



General Social Care Council  
**Annual Report and Accounts**

2007-08



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## **Annual Report and Accounts 2007-08**

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

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# Annual report

The Chief Executive of the General Social Care Council (GSCC) presents his account for the year ended 31 March 2008, 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.



# Chair's welcome

## The transformation continues

**Welcome to the GSCC's Annual Report and Accounts for 2007-08. Regulation of social workers is now firmly embedded, the GSCC's regulatory functions are extending and the transformation of social care continues.**

I am proud to say that we now have nearly 100,000 social workers and social work students on the Social Care Register who are accountable and committed to high standards of conduct and practice. When social workers register with the GSCC they sign up to a code of practice which sets out the standards of conduct expected of them. This has helped to raise standards and people who use social care services can be confident that the GSCC will investigate any social worker who breaches the code.

Because of the important and challenging work they do, it is essential that all social workers uphold and maintain professional standards of practice.

Although the overwhelming majority of social workers are professional in their conduct and practice, in instances where these standards are not met, it is the GSCC's responsibility to take action to protect the public and uphold confidence in the profession.

We have been busy making preparations and finalising our plans for the registration

of domiciliary care workers and managers. We are confident that the right systems are being put in place to ensure light-touch regulation that is designed for ease of use and simplicity.

Registration helps to drive up standards, increase public confidence in services and ensure that only people who are fit to hold the responsibilities of working in social care are retained in the workforce. It will increase workers' status, boost employability, demonstrate a personal commitment to high standards, and help workers receive better recognition for the huge contribution they make to society.

We will continue to work towards extending registration to these groups and look forward to the Government announcing the timeframe for registering residential care workers.

As well as the registration of domiciliary care workers and managers, we also have a lot of other things to look forward to in the coming year. Social care is in the midst of exciting changes and I believe that the next 24 months will set the foundations for social care over the following decade. We are on the cusp of significant change and all of us involved in the sector have to make sure that the needs of people who use services are at the forefront of our thinking and our action.



With the Government's commitment to a Green Paper on social care funding, a Bill on Health and Social Care and the launch of *Putting People First*, with its focus on personalised services, it is encouraging to see social care climbing up the political agenda. But we are all conscious of the strides that need to be made. I look forward to what the year ahead delivers with optimism, anticipation and excitement.

November 2008 will see the end of my tenure as Chair of the GSCC. For its first six years, Chief Executive Lynne Berry led the GSCC with energy and distinction. During this year Lynne left for the WRVS and was replaced by Mike Wardle, formerly her deputy. I know that Mike will be just as effective in leading the GSCC.

I have been very privileged to work with an extraordinarily able and committed Council and a talented management team. In such hands I know that the organisation will flourish and continue to make a significant contribution to raising standards in social care.



**Sir Rodney Brooke**  
Chair, GSCC

**“ I am proud to say that we now have nearly 100,000 social workers and social work students on the Social Care Register. ”**



# Chief executive's review

## A year of change and success

**Throughout the year we have made many significant achievements. This year saw us working in collaboration with other key social care organisations to produce a statement on the roles and tasks of social work. The statement, *Social work at its best*, is a strong and persuasive description of how social work can support the social care improvement agenda so that people who use services get the support they want. It is an important document that will help shape social care agendas.**

We are pleased that the Department of Health and the Department for Children, Schools and Families have said that the statement is in line with their thinking around social care reform initiatives such as personalisation, individual budgets and *Every Child Matters*, and that it will contribute to the delivery of their agendas.

Significant strides have been made in the realm of social work education and training. Over 3,500 students qualified as social workers this year and in September the new post-qualifying (PQ) framework became fully operational with five new PQ awards approved by the Council.

This is an important step in ensuring the continued professional development of

social workers so that they are equipped with the knowledge and skills needed to make a real difference to the lives of people who use services.

The GSCC's conduct function is now firmly embedded and early 2008 saw our thirtieth conduct hearing. While we recognise the vast majority of social workers act with professionalism, there is a small number whose conduct falls short of the required standards. In every hearing that has taken place to date misconduct has been found and I believe this to be a testament to the hard work and dedication of our staff, both in the Conduct Group and the organisation as a whole.

This also demonstrates the GSCC's commitment to its statutory duty of taking action against social workers whose standards of conduct or practice are deemed to breach the Code of Practice for Social Care Workers.

The past year has also been one of personal achievement. In the autumn, our Chair, Rodney Brooke, was knighted for his contribution to public services. This honour marks the significant achievements he has made throughout his career, which has included campaigning tirelessly on social care

issues. This year will be his last as Chair. Sir Rodney has made an enormous contribution to the success of the GSCC and I know that his departure will leave a big gap to fill. We wish him all the best for the future.

Over the course of the following year, we will work together with the Department of Health and the Department for Children, Schools and Families to develop workforce plans for children's and adults services. We look forward to working in line with the Government's vision for personalisation of social care services, as outlined in *Putting People First*. This is my first year as Chief Executive of the GSCC and I look forward to leading the organisation through the next phase of its development.



**Mike Wardle**  
Chief Executive, GSCC

**“ Significant strides have been made in the realm of social work education and training. ”**

# 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 their 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.

## Mission

The GSCC is the social care workforce regulator for England. We exist to:

- act as a guardian of standards in social care practice and as a champion of a committed workforce;
- maintain the highest standards of conduct from social care workers, and compliance with a code of practice;
- promote the highest standards of training for social care workers;

- keep the best interests of people who use services and the wider public at the heart of the organisation; and
- work in an open, accessible and inclusive way.

The GSCC was established on 1 October 2001 under the Care Standards Act 2000 to publish codes of practice for social care workers and employers, to set up a register of social care workers and to regulate social work education and training. The GSCC aims to raise and maintain high standards in social care. Similar bodies exist in Scotland, Northern Ireland and Wales.

The Annual Report and Accounts 2007-08 outline the GSCC's performance and achievements between 1 April 2007 and 31 March 2008.



# GSCC structure



## Council members

The Council determines the GSCC's strategic direction. Council members are appointed by the Appointments Commission on behalf of the Secretary of State for Health. The Council, made up of 10 members, meets publicly five times a year.

The GSCC's Council has a majority of lay members and by law, the Chair must also be lay. Council members have experience across the spectrum of social care, either as people who use services, carers, or service providers from the public, private or voluntary sectors.

## Lay members



**Chair:** The Secretary of State appointed **Sir Rodney Brooke CBE DL** Chair of the General Social Care Council on 1 March 2002. A solicitor, he is a trustee of the Dolphin Square Trust and

the Dolphin Square Charitable Foundation; a member of the National Information Governance Board for Health and Social Care records; a Board member of the Internet Watch Foundation and of the Council of the Tavistock Institute. His career has been in local government, including Chief Executive jobs 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.



**Tanzeem Ahmed** is currently employed as the Director of Olmec, which is a charitable company providing capacity building, training and employment services to socially excluded

communities. She has 20 years' experience of working in the voluntary sector. She has served on committees of several voluntary sector agencies and is currently Treasurer of

the South Asian Social Researchers' Forum. She has vast experience as a researcher and consultant in areas of mental health, health, housing, regeneration and organisational capacity building with a particular focus on black minority ethnic communities.



**Dr Christine Barton MBE**

has had a career as a teacher and lecturer. She now has personal experience of receiving social care and has become passionate about achieving

rights and equality of opportunity for disabled people. She works both locally and nationally to improve choice and control for disadvantaged people. She is a member of Inclusive Living Sheffield, an organisation of disabled people, Partners for Inclusion, a partnership between disabled people and health and social care providers working to improve services, a member of the Sheffield First (Local Strategic Partnership) Inclusive and Cosmopolitan City Partnership Board, a member of the Research Advisory Group for the National Service Framework for people with long-term neurological conditions and a director of the Accessible Property Register Ltd, a website that advertises accessible and adapted property. She works as a freelance disability equality consultant and trainer.





**Dr Malcolm Clarke** served on the Council from 1 September 2001 to 31 August 2007. He is an organisational development and quality consultant and social researcher working mainly but not exclusively, in the public and voluntary sectors. Some of his most recent work has been on two projects for the Princess Royal Trust for Carers looking at the needs of carers. He is a member of the Information Tribunal which hears appeals under the Freedom of Information Act, and a non-executive director of his local Primary Care Trust. He is an assessor for Investors in People and a former Senior Assessor for Excellence North West, a body concerned with organisational excellence. He was formerly an NHS Chief Executive and Deputy Director of Housing in Manchester. Malcolm has a keen interest in football and is national Chair of the Football Supporters Federation.



