Service in the West Midlands.

## Heather Wing OBE (retired – April 2009)



The Director of Regulation in 2008-09 was Heather Wing OBE. Heather was responsible for registration and conduct procedures, and for social work education and training. Heather, who had worked for 40 years within the social care sector (20 of which have been in regulation), joined us from the Commission for Social Care Inspection, where she was Head of Business Continuity and Performance. Before that, Heather worked as National Director of Adult Services for the National Care Standards Commission and Head of Inspection and Registration at Surrey County Council. Heather is a qualified social worker and is registered with the GSCC. She also has a further education teaching

certificate as well as various management qualifications including an MBA. Her services to the sector were recognised when she was awarded an OBE in the Millennium Honours list.

#### **Chris Pottinger (retired – October 2008)**



Outgoing Director of Corporate Resources Chris Pottinger was in charge of the main support services for GSCC and also responsible for bursaries for social work students, until this was transferred to the NHS Business Services Authority in April 2007. In the 1990s Chris was financial advisor to the House of Commons Health Committee, working on the application and implications of the Community Care Act, and was a member of a variety of national advisory bodies on matters relating to social services finance. He previously worked as Head of Resources at the London Borough of Lewisham; the London Borough of Richmond-upon-Thames; Epsom and Ewell Borough Council; the London Borough of Sutton; and the Royal Borough of Kingston-upon-Thames.

#### **Mick Lowe**



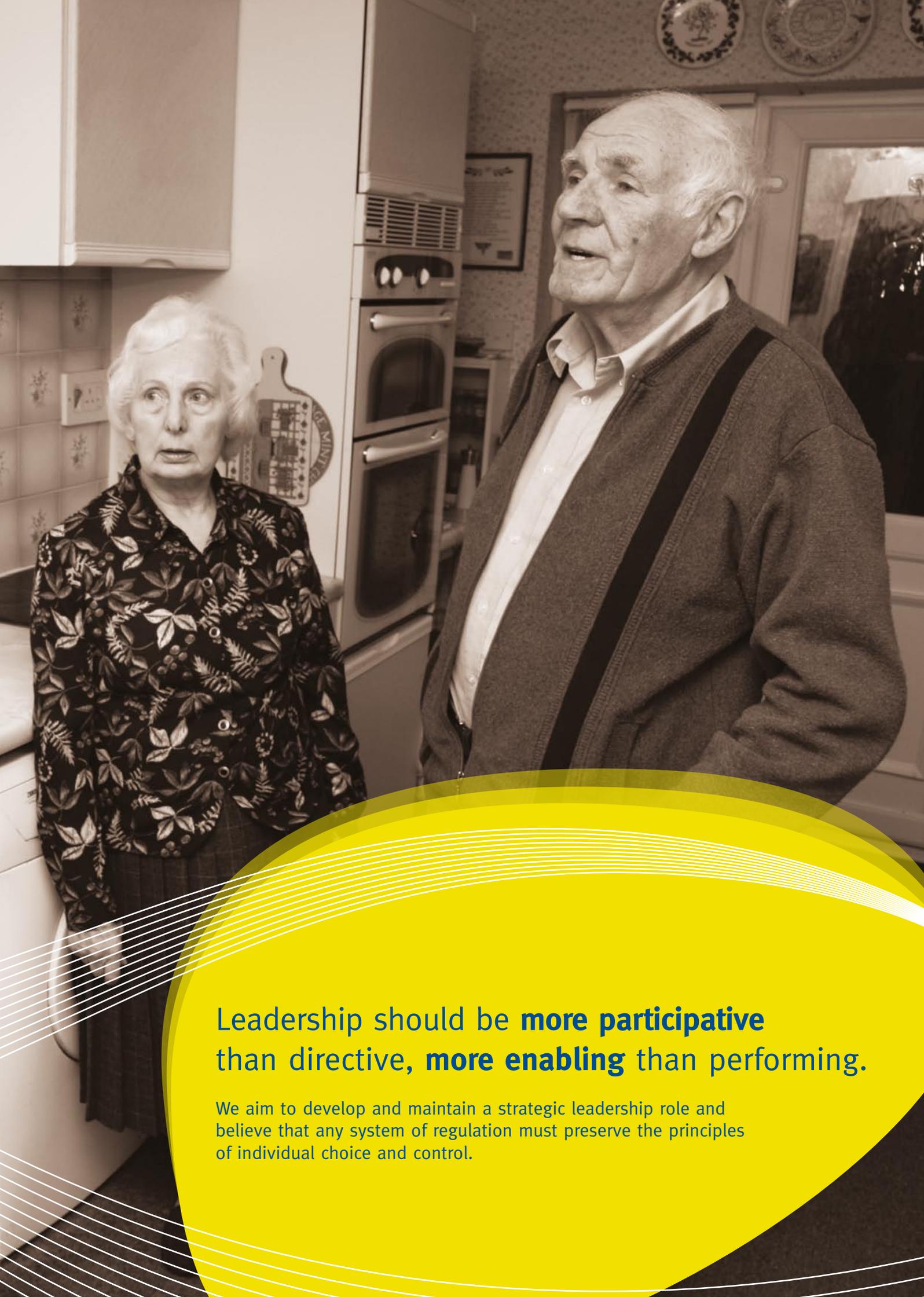
Mick Lowe was interim Director of Strategy from October 2007 until October 2008. Mick was responsible for helping to set the strategic direction for the GSCC through policy development, business planning, legal services, communications and business development. Before joining the GSCC, Mick was programme managing a major change initiative in a north London borough. He has spent nine years as a consultant, prior to which he was in local government and a director in Richmond and Sutton for 10 years. Mick has a background and personal interest in strategy and policy development and has previously been responsible for communications and legal services.

**Note:** Mike Wardle was suspended from the office of Chief Executive on 20 July 2009 pending an investigation. Following a disciplinary hearing he was dismissed on 4 November 2009.

From 21 July 2009 to 30 September 2009, Paul Philip, Deputy Chief Executive of the General Medical Council, was Acting Chief Executive.

From 1 October 2009, Paul Snell CBE, formerly Chief Inspector of the Commission for Social Care Inspection, is Acting Chief Executive.





Leadership should be **more participative** than directive, **more enabling** than performing.

We aim to develop and maintain a strategic leadership role and believe that any system of regulation must preserve the principles of individual choice and control.

# 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:

- [BS] for Balance Sheet as at 31 March 2009;
- [CFS] for Cash Flow Statement for the year ended 31 March 2009;
- [OCS] for Operating Cost Statement for the year ended 31 March 2009.

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 [N3] for the information on education support grants.

## Financing and income

### Government grants

GSCC is funded predominantly by its sponsoring department, the Department of Health (DH) with various Grants in Aid. In 2008-09 the GSCC had access to £44.302m as detailed below:

- Education support grants – £27.633m
- Support management and administration – £15.569m
- Capital grants – £1.100m

All grants except capital were drawn down in full during 2008-09 [CFS]. Only £0.575m of the capital grant was accessed [CFS].

Grants totalling £15.569m (2007-08 £16.006m) were made available to the GSCC to support management and administration, of which £8.529m (2007-08 £8.876m) was towards the GSCC's baseline operating costs, £6.350m (2007-08 £6.350m) was the total value of three 'ring fenced' grants to fund new activities, and £0.690m (2007-08 £0.780m) was the upper limit allocated to the GSCC against which it could submit bids for transitional costs.

Transitional costs are those costs necessarily incurred by the GSCC in delivering the Government's programme for improving efficiency, including the relocation of posts out of London and the south east of England.

The three 'ring fenced' grants, referred to earlier, were £1.800m (2007-08 £1.800m) to fund the sustained costs of the conduct service, £3.900m (2007-08 £3.900m) to support the expansion of the social care register to cover the next group of social care workers to be registered and £0.650m (2007-08 £0.650m) to meet the GSCC's proportion of the operational costs of the new ICT registration system – OSCAR.

In February 2006 the Government announced its intention that the GSCC should register residential and domiciliary social care workers and gave an indicative start date of January 2008 and a fee

rate of £20 per application. The GSCC is still waiting for the formal decision from the Government for a start date, and until it receives that decision it can not open the register. It is considered by the GSCC that the first registration of domiciliary care workers and their managers will not commence until early 2010. As a result of the delay of the start date for the registration of this next group of registrants, the GSCC did not spend as much on development, management and administration on this initiative as had been budgeted for and funded by DH; spending only £2.087m of the £3.900m grant. DH were informed early in the year of this likely outcome and gave permission for £1.000m of the projected under spend to be used to meet the predicted service demand and cost pressures of conduct and the development of OSCAR.

### Non-grant income

In addition to Government grant, the DH allows the GSCC to retain registration fee income from the qualified social workers and students, and income from recharges and fees. The non-grant income receivable [N7] totalled £3.652m (2007-08 £3.811m), of which £2.570m (2007-08 £2.508m) was from social care registration fees, £0.967m (2007-08 £0.920m) from recharges to other bodies, £0.017m (2007-08 £0.116m) from student records, and £0.098m (2007-08 £0.267m) from other operating income.

The income from student records fell from

£0.116m in 2007-08 to £0.017m in 2008-09 because the GSCC closed all old style post qualifying courses at 31 March 2007. Income from registration of social workers and social work students has increased from £2.3m in 2005-06 to a relatively stable income base of £2.5m, as the registration base of qualified social workers, the largest registrant group, is now relatively constant with new registrants joining being partially offset by those leaving the service.

## Expenditure

GSCC's gross operating cost [OCS] in 2008-09 was £47.999m (2007-08 £45.876m), of which £27.392m (2007-08 £26.574m) related to education support grants, £20.168m (2007-08 £19.018m) related to management and administration expenditure including staff costs, and £0.221m (2007-08 £0.302m) related to the cost of capital. After taking into account miscellaneous income of £3.652m (2007-08 £3.811m) the GSCC had a net operating cost of £44.437m (2007-08 £42.065m). The following paragraphs provide a more detailed breakdown of these areas of expenditure.

### Education support grants

Payments made on education support grants [N3] increased to £27.392m in 2008-09 from £26.574m in 2007-08. The actual spend was slightly less than the budget of £28.129m due to the closing DipSW and post-qualifying

programmes under the old post-qualifying framework resulting in returned funds of £0.120m.

£25.176m was distributed to Higher Education Institutes to support practice learning opportunities for social work degree students. Additional funding was given to Higher Education Institutes to support the involvement of people who use services and carers in the design and delivery of qualifying and post-qualifying courses – qualifying courses received £0.828m (an increase of £0.2m on 2007-08) and post-qualifying courses received a total of £0.673m. The GSCC also administered one-off funding of £0.450m to Higher Education Institutes offering Best Interests Assessor training.

## Investment

During 2008-09 the GSCC spent £0.988m (2007-08 £2.212m) on fixed asset purchases [N8 and CFS]. Of this, £0.457m (£1.94m) was capitalised for the social care regulation system, OSCAR, and £0.531m (£0.272m) was spent on IT refresh, office services and software licences. The OSCAR social care regulation 'intangible' asset at 31 March 2009 accounted for £6.211m [N8] of GSCC's fixed asset base of £7.484m [BS]. OSCAR went live mid way through 2007-08, replacing the CARE system.

## 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.

## 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 himself aware of any relevant audit information and to establish that the GSCC's auditors are aware of this information.

The GSCC employs AHL Limited 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 2008 and 31 March 2009, 94% (2007-08 91%) 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.

## Employee policies

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.

The GSCC was accredited the Investors in People Standard in 2006.



**Paul Snell**

Acting Chief Executive, GSCC

Date: 18 November 2009

# 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 (FRoM) (paras 7.2.16-23) and are covered in the paragraphs below.

The GSCC's remuneration structure includes pay progression that is dependent on the outcome of an individual employee's performance in the preceding year. The GSCC HR policies require each member of staff to agree with their line manager their individual performance targets for the year ahead. These performance targets are aligned to contribute to delivering the Business Plan as agreed by the Department of Health. Assessment of actual performance is required to be undertaken and recorded following face-to-face meetings during the year.

Performance related pay includes both a basic award and the potential for a performance increase which provides for incremental progression up to a maximum point on the pay scale. There is also scope for unconsolidated performance pay, once an employee reaches the maximum point of the pay scale. Any annual increases to staff pay are subject to agreement by the Department of Health in line with the HM Treasury Civil Service Pay Guidance.

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 average number of working days lost due to sickness was 10 days per full time staff member.

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 Financial Reporting Standard 17, retirement benefits in full. Note 15 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 FRoM, GSCC has provided in the two tables overleaf 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 until they reach the normal retirement age of 65 years. 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.

FReM 7.2.21 (l) requires details of amounts payable to third parties for services of a senior manager to be disclosed. Mick Lowe was employed through SOLACE Enterprises from 1 April to 10 October 2008 to fill the vacant post of Director of Strategy, until this was filled with a permanent appointment, at a cost of £103,070.65.