**Melanie Henwood** is a self-employed independent Health and Social Care Consultant. She is a specialist adviser to the Health Select Committee, and Chair of the Advisory Board on Social Care to the MS Society. Melanie has held Visiting Fellowships with the London School of Economics, the University of Leeds and the University of New South Wales, Australia. She 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. Melanie is the chair of the Regulation Committee since September 2007.



**Ann James CBE** served on the Council from 1 September 2001 until 31 August 2007. She is an international policy adviser and consultant specialising in work across health, social care, criminal justice and the voluntary sector and author of seminal texts in public service improvement. Ann is a qualified social worker, teacher and probation officer and was Chair of Family Service Units for five years. Previously she had been a Fellow at the King's Fund and Founder/Director of the Social Services Management Unit at the University of Birmingham. She was a Commissioner with the Commission for Health Improvement (the NHS Inspectorate) and has been an adviser to both the Department of Health and the Department for International Development. Ann has a strong interest in involving service users and carers in improving service quality.



**Harry Marsh MBE** is an independent consultant in the voluntary and charitable trust sectors specialising in children, families and disability. He is a 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 has chaired the Audit Committee since 2002.



**David Prince** has been the Chief Executive and Accounting Officer for the Standards Board for England since April 2004. The Board is a Non-Departmental Public Body that promotes the

Nolan principles of high standards of ethical conduct by the 100,000 elected councillors in all tiers of local government and similar bodies. It oversees the effectiveness of local standards arrangements and also investigates breaches of the statutory code of conduct that cannot be handled locally. He is also a lay member of the Performance and Best Value Committee of the Bar Standards Board.

### Non-lay members



**Vice-Chair: June Thoburn CBE LittD RSW** is a Registered Social Worker and Emeritus Professor of Social Work at the University of East Anglia (UEA) where she was founding Director of

the Centre for Research on the Child and Family. She has worked as a social worker and social work manager in England and Canada. Her research has led to internationally recognised publications on

family support, child protection, foster care and adoption. June continues to undertake research and to lecture on child and family social work and on research-led practice. She is a member of the national steering group of the Making Research Count collaboration and a trustee of Break (a voluntary organisation providing services for children and adults with severe learning, behavioural and emotional difficulties), Norfolk and Norwich Families' House, and ParentlinePlus.



**Norman John Terance (Terry) Butler CBE RSW** 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 adviser and was seconded to the Department of Health to help implement the community care reforms in the early 1990s. He was an adviser on social care to the National Patient Safety Agency until 2007 and is now an adviser 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. Terry is the chair of the Education and Training Committee since September 2007.





**Helen Baker RSW** served on the Council from 1 September 2001 to 31 August 2007. She trained as a social worker and has worked in both the statutory and voluntary sectors across

social care, health and education. She has chaired the Oxfordshire Community Health and the Oxfordshire Learning Disability NHS Trusts and is currently Chair of Advance Housing and Support, a national housing association working with adults with learning disability and/or mental health problems. From September 2006 she has been a member of the governing council of the National College for School Leadership. Within Oxfordshire, Helen is a trustee with the Clive Project which supports adults with early onset dementia and their families and is on the advisory groups of Oxfordshire Common Purpose and the Art Room, a charity which works with children at risk of exclusion from school.



**Arthur Keefe** served on the Council from 1 September 2001 until 31 August 2007. Arthur was until recently Chair of Skills for Care (formerly Topss England), the care sector strategic

workforce development body. He was Chair of the Bristol North Primary Care Trust until October 2006. He spent nearly 30 years in higher education at the University of the West of England, where he is now an honorary visiting fellow. He is a former Chair of the Phoenix NHS Trust, a specialist trust for people with learning disabilities. Arthur is also a former elected member of Bristol City Council and has been a trustee of a number of charitable organisations.



**Michael Leadbetter RSW** is a former Director of Social Services, a consultant in Children's and Adult Care Services and has been Chair of the Children's Workforce Development Council (CWDC)

since April 2007. CWDC is one of GSCC's key partners, working to improve the lives of children, young people, their families and carers by ensuring that all people working with them have the best possible training, qualifications, support and advice. Michael Leadbetter is also a non-executive director and Audit Chair for North East Essex Primary Care Trust from 1 March 2007 to 28 February 2010. He is also Chair of two national voluntary organisations – Parentline Plus and Voice – and a trustee of three other children's charities: Caldecote Foundation, Youth at Risk and the Wooden Spoon Rugby Charity.



**William (Bill) McClimont** has worked in the independent sector of health and social care for 17 years. He now works as a consultant and Chair of Active Assistance, a

specialist provider of live in care for people with spinal injury. Bill is also a member of the Criminal Records Bureau Health and Social Care sub-group and has been appointed to act as a Selection Panel Chair for the Judicial Appointments Commission. Now Honorary Secretary of the UK Home Care Association, Bill previously served them as both Chair 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.

## Advisory committees

The Council 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 purpose of the Audit Committee is to support 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 was established to advise 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, Mike Wardle, and three directors, who are responsible for leading the organisation and setting its strategic direction.

# Executive Management Team



**Mike Wardle** was appointed Chief Executive of the GSCC in October 2007. Prior to this, Mike served as the Director of Standards and Regulation, and later as Deputy Chief Executive and Director of

Strategy at the GSCC. Before joining the organisation, Mike worked in the Department for Education and Skills in a variety of roles in education policy and administration. This included time spent working as part of the management team of the Further Education Funding Council and as Principal Private Secretary to Education Secretaries David Blunkett and Estelle Morris.

Future of the Voluntary Sector in England and Chair of the Joseph Rowntree Foundation report on Governance in the Voluntary Sector. Her services to the social care sector were recognised by being awarded an OBE in the Queen’s Birthday Honours list in 2006.



**Heather Wing RSW** is the Director of Regulation. Heather is responsible for the registration, conduct and social work education and training functions. Heather, who has 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 in Surrey. 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 by being awarded an OBE in the Millennium Honours list.



**Lynne Berry RSW** was the Chief Executive of the GSCC from September 2001 until September 2007 when she moved on to become the Chief Executive of WRVS. Previously Lynne was the

Chief Executive of the Equal Opportunities Commission and before that was executive director of the Charity Commission and Chief Executive of the Family Welfare Association. Her earlier career has spanned central and local government, higher education, management development and training, community development and social work. She has been a board member of many voluntary organisations and charities. She was Vice-Chair of the Commission on the



**Chris Pottinger** is the Director of Corporate Resources. Chris is in charge of the main support services for GSCC, including finance, human resources, IT and the office administration. He is

also the lead within the GSCC on internal audit, risk management and business continuity. He was also responsible for bursaries for social work students, which was transferred to the NHS Business Services Authority in April 2007. Formerly Head of Resources at the London Borough of Lewisham, Chris has a strong track record in delivering IT improvements. In the 1990s Chris was financial adviser 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 has previously worked at 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** is the interim Director of Strategy. Mick is responsible for helping to set the strategic direction for the GSCC through policy development, business planning, legal services,

communications and business development. Mick joined the GSCC in October 2007 and before that was programme managing a major change initiative in a north London borough. Mick 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.

# Review of the year





## Registration

Since 1 April 2005 registration has been a legal requirement for all social workers wishing to practice in England. Regulation is now firmly embedded and over the past year 7,736 people joined the Social Care Register.

Of this number 5,265 were qualified social workers (883 internationally qualified) and 2,471 were social work students. We now have over 81,000 qualified social workers and more than 13,000 social work students on the register.



Registration is a thorough and rigorous process whereby a social worker's qualification, health and character are endorsed and verified to ensure they are suitable to work in social care services. A total of 214 people who have applied to join the Social Care Register have been denied access to it.

In some cases applications to the join the register need further investigation. When this occurs an independent Registration Committee assesses the case and makes a decision as to whether the applicant is suitable to be registered. If applicants are refused registration they have the right to appeal to the Care Standards Tribunal.

Social workers have to renew their registration every three years. The majority of social workers registered in late 2004 and early 2005, just before protection of title was introduced, so we have seen many thousands of social workers renewing their registration this year. As part of registration renewal, social workers must demonstrate

and provide evidence that they have completed at least 15 days or 90 hours of post-registration training and learning (PRTL). This registration renewal requirement is in place to ensure that social workers' knowledge and skills are kept up-to-date.

The GSCC is a learning organisation and is always looking into ways to review its procedures in order to improve. Research into our PRTL policy and processes was initiated in late 2007. The GSCC carried out a consultative process which looked at the current PRTL policy and its 'fitness for purpose'.