## Pension entitlements of senior managers

The table on page 44 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.

Remuneration of Chief Executive and Senior Managers

The following figures have been subject to an external audit

Staff name and date of appointment	Remuneration year ended 31/03/09	Real increase/ (decrease) in accrued pension and lump sum over year	Total accrued pension at 31/3/09 and related lump sum	CETV* at 31/3/08 (nearest £000s)	CETV* at 31/3/09 (nearest £000s)	Real increase/ (decrease) in transfer value over year net of adjustment for market conditions (nearest £000s)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Mike Wardle</b> (1/03/02) – (appointed Chief Executive 24/10/07. Previously held the post of Deputy Chief Executive and Director of Strategy at the GSCC.)	155-160	7.5-10 plus 25-30	50-55 plus 155-160 lump sum	531	807	131
<b>Lin Hinnigan</b> (03/10/08)	45-50	10-12.5 plus 30-32.5	10-15 plus 30-35 lump sum	0	12	222
<b>Richard Healey</b> (21/10/08)	45-50	7.5-10 plus 22.5-25	5-10 plus 20-25 lump sum	0	9	141
<b>Chris Pottinger</b> (1/04/02) Retired (31/10/08)	65-70					
<b>Heather Wing+</b> (4/10/04)	100-105					

None of the above received benefits in kind.

+ Heather Wing is not a member of the Essex pension scheme

\* CETV – cash equivalent transfer values

## 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 2008-09.

Remuneration of Council Members		
Chair of Council and Council Members	Remuneration 2007/08	Remuneration 2008/09
	£'000	£'000
T Ahmed*	0-5	5-10
HM Baker+	-	0-5
H Boston***	0-5	-
C Barton*	0-5	5-10
RG Brooke, Chair**	20-25	25-30
NJT Butler	5-10	5-10
MJ Clarke+	-	0-5
M Henwood	5-10	5-10
A James+	-	0-5
A Keefe+	-	0-5
M Leadbetter++	5-10	0-5
H Marsh	5-10	5-10
W McClimont	5-10	5-10
D Prince++	5-10	0-5
J Thoburn*	0-5	5-10
H Tompsett***	0-5	-
R Varley, Chair ****	15-20	-

+ appointment ended on 31 August 2008

++ appointment started on 1 September 2007

\* appointment ended on 31 August 2008

\*\* appointment ended on 31 October 2008

\*\*\* appointment started on 1 September 2008

\*\*\*\* appointment started on 1 November 2008



**Paul Snell**

Acting Chief Executive

Date: 18 November 2009



An empowered organisation is one in which individuals have the knowledge, skill, desire, and opportunity to personally succeed in a way that leads to **collective organisational success.**

During 2008-09, the GSCC undertook an organisational restructure which was the collective vision of our staff, managers and council.



# General Social Care Council Accounts 2008-09

## 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 income and expenditure, total recognised gains and losses 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*.

The substantive Chief Executive who had been in post over the financial year 2008-09, identified, and alerted Government, that a backlog of referrals to our conduct service, some of which had not been adequately risk assessed, was building up. This was a matter of extreme concern to the Council and to the Department of Health, and the Council suspended the

substantive Chief Executive on 20 July 2009, whilst we looked into how the issue arose.

Paul Philip was appointed as Accounting Officer of the GSCC on 21 July 2009. Paul Philip's priority as the Acting Chief Executive was to provide leadership regarding improving the effectiveness of the processes of the GSCC's conduct function, which considers issues or complaints relating to the suitability of applicants for registration as social workers and the conduct of registered social workers. Paul's appointment ended on 30 September when he returned to the General Medical Council. I was appointed Acting Chief Executive on 1 October 2009. My priorities have been to continue the work started by Paul Philip, to deliver the conduct transformation plan, to respond positively to, and act upon, the findings and recommendations in the CHRE Report, and to work with the other stakeholders to enhance GSCC's services for the protection of the public.

### 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 an ongoing 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 manage them efficiently, effectively and economically.

The system of internal control has been in place in the GSCC for the year ended 31 March 2009 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 also sets out the arrangements for sponsorship by the Department of Health (DH). Formal quarterly meetings are held with officials as part of the planning and monitoring processes. In addition, there is frequent contact with officials from both the DH and other Departments, particularly the Department for Children, Schools and Families (DCSF), with which the GSCC works closely in order to ensure that the GSCC's operations reflect changed priorities and objectives in relation to the social care workforce. Officials from the DH and DCSF attend the GSCC's Council meetings. The DH receives papers for the Audit Committee of Council.

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 accordance with the agreed Management Statement. The Corporate and Business Plans include sections on accountability and governance, management of strategic risks and a sensitivity analysis together with a copy of the GSCC's strategic risk register. The section on

management of risks explains the components 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 Committee reviews on behalf of the Council the establishment and maintenance of an effective system of 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 Council.

The Council has in place a risk management strategy and framework; and the programmes and projects undertaken by the GSCC include both an assessment of initial risk and ongoing risk management.

As the Chief Executive and Accounting Officer, 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.

The internal audit strategy and annual audit plan are sent each year to the Head of Internal Audit at the Department of Health.

The Chief Executive attends Audit Committee and Council meetings, and has ultimate

responsibility for all reports that are 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. He chairs the Risk Management Working Group (RMWG), comprising heads of service from each of the directorates, which meets monthly. The seniority of the membership is set at a level to ensure that any actions and deliverables assigned as a result of the RMWG meetings can be carried out without further negotiation or delay. Members of the RMWG act as advocates of risk management to the organisation. The RMWG reports its observations to the Executive Management Team and to the Audit committee. Review of the Corporate Risk Register is also considered monthly at the Leadership Team meetings, comprising all heads of services and EMT.

#### **4. The risk and control framework**

The GSCC's Risk Management Strategy sets out the key features of the risk management framework and provides guidance for staff on their role in the process. 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, which identifies risks to delivering key aims and objectives set out in the Business Plan.

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 on these. A changes log records revisions and updates to the register, allowing risk owners to identify and respond to developments easily and in a timely fashion.

Both the strategic and the corporate risk registers are reviewed monthly by the Risk Management Working Group, which reports its observations to the Executive Management Team, and are scrutinised twice a year by the Audit Committee.

Risks are identified in a variety of ways, including by general and ongoing review of operations, evaluation of new opportunities and developments and by assessment of complaints and incidents. All the reports to the Executive Management Team and to the Council and its committees include a section, within the standard report template, on risk implications.

Other regular reports, such as performance indicators, summaries of customer complaints, and budget monitoring are produced for EMT meetings, Council meetings and for discussion at quarterly accountability meetings with the GSCC's sponsor departments. A Chief Executive's report is produced for each Council meeting, which summarises progress across the entirety of the GSCC's operations and work.

Where specific, significant activity requires it, the GSCC establishes a project management structure to oversee and monitor progress.

### **Information assurance**

We have a Steering Group established to implement the standards required for information security by the Cabinet Office and the Department of Health's Information Governance Assurance Programme. This work was being led at the GSCC by the Director of Corporate Resources who was the nominated Senior Information Risk Owner during the year. There was change of the Director of Corporate Resources in October 2008.

Progress against the DH relevant guidelines to its ALBs and our next steps were reported to the Audit Committee in June and November 2008 and March 2009. It was also reported to the Department of Health in December 2008 as required. The progress at the GSCC is in line with overall progress of Arm Length Bodies.

We have established procedures to assist in the identification of incidents and the potential risk of incidents.

Following the sudden illness of the Director of Corporate Resources and until another permanent director is in post, we nominated the Director of Regulation to resume responsibility as the GSCC's Senior Information Risk Owner.

### **Personal data related incidents**

We had three adverse data security incidents during the year. All three were due to human error; they were one-off incidents; they have not exposed any affected individual to fraud; and they do not present any systemic failure that would cause major concern of fraud or pose significant risk of damage to the reputation of the GSCC or attract significant media interest.

The first was reported to the Audit Committee and to DH in July 2008, and to the Council at its meeting in July 2008 (GSCC/2008/150), and was formally recorded at the Audit Committee meeting in November 2008. GSCC received confirmation from DH that the incident was categorised as the lowest grade incident. No changes to procedures were required as this involved a specific project that will not be repeated.

The remaining two incidents were reported to the Audit Committee and to DH in June and July 2009, and to Council in July 2009. The first of these two one-off incidents has also been categorised as the lowest grade and some changes to procedures have already been put in place to ensure that this will not recur. The second, also a one-off event, has been assessed as medium grade. As a result, the GSCC has made a number of changes to ensure we learn from this mistake. This has included the introduction of new quality checking procedures for material being returned to our customers and the implementation of refresher training in this area of work with our staff.

## 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 been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Council, the Audit Committee and a plan to address 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 and on the controls reviewed as part of the internal audit work.

The Department of Health assesses 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 the GSCC Chief Executive and Accounting Officer, they are forwarded to the Head of Internal Audit at DH in compliance with the Management Statement. The audit plan 2008-09 and audit

strategy 2007-10 were approved by EMT and then considered by the Audit Committee at its meeting on 20 June 2008.

The Director of Corporate Resources is the designated lead officer for the Audit Committee and is also the Risk Management Coordinator.

**Executive Management Team:** 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.

I chair the GSCC's Executive Management Team meetings, which meets twice a month. EMT considers all strategic and policy issues affecting the GSCC's delivery of its aims and objectives. EMT has collective responsibility for the financial, performance and risk management of the organisation. With regard to risk management, EMT considers the risk implications of all proposals that are brought before it for consideration and decision. The Council's Risk Management Policy includes the provision of an Annual Risk Statement. The Statement is presented by the Director of Corporate Resources, as chair of the Risk Management Working Group, to the Annual Risk Meeting of the Executive Management Team.

EMT reviews annually the Risk Management Framework. Agendas and minutes of all EMT meetings, including the Annual Risk Meeting are published on the GSCC's intranet, The Source, and are available to all staff.

**Risk Management Working Group (RMWG):**

The RMWG provides additional high level cross-directorate assurance. The RMWG's primary concern is to review and assess the current status of risk management throughout the organisation and to make an assessment on whether or not the group feels that what is in place is adequate.

The remit of the RMWG is from overarching strategic controls to day-to-day operational systems. The RMWG meets on a monthly basis.

**Audit Committee:** The Audit Committee meets at least three times per year. For 2008-09, the meetings were held on 20 June 2008, 10 November 2008, and 9 March 2009.

The National Audit Office and the internal audit provider may request that the Audit Committee meets additionally, if they consider that to be necessary. The internal audit providers (currently AHL Ltd) and the external auditors (NAO together with their outsourced provider KPMG) meet with committee members 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 Committee initially considered the Annual Report and Accounts 2008-09 at its meetings on 5 June 2009. Approving and

signing the Annual Report and Accounts was deferred as a result of the suspension of the Chief Executive. Subsequent changes to the Annual Report and Accounts related to the conduct review by CHRE were considered at additional Audit Committees held on 29 September and 6 November 2009.

Paul Philip has provided a letter of representation regarding the period to 30 September 2009, which will enable me to sign the accounts as the current Accounting Officer. NAO have also reported to the Audit Committee that following the completion of their audit, that they have not identified any material errors in the 2008-09 accounts.

## 6. Significant internal control problems

As stated above, Paul Philip was Acting Chief Executive of the GSCC from 21 July to 30 September 2009. The substantive Chief Executive who had been in the post over the financial year 2008-09, identified, and alerted government, that a backlog of referrals to our conduct service, some of which had not been adequately risk assessed, was building up. As this was a matter of extreme concern to the Council and to the Department of Health, the Council suspended the substantive Chief Executive on 20 July 2009, whilst we looked into how the issue arose.

Despite the risk management framework currently in place, and which has been set out above, over this short period, Paul Philip identified a number of significant control issues

relating to the management and progress of the Council's conduct work. In particular, there was lack of adequate and appropriate performance management information. This, in turn, led to a position where the organisation could not properly performance manage its work state to ensure any real degree of operational effectiveness in relation to casework management.

Likewise, human resource and management accounting processes need improving in order to maximise management control. In particular, sickness management and management of the amount of temporary staff have been reviewed and a programme of work to prioritise appointments to substantive posts is being developed.

The development of a cost-based approach to budget setting needs improving and should be taken forward quickly in the coming months in order that the organisation can better understand the cost drivers of its business and demonstrate better value for money.

Over the summer period we have facilitated CHRE staff performing their review.

In partnership with the Council and senior staff, an initial plan of action to address these control issues was developed and significant progress has been made over the summer period with regard to conduct work. Proposals to take forward this work are now in place and will be reviewed regularly by Council and its relevant committees in the months ahead.

Likewise, further work to improve the effectiveness of the risk management framework will be introduced to ensure that proper risk identification and management are in place, particularly with regard to the operational risks of the organisation and its conduct work. As referred to in the Chair's and my introductions, the CHRE have submitted their report on our conduct work to the Secretary of State for Health. The report was published on 4 November 2009 and the Chair has written to the Secretaries of State for Health and for Children, Schools and Families to accept the findings, conclusions and recommendations.