The review sought to learn from social workers and from other stakeholders what they think about the current arrangements. In the review the GSCC has taken into account new developments like the Continuous Professional Development Framework published by Skills for Care and the Children's Workforce Development Council, and emerging policy around Newly

Qualified Social Worker status and the personalisation agenda.

Our intention is to consider these views, consider the outcomes from the wider research and consult with representatives of the other UK social care regulatory bodies. If substantial changes are required, the GSCC will carry out a formal process of public consultation and work closely with the Department of Health and the Department for Children, Schools and Families.

### Social work education

High standards in social work practice start with high quality social work education and training. The social work degree and postgraduate courses, which were introduced in 2003 to replace the Diploma in Social Work, are now firmly established and this summer saw the second cohort of students qualify under the new system. A total of 3,519 social work students completed their training satisfactorily this year; a figure

**“ The GSCC is a learning organisation and is always looking into ways to review its procedures in order to improve. ”**

that covers both undergraduate and postgraduate candidates.

Social work education and training provision is designed to promote inter-professional education; learning about, with and from other professionals. This includes both common learning and acquiring the knowledge and skills associated with inter-agency working. All GSCC-approved courses must evidence some inter-professional learning.

Currently, seven joint professional awards are available at five higher education



institutions in England. All of these courses combine social work and either learning disability or mental health nursing degrees and are jointly approved to meet Nursing and Midwifery Council (NMC) and GSCC requirements. Over the course of the following year, research and work will continue to be done on the importance of inter-professional learning.

During the past year there have been pressures on social work programmes struggling to secure good quality placements especially in the statutory sector. In response to this difficulty Skills for Care and the Children's Workforce Development Council, have set up a new Partnership Board with £5.5 million funding to find a strategic long term solution to this problem. The GSCC will be working closely with the Partnership Board.



**“ Working with other professionals is a key part of social work ”**

### The new post-qualifying (PQ) framework

One way for social workers to demonstrate they have met the PRTL requirements is to study for a PQ award.

The PQ awards are designed to raise standards in social work practice and help social workers demonstrate their competence to work within complex situations. Courses are available in five areas of specialism and at three levels of award.

In February 2005, the GSCC launched the revised post-qualifying framework for social work education and training and in September of this year the new framework came into full effect, with 171 new courses approved to start at this time.

The new framework will allow social workers to continue their education and training in a flexible and modular way.

The three levels of award each correspond to a stage of professional and career development. The three levels are:

- the Post-Qualifying Award in Specialist Social Work;
- the Post-Qualifying Award in Higher Specialist Social Work; and
- the Post-Qualifying Award in Advanced Social Work.





The five specialisms are:

- children and young people, their families and carers;
- social work with adults;
- social work in mental health services;
- leadership and management; and
- practice education.

All courses lead to an academic award at graduate, postgraduate or masters level. They are university-based, but the assessment of practice is at the heart of all awards and means that work-based learning and assessment is a crucial part of any course. Courses are based on relevant occupational standards, and are planned so that they can develop as the national policy agenda changes. Working with other professionals is a key part of social work, and all courses include inter-agency and inter-professional working, as well as allowing access to the courses by other professionals.

Courses are developed as part of a wider workforce development strategy, based on regional and local needs. Links between universities, employers and other professional groups are crucial to ongoing course development and provision. Courses are planned and delivered through regional planning networks, but the university has the responsibility for any award that is provided.

It is important that the post-qualifying training that social workers undertake is flexible enough to meet their changing working conditions. The new framework provides flexible learning opportunities for social workers and offers opportunities to obtain recognition and credit for learning they have already achieved.

A modular approach means that social workers can study in a pattern that suits them and their employer, and allows for new modules to be developed as service delivery requirements change. Students will receive transcripts of modules successfully undertaken, which can themselves be part of the performance, recruitment and retention strategies of an organisation.

### Registration of domiciliary care workers and managers

Following the Government’s announcement in February 2007 that domiciliary care workers (homecare workers) and their managers would be the next groups to register with us, we have been busy making preparations for this major and exciting development in social care regulation.

Domiciliary care workers and their managers make a vital contribution to social care and a positive difference to the lives of thousands of people every day, often in very challenging circumstances.

One of the reasons why these groups of care workers were selected as next to register is because domiciliary care workers work with vulnerable people in unsupervised settings. People who use services want to know that the individual workers who care for them meet the highest standards and are accountable for their practice. Extending registration to new groups of care workers will help improve the status and standing of social care.

The registration process is being designed for ease of use in consultation with those who will use it. Over the past year we have been working with a number of development partners – employers of many types and sizes – to test and refine our processes. We are aiming for a relatively easy and efficient process and have been working hard to put the right systems in place to ensure this happens. We are taking the time to get

registration right so that it delivers real benefits to workers, employers and people who use services.

We have a number of steps to take before we can set a precise date for opening the register to these groups and being in a position to confirm all the final details. We are working with the Department of Health and many other sector organisations on those final details.

Registration ensures that those working in social care meet rigorous requirements. Induction training, health\*, character and conduct will be checked as part of our registration processes. Domiciliary care workers and managers will be held to account for their conduct through the Code of Practice for Social Care Workers. They must comply with the code to remain registered and we can take action against those who do not meet the standards. To remain registered, domiciliary care workers will have to gain a relevant qualification or, where they are already qualified, complete a set amount of post-registration training and learning.



\* The GSCC has asked the Government for the statutory requirement on health to be removed. We believe it is the responsibility of the individual and their employer to manage their health condition and it is up to them, rather than the regulator, to decide whether they are able to perform their duties as a social care worker.

## The GSCC's conduct function

As the regulator of the social care workforce, one of our key functions is to maintain a register of social workers and social work students. This helps to ensure a trained and trusted workforce that is accountable for its practice. For entry to the Social Care Register we require a social work qualification along with health, character and conduct checks.

This year has been one of increased conduct activity. The GSCC's Conduct Group has now fully established its suitability and conduct processes; a total of 214 people who have applied to join the Social Care Register have been denied access to it, and a further 60 have had conditions placed upon them at the point of joining the register. This measure has increased protection for people who use services and the public as a whole.

Throughout the year, 26 conduct hearings were held, making a total of 36 hearings since the conduct hearings came into full effect in March 2006.

Of these 36 hearings, 17 registrants have been admonished, three registrants have been suspended and 16 removed from the Social Care Register. As well as the protection afforded to people who use services by the removal or suspension of workers found to have committed misconduct, such findings also give out a powerful message to the profession that social workers will be held accountable for their conduct.

The number of applicants who have been refused entry to the register and the number

of social workers who receive a sanction from a Conduct Committee represent a small but significant proportion of those who apply to join the register or are currently registered.

The GSCC recognises that the vast majority of social workers carry out their work with honesty, integrity and professionalism. The overwhelming majority of conduct referrals are closed at the early stages without the need for further investigation. The establishment and continued development of the Conduct Group's suitability and conduct processes means there is now a robust mechanism in place to successfully assess the suitability of social workers and students to be on the Social Care Register.

The GSCC works in partnership with many organisations and during the latter half of the year we began collaborating closely with the Council for Healthcare Regulatory Excellence (CHRE) and other workforce regulators. This work focuses on the importance of professional boundaries along with the development of support mechanisms for people who use services who claim to have suffered abuse from social workers. We also began to work closely with WITNESS, a charitable organisation that promotes safe boundaries between professionals and the public as well as providing support and advocacy to vulnerable witnesses.

Towards the end of the year work began on producing Conduct's first Annual Report, which sets out key information and statistics relating to the work of the teams within the Conduct Group, as well as outcomes from those cases that have proceeded to the

Care Standards Tribunal. It is intended to produce a similar report on an annual basis in the future.

- **Admonishment:** A caution on the registrant's entry to the Social Care Register.
- **Suspension:** The registrant is unable to practice social work for a set period of time.
- **Removal:** Removes registrant from the Social Care Register and prevents them from practicing as a social worker.

## Rules

During this year, working closely with the Department of Health, we have secured a revision in both the Registration and Conduct Rules. Revised Rules were approved from 4 March 2008 and these will usher in a more streamlined approach to the management of registration applications where there are declarations and conduct referral investigations.

## Codes of practice

The codes of practice for social care workers and employers are a list of statements that describe the standards of professional conduct and practice required of social care workers as they go about their daily work; and the ways in which employers are required to support their workforce. The codes inform both social care workers and people who use care services of the standards of care that should be expected.

Between 1 April 2007 and 31 March 2008 170,000 copies of the codes were requested

and disseminated. Over 1,000 of these copies were in foreign languages (of which there are 30 different languages available) and more than 4,000 were in alternative formats such as Braille and Makaton. Since the introduction of the codes in 2002 over 2.5 million copies have been distributed.