The CHRE's conclusions are outlined below:-

### **Conclusions**

*This review of the GSCC's conduct function, its management and governance, reveals an organisation looking in another direction. The GSCC's focus on public protection was not as strongly expressed in its conduct function as it should have been, possibly because it was giving greater attention to its other statutory duties of developing and improving social work education, establishing a register, and maintaining public confidence in social care services.*

*The GSCC's conduct function was not effective, efficient or well governed. It needs to be if the professionalism of social workers is to be properly supported and challenged to deliver the highest possible practice standards.*

*There was a failure to appreciate properly the public and organisational risks of weaknesses in the conduct function, in particular the consequences of the growing backlog in 2007, and the impact on that of the decision in 2008 to stop referring cases because of financial difficulties.*

*There was a failure to manage effectively the operation of the conduct team when it was split between offices in Rugby and London, so that differences in practice, record keeping and quality were allowed to develop. This was largely due to the lack of a fully functioning case management system.*

*There was a failure to have accurate management information on the performance of the conduct function so that decisions by the Council and its committees were based on incomplete or inaccurate reports which provided an unjustifiable level of assurance and resulted in decisions based on a false prospectus.*

*Quality assurance was not consistent across the conduct function, allowing inadequate investigations, inconsistent decision and poor record keeping to prevail.*

*The work of the GSCC was overseen by two government departments, (including three directorates of the DH), by its internal auditors and by the National Audit Office. It would help the GSCC to have clearer lines of accountability and external oversight.*

*The review recognised that the new Chair of the GSCC, its Council and managers are actively addressing the organisation's problems in the conduct function. The interim Chief Executive appointed in July 2009 has taken immediate action with Council to bring about improvements. A recovery plan has been developed and is under discussion with the Department of Health. The CHRE report and the recommendations in it will provide a check against that recovery plan and will be a constructive contribution to renewal and significant organisational change.*

The context for CHRE's conclusions and recommendations is set out fully in their report.

Work commenced in July 2009 to start to address improvements in our conduct work and a formal action plan to the CHRE's conclusions and recommendations will be considered at the next council meeting on 23 November 2009. This will ensure that we continue to improve and transform our conduct work, whilst keeping public protection at the heart of what we do.

As at 30 October 2009, there were no unallocated cases and all initial referrals against registered social workers had been properly risk assessed in terms of public protection and whether an Interim Suspension Order should be applied for. For more detail of the CHRE report see [http://www.gsc.org.uk/News+and+events/Media+releases/news\\_release\\_04-11-09.htm](http://www.gsc.org.uk/News+and+events/Media+releases/news_release_04-11-09.htm)



**Paul Snell**  
Acting Chief Executive  
Date: 18 November 2009

## 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 (Council) for the year ended 31 March 2009 under the Care Standards Act 2000. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. 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

The Council and the Chief Executive as Accounting Officer are responsible for preparing the Annual Report, which includes the Remuneration Report and the financial statements in accordance with the Care Standards Act 2000 and directions made thereunder by the Secretary of State for Health with the consent of HM Treasury and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Council and the Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland). I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration

Report to be audited have been properly prepared in accordance with the Care Standards Act 2000 and directions made thereunder by the Secretary of State for Health with the consent of HM Treasury. I report to you whether, in my opinion, the information, which comprises the Management Commentary, Executive Management Team and Council Members sections included in the Annual Report are consistent with the financial statements. I also report whether 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.

In addition, I report to you if the Council has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Council's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises Introduction and Mission, Chair's Welcome, Chief Executive's Review, GSCC achievements 2008-09 and the unaudited parts of

the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Council and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

### **Opinions**

#### **In my opinion:**

- the financial statements give a true and fair view, in accordance with the Care Standards Act 2000 and directions made thereunder by the Secretary of State for Health with the consent of HM Treasury, of the Council's state of affairs as at 31 March 2009 and of its net operating cost, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Care Standards Act 2000 and directions made thereunder by the Secretary of State for Health with the consent of HM Treasury; and
- information, which comprises the Management Commentary, Executive Management Team and Council Members sections included within the Annual Report, are consistent with the financial statements.

#### **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.

#### **Report**

I have no observations to make on these financial statements.

#### **Amyas C E Morse**

**Comptroller and Auditor General**

National Audit Office, 151 Buckingham Palace Road  
Victoria, London SW1W 9SP

Date: 24 November 2009

# Financial statements

## 2008-09

### Operating cost statement for the year ended 31 March 2009

	Notes	2008/09		2007/08	
		£'000	£'000	£'000	£'000
<b>Programme expenditure</b>					
– Education support grants	3		27,392		26,574
<b>Administration expenditure</b>					
– Management and administration	4	20,168		19,018	
– Cost of capital	6	221		302	
– Charge/(return) on pension scheme assets	15	218		(18)	
			20,607		19,302
<b>Gross operating costs</b>			47,999		45,876
<b>Operating income</b>	7		(3,652)		(3,811)
<b>Net operating cost</b>			44,347		42,065

All activities are from continuing operations.

### Statement of recognised gains and losses for the period ended 31 March 2009

		Year ended	Year ended
		31/03/2009	31/03/2008
		£'000	£'000
Unrealised surplus on revaluation of fixed assets	11	(64)	86
Adjustment to general reserve	11	0	1,947
Actuarial gain/(losses)	15	966	(2,170)
<b>Recognised (losses)/gains relating to the accounting period</b>		902	(137)

The notes on pages 63 to 82 form part of these annual accounts.

## Balance sheet as at 31 March 2009

	Notes	31/03/2009		31/03/2008	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible fixed assets	8	1,243		1,268	
Intangible fixed assets	8	6,241		7,335	
			7,484		8,603
<b>Current assets</b>					
Debtors	9	1,307		2,267	
Cash at bank and in hand	14	4,100		1,975	
		5,407		4,242	
<b>Liabilities – amounts due within one year</b>					
Creditors and accruals	10	(1,639)		(1,476)	
<b>Net current assets</b>			3,768		2,766
<b>Total assets less current liabilities</b>			11,252		11,369
<b>Pensions liability</b>	15		(3,807)		(4,477)
Net assets including pensions liability			7,445		6,892
<b>Funds</b>					
Total reserves	11		7,445		6,892

The notes on pages 63 to 82 form part of these annual accounts.



**Paul Snell**

Acting Chief Executive

Date: 18 November 2009

## Cash flow statement for the period ended 31 March 2009

	Notes	Year ended 31/03/2009 £'000	Year ended 31/03/2008 £'000
<b>Net cash outflow from operating activities</b>	13	(40,666)	(40,289)
<b>Capital expenditure and financial investment</b>			
Payments to acquire fixed assets – tangible	8	(490)	(258)
Payments to acquire fixed assets – intangible	8	(498)	(1,954)
Proceeds from sale of fixed assets		2	0
<b>Total expenditure and investment</b>		(986)	(2,212)
<b>Financing</b>			
Revenue			
– Education Support Grants		27,633	24,562
– Operating		15,569	14,325
		43,202	38,887
Capital		575	1,461
<b>Total grant financing</b>		43,777	40,348
Increase/(decrease) in cash	14	2,125	(2,153)

The notes on pages 63 to 82 form part of these annual accounts.

## Notes to financial statements for the year ending 31 March 2009

### NOTE 1 – Accounting policies

#### 1.1 Accounting basis

The financial statements have been prepared under the historical cost convention modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs. Without limiting the information given, the statements meet the accounting and disclosure requirements of the Companies Act 1985 and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. They have also been prepared in accordance with the GSCC's Financial Memorandum and Accounts Direction issued by The Department of Health in 2001. This is being updated by The Department of Health to reflect the change in accounting policy described in 1.3.

The financial statements have been prepared on a 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 Change of accounting policy

There were no changes in accounting policy for 2008-09 from earlier years.

#### 1.4 Fixed assets

##### 1.4.1 Tangible fixed assets

Tangible fixed assets include 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. Fixed assets are stated at current cost less depreciation.

##### 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.

##### 1.4.3 Development costs

Development expenditure is capitalised if it meets the criteria specified in *Managing Public Money*, which is adapted from SSAP13 to take account of the not-for-profit context.

#### 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	10 years
Office equipment and furniture	10 years
Computer equipment	4 years
Computer software	5-10 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. Three 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.

#### 1.4.6 Indexation

Fixed assets, except development costs, 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.

#### 1.4.7 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. This may lead to a negative revaluation reserve in certain instances. There are no impairment losses recorded within the 2008-09 annual accounts. An annual impairment review is conducted which assesses whether the recoverable value of an asset is below its carrying value.

### 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 Pensions**

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 assets of the LGPS are held and managed by the constituent administering authorities and therefore entirely independent of the GSCC's finances. The GSCC has implemented financial reporting standard, FRS 17, Retirement benefits in full. Note 15 provides full details.

### **1.8 Leases**

Operating lease rentals and related service charges are charged directly to the Expenditure Account.

### **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**

A charge, reflecting the cost of capital utilised by the GSCC, is included in gross operating costs. The charge is calculated at the Government's standard rate of 3.5 percent on average net assets (total assets less liabilities).

## 2 Reconciliation of net operating cost to Grant in Aid

		2008/09	2007/08
		£'000	£'000
Total net operating cost for the financial year	Operating cost statement	44,347	42,065
Grant in Aid	Cash flow statement	43,202	38,887
Over spend against financing received from the Department of Health		(1,145)	(3,178)

## Reconciliation of gross capital expenditure to capital Grant in Aid

		2008/09	2007/08
		£'000	£'000
Gross capital expenditure	Cash flow statement	(986)	(2,212)
Net book value of assets disposed		36	0
<b>Net capital resource outturn</b>		(950)	(2,212)
Grant in Aid	Cash flow statement	575	1,461
Over spend against financing received from the Department of Health		(375)	(751)

In 2008-09, GSCC's gross capital expenditure above included £456k on the development of the UK social care regulation system.

In 2008-09 GSCC received contributions of £243k from the other UK Care Councils towards these costs, which is not reflected in the above table.

## 3 Education support grants – programme expenditure

		2008/09	2007/08
		£'000	£'000
Social Work Degree Grants		27,127	25,883
Other grants*		265	691
Total		27,392	26,574

\*Other grants comprises: grants to voluntary organisations £293k (2007-08 – £317k), PQ consortia £34k refund (2007-08 – £374k) and practice teaching programme £6k (2007-08 – £0).

#### 4 Management and administration

	2008/09	2007/08
	£'000	£'000
<b>Staff costs (Note 5b)</b>	8,852	8,476
<b>Other administration expenditure</b>		
Staff travel and subsistence expenses	337	209
Staff development and training	270	285
Staff recruitment	342	354
Premises costs (excluding operating lease payments)	934	673
Rentals under operating leases:		
– Hire of plant and machinery	98	109
– Other	1,198	1,212
Communications	409	428
Other office services	1,552	1,141
Assessors' and verifiers' costs	30	70
Business development	1,764	1,208
Publications and promotions	414	604
Courses and workshops	138	109
Cost of Council and Committees	161	131
International Recognition Service	21	31
Conduct excluding legal fees	631	640
Audit fees	60	53
Other fees and charges	901	1,354
(Decrease)/increase in provision for doubtful debts	15	141
Depreciation and amortisation	2,007	1,790
Loss on disposal of fixed assets	34	0
<b>Total management and administration</b>	<b>20,168</b>	<b>19,018</b>

Note on audit fee – The NAO audit fee represents the cost for the audit of the financial statements carried out by the Comptroller and Auditor General. This account also includes a fee of £4k in respect of audit work carried out towards the adoption of the International Reporting Standards in 2009-10.

Note on transitional costs – Of the £20.168m, £0.345m related to transitional costs (2007-08 £0.204m).

### 5a Number of staff

The average number of whole-time equivalent employees, including the Chief Executive during the period ended 31 March 2009 was as follows:

	2008/09 No.	2007/08 No.
Permanent	194	177
Agency	44	53
<b>Total</b>	<b>238</b>	<b>230</b>

### 5b Staff costs

The total cost of employing staff was:

	2008/09 £'000	2007/08 £'000
<b>Pay</b>		
Salaries and wages	5,697	4,752
National insurance employers' contributions	414	393
Occupational pension scheme, employers' contributions	469	298
Pensions: deficiency payments	202	125
Current and past service costs*	78	382
Amounts payable in respect of agency/temporary staff	1,992	2,526
<b>Total</b>	<b>8,852</b>	<b>8,476</b>

\*FRS 17 disclosure

Note on transitional costs – Of the £8.852m, £0.400m related to transitional costs (2007-08 £0.195m).

### 6 Notional costs

Notional cost of capital has been calculated in accordance with HM Treasury requirements at a rate of 3.5% on the average value of the net assets during the year. The notional cost for 2008/09 is £221,000 (07/08 £302,000).