A review of the codes of practice began towards the end of this year. This piece of work, on behalf of the four UK Care Councils, began looking at how the codes are understood by workers, people who use services, and employers, and how well they support excellence in social work practice. Work is on-going but initial findings are positive and suggest that the codes are understood and used by workers and employers and that they match the aspirations of the sector.

## Roles and tasks project

The year began with the GSCC-led consultation on the roles and tasks of social work. This work came out of the Options for Excellence report – a review of the social care workforce – which sets out the Government's wider agenda for the future of social care in England and suggested areas of priority for action.

The review highlighted the Government's commitment to high quality social care services that put people who use those services at its heart.

The report identified the need to produce a definition of the role of social workers and the GSCC was asked to lead this project. We were joined by four other leading social care organisations: the Children's Workforce Development Council, the Commission for Social Care Inspection, Skills for Care and the Social Care Institute for Excellence and



ran a public consultation from March until June 2007. People who use services, their carers, stakeholder organisations, social workers and the general public were invited to give their views on what they believed constituted good social work.

All responses from the consultation were considered thoroughly and throughout the summer we worked alongside our partners to produce a statement that defined what social work at its best should look like: a person-centred practice that enhances, empowers and liberates the lives of people who use services, creating healthy, safe and supportive communities.

In late 2007, the GSCC submitted the statement to the Government and in early 2008 the Department of Health and the Department for Children, Schools and Families announced that the statement is in line with their thinking around social care reform initiatives such as personalisation, individual budgets, and the *Every Child Matters* agenda, and that the statement will contribute to the delivery of those agendas.

The roles and tasks statement is a strong and persuasive description of how social work at its best can support the social care improvement agenda so that people who use services get the support they say they want.

The statement reflects the important role of social work in addressing complex issues in people's lives through building positive relationships with them. It responds to the desire of social workers to get out from behind their desks and spend more of their time in face to face work with the people who need their help and support.

Since this work started, the policy agenda for social care has moved on significantly and

in particular, the Government has published *Putting People First*, on the transformation of adult social care and the *Children's Plan*, which sets direction for children's services. Government has welcomed the joint statement on the roles and tasks of social work and has asked that it be used as a source document for the development of the social care bodies' strategic work. The Government noted that further work will be needed to align the content of the statement with the emerging workforce strategies for adult and children's services.

### Equality and diversity

The GSCC is committed to working in ways which deliver equality and recognise and value diversity. In supporting this aim we launched our equality impact assessment process in August 2007 to identify priority areas for further action to promote equality of opportunity to different groups. All teams across the GSCC have now completed the first stage of this process and are taking forward actions into 2008-09.

Our equality and diversity learning programme for all managers and staff was launched in January 2008, engaging people in the role equality and diversity has to play at the GSCC.



The GSCC is committed to meeting both the general and specific duties under the law, through impact assessments and continuing stakeholder involvement. We will set clear equality objectives and targets, and put systems in place to monitor performance against these and review equality outcomes. Finally, we are committed to openness in developing our Single Equality Scheme and will publish progress reports and the results of our actions.

The GSCC has a strong commitment to working with people who use services and their carers. Throughout the year these groups have been involved with various GSCC projects and their views are considered highly. At the beginning of the year people who use services and their carers were involved in the GSCC-led consultation on the roles and tasks of social work whereby they were asked about social work practice at its best.

In May 2007, the GSCC contributed to a seminar organised by the Joint Participation Steering Group, 'Benefit Barriers to Involvement: Finding Solutions'. People who use services were invited to attend as key stakeholders at this event, and two people with experience of using services were invited to present. A report of this event was produced and presented in November 2007 to the Minister for Disabled People, Anne McGuire, by Professor Peter Beresford, Dame Denise Platt and Frances Hasler, Chair of the Joint Participation Steering Group.

During the course of the year the Policy and Legal Services Project consulted with people who use services and their carers on the development of specific policy areas. This work included work around the registration of domiciliary care workers and managers and involved asking people what evidence of a worker's registration with the GSCC would be most useful to people who use services and their carers, such as an identity card or certificate. We engaged a wide group of people,



including older people, physically disabled people, people with mental health problems, and carers. We also ensured that we engaged people from ethnic minority backgrounds, and invited translators to attend the focus groups meetings to support participants.

Also under the Next Groups Programme, in February 2008 we commissioned Shaping Our Lives (a user-led organisation) to undertake the initial stages of a research project with people who use services. Shaping Our Lives ran two events, which included an event specifically for people with learning difficulties, and ensured they engaged with a representative group in terms of age, gender, ethnicity, impairment, and sexuality. The aim of the events was to inform the development of a larger piece of research with people who use domiciliary care services, to be undertaken in 2008-09.

The Policy Development Team commissioned a company to develop accessible information packs for people who use services on our payments policy. Included in the brief for this piece of work was a requirement that people who use services would be involved in reviewing the documents before the final versions were completed.

### Compliments, comments and complaints

The GSCC welcomes feedback, whether that is in the form of a comment, compliment or complaint so we can continually work to improve our services.

In the period between 1 April 2007 and 31 March 2008, the GSCC received six comments and nine policy representations.

A total of 97 formal complaints were received in the period between 1 April 2007 and 31 March 2008. Of these 97 complaints, 27 were upheld and 34 were partly upheld. 61 complaints related to registration

- 28 complaints related to conduct
- 8 complaints related to other services.

In the period between 1 April 2008 and 31 March 2008, a total of 12 compliments were received.

### Freedom of Information

Between 1 April 2007 and 31 March 2008 the GSCC received 24 requests for information under the Freedom of Information Act and 16 data subject access requests under the Data Protection Act.



## Looking forward

Social care is in the midst of significant change and the GSCC will continue to work closely with our sister bodies in Northern Ireland, Scotland and Wales and other stakeholders to play a key role in raising standards in the sector.

The publication of *Putting People First* is a clear indication of the Government's continued commitment to personalised budgets and services. Personalisation will give people who use services the opportunity to become active participants in shaping their care, so that it reflects their needs and desires. Direct access to resources will impact significantly on people who use services and will result in power, independence and the ability to make choices over how that money is spent.

Personalisation presents fresh challenges for the regulation of social care. At the GSCC's core is the protection of the public and the people who use services. In the era of personalisation how do we ensure that the public is protected, and that regulation is meaningful and relevant? There is still a lot of work to be done to think through the implications of this radical change but we support this agenda and are confident that we can adapt to the changing environment and take this forward.

The GSCC is exploring the development of personalisation and its impact on the social care workforce of today and the future, and on regulation more generally. We will be conducting a study to look at how the workforce needs to adapt to deliver successfully the priorities of the *Putting*

*People First* agenda and we will continue to work closely with people who use services to help shape our policies.

Over the coming year we will also look at how social work education and training, and the codes of practice for social care workers and employers, can best reflect the new reality of service provision. The GSCC is currently looking at ways to ensure that standards and skills in social care continue to be raised as the workforce undergoes significant change, and to make regulation effective.

We await the development of workforce

**“ Personalisation presents fresh challenges for the regulation of social care. ”**

plans for children and adults, which are due to be published by Government in 2008, and for the Health and Social Care Bill, which seeks to enhance professional regulation, to be enacted. Changes to the children's workforce are a welcome development to bring a strategic approach to connect those working with children and families together. The GSCC will work alongside existing and new organisations, such as the new integrated regulator for health and adult social care, the Care Quality Commission, to deliver the Government's vision for the future of social care provision.



# Management Commentary

## Financial position

For ease of cross-referencing to the primary Financial Statements and the Notes to the Accounts presented later in the 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 2008;
- [CFS] for Cash Flow Statement for the period ended 31 March 2008;
- [OCS] for Operating Cost Statement for the year ended 31 March 2008.

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.

Equivalent figures for the 2006-07 financial year are shown in brackets, for example (£61.3 million).

The bursaries service was transferred to the NHS Business Services Authority with effect from 1 April 2007. To enable meaningful comparison of the figures between 2007-08 and 2006-07, the figures for 2006-07 have been restated to exclude expenditure and income in relation to the bursaries service.

## Financing and income

### Government grants

The GSCC is funded predominantly by its sponsoring department, the Department of Health (DH) with various grants in aid. In 2007-08 the GSCC had access to £42.791 million grant in aid however only accessed £40.348 million [CFS]. £41.009 million was available for revenue expenditure and £1.782 million was available for capital expenditure.

Initially, the GSCC was allocated £1.461 million towards capital of which £1.011 million was for the final phase of implementation of the new UK social care regulation programme (OSCAR) and £0.450 million was for GSCC related expenditure on IT and buildings etc. The allocation was increased mid year to £1.782 million, with the increase applied to OSCAR.

The £41.009 million of revenue grant that the GSCC had access to in 2007-08 was a combination of a number of separate grants in aid. DH set a spend target for Education Support Grants (ESG) of £26.946 million. But, after taking into account £1.943 million cash held by the GSCC for bursaries as at 31 March 2007, set a grant funding limit of £25.003 million.

Grants totalling £16.006 million were made available to the GSCC to support management and administration. Of the £16.006 million (£13.6 million in 2006-07), £8.876 million (£10.1 million) was towards the GSCC's baseline operating costs, £6.350

million (£3.5 million) was the total value of three ‘ring-fenced’ grants to fund new activities, and £0.780 million 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 GSCC only accessed [CFS and N11] £40.348 million of the £42.791 million grant available; accessing £24.652 million of the £25.003 million ESG grant, £14.325 million of the £16.006 million management and administration grants, and £1.461 million of the £1.781 million capital grant.

Access by the GSCC to lower grants than were available reflected:

- for ESG; payments [N3] totalling £26.574 million compared with the maximum target spend set by DH of £26.946 million;
- for management and administration; the combination of the Government’s delay in setting a start date for the registration of domiciliary care workers and their managers which resulted in the GSCC spending only £1.740 million of the £3.900 million available, and
- for capital, our use of £0.340 million of capital cash balances held at the beginning of the year.

Further details of expenditure are provided below.

The three ‘ring-fenced’ grants, referred to earlier, were £1.800 million to fund the increased costs of the Conduct Service (£1.8

million in 2006-07), £3.900 million to support the expansion of the social care register to cover the next group of social care workers to be registered (£1.0 million), and £0.650 million to meet the GSCC’s proportion of the costs of the new ICT registration system – OSCAR (£0.724 million). The ring fenced grants for conduct and operating costs of OSCAR were drawn down in full.

The Government announced in 2005-06 its intention to open the qualified Social Care Register to new groups of workers and provided the GSCC with a specific ring-fenced grant to facilitate the preparatory work and to support the management and administration costs once that part of the register was opened. In February 2006 the Government announced its intention that the GSCC should register residential and domiciliary 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 registration of domiciliary care workers and their managers will not commence until some time in 2009-2010. As a result of the delay of the start date for the registration of these groups 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 £1.700 million of the £3.900 million grant. DH were informed early in the year of this likely outcome and gave permission for £0.400 million of the projected under spend to be used to meet the predicted service demand and cost pressures of conduct and its related services.

### Non-grant Income

In addition to government grant, the DH allows the GSCC to retain registration fee income from social workers and students social work, and income from recharges and fees. The GSCC also received income [N7] totalling £3.811 million (£4.032 million in 2006-07), of which £2.508 million (£2.551 million) was from social care registration fees, £0.920 million (£1.050 million) from recharges to other bodies, £0.116 million (£0.315 million) from student records, and £0.263 million (£0.116 million) from non-operating income.

Income from registration of social workers and social work students has increased from £2.3 million in 2005-06 to a relatively stable income base in the last three years of around £2.5 million. There are two main reasons for this stability. Firstly, the registration base of qualified social workers, the larger registrant group, is now relatively constant with new registrants joining being partially offset by those leaving the service. Secondly, 2004-05 saw the first year of student registration, with the registration of students becoming compulsory for those who started their degree course in 2005-06. As with qualified social workers, the registration base for students is now relatively constant, which is reflected in the income generated.

The income from student records fell from £0.315 million in 2006-07 to £0.116 million in 2007-08 because the GSCC closed all old style post-qualifying courses at 31 March 2007. Each registration is worth £56 hence registrations of 5,900 during 2006-07 yielded £0.32 million. There were approximately 2,000 students in the pipeline at 31 March 2007 who registered subsequent to the official closure date yielding £0.116 million in 2007-08. We anticipate that 2008-09 will show a further significant drop in income from this source.

Taking into account Government grant and access to fee income etc, the GSCC could have planned to spend up to £19.817 million on management and administration, of which £3.811 million would come from fees and charges and £16.006 million would come from grants. However after allowing that spend on the registration of domiciliary care workers and managers was lower by £1.76 million, after transferring £0.4 million to support the conduct function, the funding being called on by the GSCC to support management and administration was £14.325 million [CFS].

### Expenditure

The GSCC's gross operating cost [OCS] in 2007-08 was £45.876 million (£41.3 million), of which £26.574 million (£22.6 million) related to ESG, £19.018 million (£18.3 million) related to management and administration expenditure including staff costs, and £0.302 million (£0.3 million) related to the cost of capital. After taking into account miscellaneous income of £3.811 million (£4.0 million) the GSCC had a net operating cost of £42.065 million (£37.2 million). The following paragraphs provide a more detailed breakdown of these areas of expenditure.

### Education Support Grants

In 2007-08 payments made on ESG [N3] increased to £26.574 million in 2007-08 from £22.6 million in 2006-07. The majority of this increase was to meet the increased demand for practice learning opportunities for the social work degree. Funding for practice learning is demand led and grants are paid to higher education institutions based on the number of social work degree students they enrol and when they complete their required 200 days practice learning. In addition, DH gave the GSCC additional funding of £1 million

to disburse to higher education institutions to prepare them for offering courses in the new post-qualifying framework and £0.5 million to be paid to outgoing post-qualifying consortia to enable them to support existing candidates through to completion of their award under the old framework. All of this money was spent within the 2007-2008 financial year.

### Management and administration expenditure [N4]

In 2007-08 the GSCC spent £19.018 million on management and administration costs [N4], compared with £18.3 million in 2006-07. Of this cost, £17.087 million (£16.7 million) was cash expenditure and £1.931 million (£1.6 million) was non-cash expenditure. The main variations in spend between the two years were:

- **Staff costs [5b] and staff numbers [5a]**  
Employee costs increased by £0.8 million (10%) from £7.7 million to £8.5 million. The number of whole time equivalent (WTE) agency staff has reduced as the number of WTE permanent staff has increased [N5a]. Overall, the total number of WTE staff has remained relatively constant at around 230 WTE. The average equivalent cost of a permanent employee, excluding the pensions increases and current and past service costs, increased by 2.6% from £29,960 per annum in 2006-07 to £30,750 in 2007-08, reflecting the effects of inflation and the GSCC's performance appraisal scheme. However, the average cost of an agency employee increased substantially from £34,970 per annum to £47,640 per annum reflecting the continued reliance the GSCC is still placing on employing agency staff to cover specialist, technical and more senior management roles.
- **Staff recruitment [N4]** increased from £0.19 million to £0.35 million reflecting the number of recruitment campaigns undertaken in the year.
- **Other office services [N4]** reduced from £1.51 million to £1.14 million reflecting the higher spend necessary in 2006-07 to support the expansion of the offices at Myson House.
- **Publications and promotions [N4]** is a mis-nomer as slightly over £1.6 million was incurred on the employment of consultants and commissioned work, an increase of £0.6 million, which accounts for the overall increase from £1.36 million to £1.81 million.
- **Conduct excluding legal fees [N4]** increased from £0.28 million to £0.64 million reflecting the growth of service demand on the conduct support services.
- **Other fees and charges [N4]** includes the costs of legal fees. It has reduced from £1.97 million to £1.35 million partially reflecting the beneficial effects of the establishment of an in-house Legal Services Team early in the year and reduced spend on employing legal advice and support.
- **Increase in the provision for doubtful debts [N4]** the increase from £0.08 million made in 2006-07 to the £0.14 million in 2007-08 reflects the doubling of the registration fee debt in the year from £0.46 million as at 1 April 2007 to £1.0 million as at 31 March 2008. However, £0.24 million, nearly one quarter of the debt at the end of the year, was cleared or reduced within the first two months of 2008-09. This would indicate that a substantial proportion of the 'debt' is a

matter of tardiness in payment. The increase in debt is a combination of there being more registrants, who may owe their fee, and the increase in the number of years that non-payment by a debtor may have built up. Once registration has been granted, including the payment of the initial registration, the GSCC is not allowed to remove a registrant from the register for subsequent non-payment of the annual fee. A registrant's personal debt can therefore increase for three years until they reach renewal of registration, at which point any registration fee debt must be cleared in full before renewal of their registration is granted. If renewal of registration is not granted the person can no longer continue to work as a Registered Social Worker. Compulsory registration was introduced from 1 April 2005. The three year period, after which renewal of registration is required, is being reached on or soon after 31 March 2008 for a large proportion of registrants.