The GSCC has adopted the requirements of FRS12 and made no allowance for notional insurance costs.

## 7 Income

	2008/09	2007/08
	£'000	£'000
<b>Operating income</b>		
Social care registration fees	2,570	2,508
Student fees post qualifying	17	116
Rentals from operating leases	308	386
Income from devolved social care authorities	659	534
Other operating income	98	267
<b>Total</b>	<b>3,652</b>	<b>3,811</b>

Other operating income comprises £52k project funding and £42k from other bodies within the Department of Health and £4k from issuing duplicating certificates for social workers' qualifications.

<b>8 Fixed assets</b>				
<b>Tangible fixed assets</b>				
	<b>Land and Buildings</b>	<b>Furniture and Fittings</b>	<b>Information Technology</b>	<b>Total</b>
<i>Cost or revaluation</i>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 April 2008</b>	1,745	818	415	2,978
Additions	93	41	356	490
Revaluation	(130)	22	(40)	(148)
Disposals		(67)	(29)	(96)
<b>At 31 March 2009</b>	<b>1,708</b>	<b>814</b>	<b>702</b>	<b>3,224</b>
<i>Depreciation</i>				
<b>At 1 April 2008</b>	992	444	274	1,710
Provided during the period	187	78	152	417
Revaluation	(84)	15	(17)	(86)
Disposals		(35)	(25)	(60)
<b>At 31 March 2009</b>	<b>1,095</b>	<b>502</b>	<b>384</b>	<b>1,981</b>
<i>Net book value</i>				
<b>At 31 March 2009</b>	<b>613</b>	<b>312</b>	<b>318</b>	<b>1,243</b>
<b>At 31 March 2008</b>	<b>753</b>	<b>374</b>	<b>141</b>	<b>1,268</b>

Land and buildings comprises building improvements. GSCC does not own any buildings.

<b>Fixed assets</b>			
<b>Intangible fixed assets</b>			
	<b>Software Licences</b>	<b>Development Expenditure</b>	<b>Total</b>
<i>Cost or revaluation</i>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 April 2008</b>	<b>237</b>	<b>9,851</b>	<b>10,088</b>
Additions	41	457	498
Revaluation	(9)		(9)
Disposals			
<b>At 31 March 2009</b>	<b>269</b>	<b>10,308</b>	<b>10,577</b>
<i>Amortisation</i>			
<b>At 1 April 2008</b>	215	2,538	2,753
Provided during the period	31	1,559	1,590
Revaluation	(7)		(7)
Disposals			
<b>At 31 March 2009</b>	<b>239</b>	<b>4,097</b>	<b>4,336</b>
<i>Net book value</i>			
<b>At 31 March 2009</b>	<b>30</b>	<b>6,211</b>	<b>6,241</b>
<b>At 31 March 2008</b>	<b>22</b>	<b>7,313</b>	<b>7,335</b>

**9 Debtors**

	2008/09	2007/08
	£'000	£'000
General debtors	756	1,538
Prepayments	551	729
<b>Total</b>	<b>1,307</b>	<b>2,267</b>

**Intra-Government balances**

	2008/09	2007/08
	£'000	£'000

Balances with central Government bodies	191	276
Balances with local Government	0	199
Balances with bodies external to Government	1,116	1,792
<b>Total</b>	<b>1,307</b>	<b>2,267</b>

**10 Creditors – amounts falling due within one year**

	2008/09	2007/08
	£'000	£'000
General creditors	347	985
Tax and social security	148	137
Accrued expenditure and deferred income	1,144	354
<b>Total</b>	<b>1,639</b>	<b>1,476</b>

**Intra-Government balances**

	2008/09	2007/08
	£'000	£'000

Balances with central Government bodies	148	137
Balances with local Government	68	0
Balances with bodies external to Government	1,423	1,339
<b>Total</b>	<b>1,639</b>	<b>1,476</b>

## 11 Movement in general reserve

	2008/09	2007/08
	£'000	£'000
At 1 April 2008 general reserve	6,892	8,444
Adjustment to general reserve	0	1,947
Indexation of fixed assets	(64)	86
Adjustment to general reserve for capital charge	221	302
Actuarial gain/(loss)	966	(2,170)
Grant received in period	43,777	40,348
Net operating cost	(44,347)	(42,065)
<b>Balance at 31 March 2009</b>	<b>7,445</b>	<b>6,892</b>
Balance excluding pensions liability	11,252	11,369
Pension liability	(3,807)	(4,477)
<b>Balance at 31 March 2009</b>	<b>7,445</b>	<b>6,892</b>

## 12 Reconciliation of net movement in funds

	2008/09	2007/08
	£'000	£'000
Total reserves at 1 April 2008	6,892	8,444
Movement in reserves	(413)	618
Actuarial gain/(loss)	966	(2,170)
<b>Total reserves at 31 March 2009</b>	<b>7,445</b>	<b>6,892</b>

## 13 Reconciliation of net operating cost to operating cash flow

	2008/09	2007/08
	£'000	£'000
Net operating cost	44,347	42,065
Depreciation and amortisation and capital charges	(2,228)	(2,092)
Loss on disposal of fixed assets	(34)	0
Increase/(decrease) in debtors (note 9)	(960)	911
(Increase)/decrease in creditors and accruals (note 10)	(163)	1,713
(Increase)/reduction in pension liability	670	(2,531)
Adjustment to general reserve IRO actuarial (gain)/loss	(966)	2,170
Adjustment to general reserve	0	(1,947)
<b>Net cash outflow from operating activities</b>	<b>40,666</b>	<b>40,289</b>

## 14 Analysis of changes in cash during the period

	2008/09	2007/08
	£'000	£'000
Balance at start of year	1,975	4,128
Net cash inflow/(outflow)	2,125	(2,153)
<b>Balance at end of year</b>	<b>4,100</b>	<b>1,975</b>

## 15 Pension scheme

### (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 are paid by employees depending on salary as outlined in the table below.

Full time equivalent salary	Contribution rate
£0.00 - £12,000	5.50%
£12,000.01 - £14,000	5.80%
£14,000.01 - £18,000	5.90%
£18,000.01 - £30,000	6.50%
£30,000.01 - £40,000	6.80%
£40,000.01 - £75,000	7.20%
£75,000.01 or more	7.50%

Employer contributions are paid at 10.7% of pensionable pay. The GSCC will make a deficit payment of £211,680 during 2009/10.