In the same way, unless the GSCC is informed that a registrant no longer wants to be on the register (they may have retired, moved abroad etc), the annual fee will accrue each year and the 'debt' increase until the registrant is removed, albeit voluntarily. It is anticipated that the GSCC will find out for the first time that some registrants are no longer working and the fee is not collectable, when the registrant does not seek renewal after the three years.

- **Depreciation and amortisation [N4 and N8]** depreciation on tangible fixed assets such as furniture and fittings, and IT hardware has remained stable at around £0.3 million, reflecting the small spend incurred in the year. Whereas,

amortisation on intangible fixed assets such as software licences and systems development has increased from £1.22 million to £1.46 million, reflecting the writing down of the increased accumulated spend to date on the implementation of the OSCAR registration system (see section below on investment).

## Investment

During 2007-08 the GSCC spent £2.212 million (£2.74 million in 2006-07) on fixed asset purchases [N8 and CFS]. Of this, £1.940 million (£2.51 million) was capitalised for the final phase of the development and implementation of the social care regulation system, OSCAR, and £0.272 million (£0.23 million) was spent on IT refresh, office services and software licences. The OSCAR social care regulation 'intangible' asset at 31 March 2008 accounted for £7.313 million [N8] of GSCC's fixed asset base of £8.603 million [BS]. OSCAR went live mid way through 2007-08, replacing the CARE system. The investment by the four UK Care Councils in OSCAR is a key driver in providing an effective and efficient computer system that will support the planned expansion of the register to include the introduction of the next groups of registrants.

## 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. As the Accounting Officer, I am satisfied that there is no relevant audit information of which the auditors are unaware. I have taken all the steps that I ought to have taken to make myself 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 2007 and 31 March 2008, 91 per cent (88 per cent in 2006-07) 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.

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

The GSCC was accredited the Investment in People Standard in 2006-07.

# Remuneration report

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

## Delegation from the Department of Health

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

## Remuneration Committee

In accordance with its Standing Orders, the Council has established a Remuneration Committee. The Council has set terms of reference (TOR) for this committee 'to advise the Chair on matters relating to the performance and review of remuneration of the Chief Executive and to advise the Council on matters relating to the recruitment of any new Chief Executive'. The TOR for the committee also requires that it shall consist of at least three members of the Council and will include both lay and non-lay members. The members shall be appointed by the Council. The Chair of the committee will be appointed by the Council and may be drawn from any member of the committee.

## Chief Executive's remuneration

The Chief Executive in post to 7 September 2007 received remuneration of £88,376 for 2007-08 (2006-07 £163,287), which included a performance related bonus of £5,997. The Chief Executive who commenced from 24 October 2007 received remuneration of £68,830.

Performance for the purpose of calculating the performance related bonus is measured by appraisal against agreed objectives. The Chief Executive is an ordinary member of the Local Government Superannuation Scheme, to which GSCC is an admitted body. The Chief Executive has a notice period of 12 weeks.

## Staff's remuneration

The management statement and financial memorandum states that 'terms and conditions for staff [including senior managers] are decided by the GSCC. Any increases will be subject to a performance-related pay scheme.' The Council has delegated this responsibility to the Chief Executive in the appendix to the Standing Orders where in paragraph 4 (e), the Chief Executive may 'make arrangements necessary relating to the employment of staff, their terms, conditions and pay.' Standing Financial Instruction 16.7 reaffirms this delegation. In this context therefore decisions about the remuneration of GSCC staff (excluding the Chief Executive) are taken on the authority of the Chief Executive, who may take advice as necessary.

The GSCC's remuneration structure includes pay progression that is dependent on the outcome of an individual employee's performance in the preceding year. Each member of staff will agree with their line manager their individual performance targets for the year ahead. These performance targets will ultimately contribute to delivering elements of the Business Plan that has been agreed by the Department of Health. Assessment of actual performance is undertaken and recorded following face to face meetings during the year, with a final assessment being completed at the end of the planning/financial year.

Following successful negotiations with Amicus the trade union a new Reward, Grading and Performance Scheme (RGPS) was introduced with an effective date of 1 January 2006. Awards under this new performance-related pay scheme came into effect from 1 June 2006. The performance appraisal scheme in place prior to this, has been built on, with the addition of an assessment of an employees 'skills and behaviours'. The new RGPS retains a flat rate cost of living increase, as before, but the reward for meeting or exceeding the previously agreed performance targets is related to incremental progressions on the pay scale, up to the maximum point on the scale.

The general contract of employment for GSCC staff is not time limited. However, DH's Review of Arms Length Bodies concluded that ALBs, including the GSCC, should relocate all or part of their functions from

London and the South East. Following this decision, the Executive Management Team has implemented an establishment and recruitment control procedure that required all changes or increase in posts to be scrutinised both as to the place of employment and to the period of employment. The GSCC has set out a plan for relocation of functions and any recruitment to posts which are scheduled to relocate from London are time limited in line with the timetable for relocation. Other appointments may be permanent taking into account the nature of the role. The notice periods of staff are four weeks, eight weeks or 12 weeks depending on their grade.

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



Senior managers at the GSCC who are permanently employed have the standard terms and conditions of employment. 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. Temporarily employed senior managers have a notice period of one month. There is no provision made in the accounts for early retirement.

**Table 1: 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 31/03/08	Real increase / (decrease) in accrued pension and lump sum over year £000s	Total accrued pension at 31/3/08 and related lump sum £000s	CETV** at 31/3/07 (nearest £000s)	CETV at 31/3/08 (nearest £000s)	Real increase / ((decrease) in transfer value over year net of adjustment for market conditions nearest £000s)
	£'000	£'000	£'000	£'000	£'000	£'000
Lynne Berry (1/10/01) – resigned (07/09/07)	85-90	2.5-5 plus 2.5-5 lump sum	45-50 plus 135 - 140 lump sum	744	799	16
Mike Wardle (1/03/02) – (appointed Chief Executive 24/10/07. Previously held the post of Deputy Chief Executive and Director of Strategy at the GSCC. )	130-135	0-2.5 plus 25-30	40-45 plus 125-130 lump sum	375	531	132
Chris Pottinger (1/04/02)	100-105	2.5-5 plus 15-20	50-55 plus 155-160 lump sum	832	973	103
Heather Wing* (4/10/04)	100-105					

\* Heather Wing is not a member of the pension scheme

None of the above received benefits in kind.

\*\* CETV — cash equivalent transfer values

FReM 7.2.27 (l) requires details of amounts payable to third parties for services of a senior manager to be disclosed. Mick Lowe was employed through SOLACE from 17 September 2007 to fill the vacant post of Director of Strategy, pending permanent appointment, at a cost of £128,923.

## Remuneration of GSCC Council Members

The remuneration for members of the Council was originally determined by the Secretary of State for Health. This responsibility was taken over by the Appointments Commission with effect from 1 April 2005. Members of the Council are paid by the GSCC. Members of the Council do not receive a pension.

**Table 2: Remuneration of Council Members**

Chair of Council and Council Members	Remuneration 2007/08	Remuneration 2006/07
	£000	£000
T Ahmed	5-10	5-10
HM Baker*	0-5	5-10
C Barton	5-10	5-10
RG Brooke, Chair	25-30	20-25
NJT Butler	5-10	5-10
MJ Clarke*	0-5	5-10
M Henwood	5-10	5-10
A James*	0-5	5-10
A Keefe*	0-5	5-10
M Leadbetter**	0-5	0
H Marsh	5-10	5-10
W McClimont	5-10	5-10
D Prince**	0-5	0
J Thoburn	5-10	5-10

\*appointment ended on 31 August 2007

\*\*appointment started on 1 September 2007



**Mike Wardle**  
Chief Executive

Date: 2 July 2008

# General Social Care Council Accounts 2007-08



## 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; and
- 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 "Management of 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 achievement of General Social Care Council's (GSCC) policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The GSCC is established under Part IV of the Care Standards Act 2000. The constitution, general powers and duty of the GSCC are set out in this part, in Schedule 1 to the Act and the GSCC (Appointments and Procedure) Regulations 2001.

The GSCC Management Statement and Financial Memorandum was agreed in September 2002 by the Parliamentary Under Secretary of State for Community Care. This Management Statement and Financial Memorandum sets out the broad framework within which the GSCC will 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.

Ministers are involved in the management of risk through the approval process for the annual Business Plan and the three-year Corporate Plan, in accordance with the agreed Management Statement. The Corporate Plan includes sections on accountability and governance, management of strategic risks and a sensitivity analysis together with a copy of the strategic risk register. The section on management of risks explains what components the GSCC has in

place to deliver a robust risk management framework that allows early identification of risks and appropriate risk control measures to be put in place.

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 Council meetings. DH receive papers for the Audit Committee of Council.

As the Chief Executive (Accounting Officer) I am fully responsible for the day-to-day management of the GSCC and 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.

## 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 2008 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

### 3. Capacity to handle risk

I provide leadership on risk management at the strategic level with the presentation each year of a draft three-year Corporate Plan to the Council for agreement and submission to Government. The Corporate Plan includes sections on accountability and governance, management of strategic risks, a sensitivity analysis together with a copy of the strategic risk register.

I provide leadership on risk management at the organisational level by chairing the GSCC's Executive Management Team (EMT) at which all major strategic management, implementation and resource decisions are taken. I personally appoint the GSCC's internal audit providers. I attend Audit Committee and Council meetings, and have ultimate responsibility for all reports that are submitted to them. I have ensured that the Council has in place a risk management policy and procedures; and that programmes and projects undertaken by the GSCC include both an assessment of initial risk and ongoing risk management.

The GSCC has a Council consisting of a Chair and up to 24 members, the majority of which are lay persons. Council members are

appointed by the Appointments Commission on behalf of the Secretary of State for a period not exceeding four years.

The appointment may be extended by, or the member re-appointed for, up to a further four years. The number of actual Members reduced from 12 to 10 with effect from September 2007. Council members have corporate responsibility for ensuring that the GSCC complies with any statutory or administrative requirements for the use of public funds. The principal responsibilities of Council members include ensuring that high standards of corporate governance are observed at all times. Council members have access to reports to the Audit Committee. The Council receives minutes of all committee meetings.

The Chair of the GSCC is appointed by the Appointments Commission for a period not exceeding three years. The appointment may be extended by, or the Chair re-appointed for, up to three years. The appointment of the Chair has been extended to 31 October 2008. The Chair is required to be a lay person. The Chair has a special responsibility for providing effective strategic leadership including encouraging high standards of propriety and promoting the efficient and effective use of staff and other resources throughout the GSCC. The Chair is an ex-officio member of all committees with the exception of the Audit Committee. The Audit Committee's terms of reference include:

*“to advise the Council, its Chair and Chief Executive as the Accounting Officer on issues relating to corporate governance, internal control and quality control, risk management and financial audit.”*

In particular, the Audit Committee provides advice on:

- the adequacy of GSCC's arrangements for internal control;
- the content of and compliance with the Council's risk management strategy;
- the appointment of the internal audit provider;
- the planned activity of the internal audit provider and the National Audit Office;
- results of internal audit and National Audit Office activity;
- the financial content of the Annual Report and Accounts;
- the systems of budgetary control and financial management and reporting; and
- allegations of serious fraud, corruption and error.

I have appointed the Director of Corporate Resources as the designated Risk Management Co-ordinator for the GSCC with responsibility for leadership on the effective delivery of risk management and internal control. He has established and chairs the Risk Management Working Group (RMWG), comprising managers from each of the directorates, which normally meets four times a year. 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.

#### 4. The risk and control framework

HM Treasury – Management of Risk (The Orange Book) issued December 2004, discusses the need to review the risks and review the risk management process.

*“Review of risks and review of the risk management process are distinct from each other and neither is a substitute for the other. The review process should:*

- i. *ensure that all aspects of the risk management process are reviewed at least once a year”* – compliance by the GSCC is delivered through the Executive Management Team (EMT) holding an annual risk management meeting at which they receive the draft Annual Risk Statement from the Director of Corporate Resources. The contents of the Annual Risk Statement underpin the delivery of the framework outlined in the Statement on Internal Control. The draft statements are considered by the Audit Committee at its last meeting in the financial year (March 2008). The Chair of the Audit Committee reports to Council at its May meeting. The draft Statement on Internal Control is once again considered by the Audit Committee at its meeting in June when it receives the Annual Report and Accounts (subject to audit). The Statement on Internal Control is presented to Council at its meeting in July when it receives the audited Annual Report and Accounts;
- ii. *ensure that risks themselves are subjected to review with appropriate frequency (with appropriate provision for management's own review of risks and for independent review/audit)”* – compliance by the GSCC is delivered through continuous scrutiny during the year by the Internal Controls

Officer; regular review of risks by all operational managers and their teams; the RMWG reviewing both Strategic and Corporate Risk Registers at their quarterly meetings; EMT and Council receiving the Strategic Risk Register at least twice a year; Audit Committee receiving risk management reports at least twice a year; and the control of project and programme risk through risk and issues logs maintained throughout the lifetime of the projects and programmes;

- iii. *make provision for alerting the appropriate level of management to new risks or to changes in already identified risks so that the change can be appropriately addressed*” – compliance by the GSCC is delivered through the regular review and appraisal in the year by the Internal Controls Officer and the RMWG. The Risk Management Framework includes an escalation process.

Risks are formally identified through a number of mechanisms. First, as part of the annual business planning process, managers are required to identify any risks to the achievement of their business plan objectives. Second, as part of all programme and project management, managers are required to identify risks to the delivery of the programme or project as part of the initial business case which is submitted to EMT for approval. Projects are managed through an internal framework, based on PRINCE 2. Programmes are managed in accordance with “Managing Successful Programmes”, an Office of Government Commerce publication. Staff receive training and guidance on risk management commensurate with their roles and responsibilities. Risk management forms part of the briefing at the Welcome Workshop which all new staff are required to attend on joining the GSCC.

Risks to delivering key aims and objectives identified in the Business Plan are recorded in the Corporate Risk Register (CRR), and risks to the organisation as a whole are recorded in the Strategic Risk Register (SRR).

The organisation’s risk appetite is assessed individually for each risk, taking into account the nature of the organisation’s objective to which it relates. If the risk severity is assessed as high (six to nine) then it requires further mitigating actions and/or countermeasures that will bring the severity down to within acceptable levels.

The Council and the Audit Committee play a key role in monitoring, reviewing and assuring that the GSCC’s risk appetite is being accurately judged and reflected in the construction and maintenance of the risk registers. Reports to Council and reports to the advisory Committees include a section within the standard template on Risk Implications, where these are appropriate. The organisation’s risk appetite is also influenced by its risk priorities at a given point in time.

The GSCC’s internal audit service is provided by AHL Limited. They operate to the standards defined in the Government Internal Audit Standards (GIAS) and produce an annual risk based audit strategy that is referred by me to the Audit Committee. The internal auditors conduct reviews spanning the entire organisation, reviewing the effectiveness of internal control mechanisms for managing risk. The contract for the provision of internal audit services came up for renewal in 2007-08. EMT agreed to extend the contract with AHL Limited, authorising the Director of Corporate Resources to carry out discussions to this effect. Representatives of AHL Ltd attend the Audit Committee meetings. They receive all agendas and minutes.

The Audit Committee in June receives an annual review from the Internal Audit provider summarizing the audit work undertaken in the preceding year and providing the Accounting Officer with a statement of their assessment of the level of assurance of the effectiveness of GSCC's risk management, control and governance processes.

Risk management is embedded in the activities of the organisation by involving managers in identification and management of risk and embedding this responsibility into their daily activities. By ensuring that regular reviews are carried out and findings reported to a suitable party on an ongoing basis, risk management has become part of managers' normal thinking when looking at current work pressures and priorities, as well as when looking ahead to the future.

## 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.

## The Council

The Council receives each year the Director of Corporate Resource's Annual Risk Statement and the draft Statement on Internal Control. The papers relating to 2006-07 were presented to Council on 21 May 2007. The Council also maintains and reviews the effectiveness of the system of internal control during the year by receiving the minutes of the Audit Committee meetings. Reports to Council include a section on Issues. Reports also identify risks and mitigating action, where appropriate.

## Audit Committee

The terms of reference of the Audit Committee require it to meet regularly and not less than three times per year. For 2007-08, the meetings were held on 25 June 2007, 24 September 2007, and 3 March 2008. 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 LLP) 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:

- audit, including internal and external audit reports;
- final accounts, including the NAO Memorandum of Findings;
- budget management and control;

- corporate governance, including financial instructions and procedures;
- risk management; and
- quality assurances.

### **Executive Management Team**

I chair the GSCC's Executive Management Team (EMT). This group is made up of the Chief Executive and the Directors, and meets on a weekly basis. EMT considers all strategic and policy issues affecting the GSCC's delivery of its aims and objectives. EMT has responsibility for the financial, performance and risk management of the organisation. With regards 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**

The Risk Management Working Group (RMWG) provides additional high level cross-directorate assurance. The RMWG's primary concern is to review 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 RMWG received copies of all completed internal audit reports. The remit of the RMWG is from overarching strategic controls to day-to-day operational systems. The Risk Management Working Group (RMWG) meets regularly, on a quarterly basis, during the year.