### (ii) Actuarial information

- a) Triennial valuations of the Essex Fund are carried out by Mercer Limited, a qualified actuary. The latest valuation as at 31 March 2007 showed a deficit of £1.947m. For the year ending 31 March 2009, the GSCC contributed deficit payments to the Fund of £0.202m (2007/08 £0.125m).**

Under accounting standard FRS 17, the principal financial assumptions made by the actuary are:

	As at 31/03/2009	As at 31/03/2008
Rate of increase in salaries	4.8%	5.1%
Rate of increase in pensions in payment	3.3%	3.6%
Discount rate	7.1%	6.1%
Rate of inflation	3.3%	3.6%

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 (FRS 17 disclosure):**

	Expected rate of return at 31/03/2009 %	Value at 31/03/2009 £'000	Expected rate of return at 31/03/2008 %	Value at 31/03/2008 £'000
Equities	7.5	6,840	7.5	7,429
Government bonds	4.0	799	4.6	995
Other bonds	6.0	487	5.4	698
Property	6.5	900	6.5	1,132
Cash/liquidity	0.5	156	5.3	328
Fair value of assets		9,182		10,582
Actuarial value of scheme liabilities		(12,989)		(15,059)
Deficit in the scheme		(3,807)		(4,477)
Actual return on plan assets		(2,307)		(477)

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

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	752	628
Interest on pension liabilities	949	696
Expected return on assets	(731)	(713)
Past service cost	0	177
Total pension cost recognised in I&E	<u>970</u>	<u>788</u>

**d) Reconciliation of present value of scheme liabilities**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Benefit obligation at beginning of period	15,059	12,515
Current service cost	752	628
Interest on pension liabilities	949	696
Member contributions	298	231
Past service cost	0	177
Actuarial (gains)/losses on liabilities	(4,014)	941
Benefits/transfers paid	(55)	(129)
Benefit obligation at end of period	<u>12,989</u>	<u>15,059</u>

**e) Reconciliation of fair value of scheme assets**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of plan assets at beginning of period	10,572	10,567
Expected return on plan assets	731	713
Actuarial gains/(losses) on assets	(3,038)	(1,227)
Employer contributions	674	427
Member contributions	298	231
Benefits/transfers paid	(55)	(129)
Fair value of plan assets at end of period	<u>9,182</u>	<u>10,582</u>

**f) Statement of recognised gains and losses**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial (gains)/losses	(966)	2,170
Effect of paragraph 41 limit	0	0
Total pension (gain)/cost recognised in STRGL	<u>(966)</u>	<u>2,170</u>

**g) History of experience gains and losses (FRS 17 disclosure)**

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Experience gains/(losses) on assets £'000	(3,038)	(1,227)	114	1377	242
Experience gains/(losses) on assets %	33.1	11.6	1.1	14.8	3.7
Experience gains/(losses) on liabilities £'000	0	(183)	0	(443)	271
Experience gains/(losses) on liabilities %	0.0	1.2	0.0	3.7	3.0
Fair value of assets	9,182	10,582	10,568	9,295	6,498
Actuarial value of scheme liabilities	(12,989)	(15,059)	(12,515)	(11,916)	(8,923)
Deficit in scheme at year end	(3,807)	(4,477)	(1,947)	(2,621)	(2,425)

## 16 Financial commitments – Operating leases

The GSCC is committed to making the following operating lease payments during the next financial year as follows:

	2008/09	2007/08
	£'000	£'000
<b>Land and buildings</b>		
Leases which expire between 1 and 5 years	1,205	988
Leases which expire after 5 years	0	217
<b>Sub-total</b>	<b>1,205</b>	<b>1,205</b>
<b>Other</b>		
Leases which expire between 1 and 5 years	34	11
Leases which expire after 5 years	0	31
<b>Sub-total</b>	<b>34</b>	<b>42</b>
<b>Total</b>	<b>1,239</b>	<b>1,247</b>

The above figures exclude maintenance agreements for equipment and service charges for buildings. £328,548 of the buildings rent shown above is rechargeable.

## 17 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 £43,779,000 as Grant in Aid from DH and £54,830 as other operating income from other central Government bodies. The GSCC has had a number of material transactions with other departments and bodies.

Scottish Social Services Council: GSCC earned income of £396,161 through recharges for the UK Social Care Regulation Programme and for the costs of providing external assessment (of social work courses) service to the SSSC.

Care Council for Wales: GSCC earned income of £197,780 through recharges for the UK Social Care Regulation Programme and for the costs of providing external assessment (of social work courses) service to the CCW.

Northern Ireland Social Care Council: GSCC earned income of £64,988 through recharges for the UK Social Care Regulation Programme and for the 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.

## 18 Capital commitments

The GSCC was committed to £30,935 of capital expenditure on a new telephone system, and £32,000 on software licences as at 31 March 2009.

## 19 Provisions, contingent assets and liabilities

There were no provisions made during the period.

## 20 Financial instruments

FRS 29, financial instruments, require disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Financial instruments plays a much more limited role for the GSCC in creating or changing risk than would be typical of the listed companies to which FRS 29 mainly applies.

The GSCC does not have the power to borrow or invest surplus funds and financial assets and liabilities are generated by the day-to-day operational activities rather than being held to change the risks facing the GSCC.

### (i) Liquidity risk

The GSCC ensures that its commitments throughout the year are consistent with its income across the year.

The GSCC receives its income mainly (92%) as grants from the Department of Health. A small proportion of income (6%) is fees by social care registrants and the remainder (2%) from other sources.

Regular funding requests are submitted to the Department of Health based on forecast cash requirements ensuring the GSCC is not exposed to any significant liquidity risk.

### (ii) Currency risk

The GSCC has no foreign currency income.

### (iii) Market and interest rate risks

The GSCC's financial assets and liabilities carry nil rates of interest. All financial liabilities are due within one year. Therefore the GSCC is not exposed to any significant market and interest rate risks.

### (iv) Credit risk

The GSCC receives the majority of its income via Grant in Aid from the Department of Health. It operates a debt management policy and where necessary provides for the risk of particular debts not being discharged by the applicable party. The general debtors of £0.756m include £0.145m which are between 1-2 years old which will be settled during the registration renewal process. The GSCC is therefore not exposed to significant credit risk.

**(v) Financial assets and liabilities**

The carrying value and book value of all assets and liabilities are the same, as they are expected to be settled at the book value.

**21 Post balance sheet events**

In accordance with the requirements of FRS 21 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. There are no post balance sheet events.

**22 Losses and special payments**

There were no losses or special payments made during the period.



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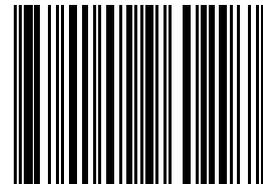
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