### **Internal audit**

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 me, as the Accounting Officer, they are forwarded to the Head of Internal Audit at DH in compliance with the Management Statement. The audit plan 2007-08 and audit strategy 2007-10 were approved by EMT and then considered by the Audit Committee at its June meeting.

I have appointed the Director of Corporate Resources as the designated lead officer for the Audit Committee and also as the Risk Management Co-ordinator.

## **6. Significant internal control problems**

I consider there were no significant internal control problems in 2007-08.

### **Data handling and Security**

The Department of Health issued a series of questionnaires in the latter half of 2007-08 seeking information and assurance from government Departments and their agencies with regards to data handling and security. In particular, Chief Executives were required to give their personal assessment of their organisation's overall approach to the protection of data in terms of suitability of policies for data protection and sharing;



suitability of information management strategy; adequacy of the application of these policies and procedures; adequacy of investment and technical accreditation; and organisational culture towards balance of business delivery and data protection and sharing.

I responded that from my personal knowledge of the GSCC gained over the last six years as a Director and more recently as the Chief Executive, my assessments were that I could give a 'reasonable assurance' against each of the five areas. I explained that I used the term 'reasonable assurance' as the phrase adopted by our internal auditors, where 'reasonable assurance' is deemed the highest level of assurance they give. The other two levels being 'limited assurance' and 'nil assurance'.

I have informed DH of the appointment of the Director of Corporate Resources as the GSCC's "Senior Information Risk Owner" (SIRO).

To my knowledge there have not been any Risk Incidents with regards to the loss of or inappropriate access to personal data in the last year, nor in the period from 2004-05. The GSCC maintains a Strategic Risk Register which has identified data handling and security as a risk, and has complied with the most recent guidance issued by the Cabinet Office which provided a comprehensive series of actions that mitigate risk in this area.

### **Registration Fee Income Collection**

The GSCC uses a dedicated computer system to support operational delivery of its registration and conduct services. As part of its functionality, the computer system records a registrant's fee liability and payments made. In September 2007 the

GSCC migrated from CARE, a computer system it had been using since registration commenced in April 2003, to OSCAR.

Issues arose with regards to the migration of data and the initial operating systems for the processing of income. Management action was put in place to address these issues, and an internal audit report was commissioned to provide an independent assessment of the risk and to advise on the mitigating action. The auditors conclusion was that as a result of the management actions which had been taken their assessment was of Limited Assurance.

The NAO (KPMG) were also informed of the operational issues, the management action that had been taken, and the steps to be taken in advance of closing the Accounts 2007-08. Reconciliations between the GSCC's accounting system and the bank accounts were unaffected by the change and continued throughout the year. Transactional reconciliations between CARE (prior to migration) and SUN Accounts, and between OSCAR (post migration) and SUN Accounts have been completed leading up to the production of the Accounts 2007-08. These adjustments to the data in the OSCAR system were in the region of £0.03m and will be made in the first quarter 2008-09. I consider management action has been successful and that this does not present a material control risk.



**Mike Wardle**  
Chief Executive

Date: 2 July 2008

## The certificate and report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the GSCC for the year ended 31 March 2008 under the Care Standards Act 2000. These comprise the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement 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 Chief Executive and auditor

The Chief Executive, as Accounting Officer, is responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Care Standards Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer'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 HM Treasury directions issued under the Care Standards Act 2000. I report to you whether, in my opinion, certain information given in the Annual Report which comprises the Management Commentary, the Director's Report and the unaudited parts of the Remuneration Report is 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 General Social Care 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 General Social Care 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 to form an opinion on the effectiveness of the General Social Care 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. 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 General Social Care Council and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the General Social Care 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

Audit Opinion  
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 HM Treasury, of the state of the GSCC's affairs as at 31 March 2008, and of the 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 HM Treasury directions issued under the Care Standards Act 2000; and,
- the information given within the Annual Report which comprises the Management Commentary and remuneration Report, is consistent with the financial statements.

## Audit 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.

T J Burr  
National Audit Office  
Comptroller and Auditor General  
151 Buckingham Palace Road, Victoria,  
London SW1W 9SP  
8 July 2008

# Financial Statements 2007-08

## Operating Cost Statement for the year ended 31 March 2008

The figures for 2006-07 have been restated to exclude expenditure and income in relation to the bursaries service, as this was transferred away from the GSCC.

<b>Expenditure</b>			
	Note	2007/08	Restated 2006/07
		£'000s	£'000s
<b>Programme</b>			
Education Support Grants	3	26,574	22,604
		<u>26,574</u>	<u>22,604</u>
<b>Administration Expenditure</b>			
Management and Administration	4	19,018	18,318
Cost of capital	6	302	331
Return on pension scheme assets	15	(18)	18
		<u>19,302</u>	<u>18,667</u>
<b>Gross operating costs</b>		<u>45,876</u>	<u>41,271</u>
<b>Operating income</b>	7	<u>(3,811)</u>	<u>(4,032)</u>
<b>Net Operating Cost</b>		<u>42,065</u>	<u>37,239</u>

<b>Statement of Recognised Gains and Losses for the year ended 31 March 2008</b>			
		Year ended 31/03/2008	Restated Year ended 31/03/2007
		£'000s	£'000s
Unrealised surplus on the indexation of fixed assets	11	86	22
Adjustment to General Reserve for Prior Year	11	1,947	0
Actuarial gain/ (losses)	15	(2,170)	959
Recognised (Losses)/Gains relating to the accounting year		<u>(137)</u>	<u>981</u>

The notes on pages 54 to 66 form part of these accounts.

## Balance Sheet as at 31 March 2008

	Notes	31/03/2008		Restated 31/03/2007	
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Fixed assets</b>					
Tangible fixed assets	8	1,268		1,252	
Intangible fixed assets	8	7,335		6,844	
			<u>8,603</u>		<u>8,096</u>
<b>Current assets</b>					
Debtors	9	2,267		1,356	
Cash at bank and in hand	14	1,975		4,128	
			<u>4,242</u>		<u>5,484</u>
<b>Creditors – amounts falling due within one year</b>					
Creditors and accruals	10		<u>(1,476)</u>		<u>(3,189)</u>
<b>Net current assets</b>					
			<u>2,766</u>		<u>2,295</u>
<b>Total assets less current liabilities</b>					
			<u>11,369</u>		<u>10,391</u>
<b>Net assets excluding pensions liability</b>					
			11,369		10,391
<b>Pensions liability</b>					
	15		<u>(4,477)</u>		<u>(1,947)</u>
<b>Net assets including pensions liability</b>					
			<u>6,892</u>		<u>8,444</u>
<b>Funds:</b>					
General reserve	11		<u>6,892</u>		<u>8,444</u>



**Mike Wardle**

Chief Executive

Date: 2 July 2008



<b>Cash Flow Statement for the year ended 31 March 2008</b>			
	Notes	Year ended 31/03/2008	Restated 31/03/2007
	£'000s	£'000s	
Net cash outflow from operating activities	13	(40,289)	(39,641)
<b>Capital Expenditure and Financial Investment</b>			
Payments to acquire fixed assets – tangible	8	(258)	(231)
Payments to acquire fixed assets – intangible	8	(1,954)	(2,510)
		(2,212)	(2,741)
<b>Financing</b>			
<b>Revenue:</b>			
Bursaries		0	(1,200)
Education Support Grants		24,562	23,537
Operating		14,325	13,623
		38,887	35,960
<b>Capital</b>		<b>1,461</b>	<b>2,650</b>
<b>Total grant financing</b>		<b>40,348</b>	<b>38,610</b>
Increase/(decrease) in cash	14	(2,153)	(3,772)

The notes on pages 54 to 66 form part of these accounts.

# Notes to financial statements for the year ending 31 March 2008

## 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 Department of Health in 2001. This is being updated by 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 2007-08 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 valued at 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 valued at cost less amortisation.

#### 1.4.3 Development costs

Development expenditure is capitalised if it meets the criteria specified in managing public money, which are adapted from SSAP13 to take account of the not-for-profit context. The GSCC has developed a four country Social Care Regulation computer application, elements of which were operational during the year ended 31 March 2007.

#### 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.

Two 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 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 2007-08 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 per cent on average net assets (total assets less liabilities).

## 2. Reconciliation of Net Operating Cost to Grant in Aid

		2007/08	Restated 2006/07
		£'000s	£'000s
Total Net Operating Cost for the financial year	Operating cost statement	42,065	37,239
Grant in Aid	Cash flow statement	38,887	35,960
Under / (over spend) against Financing received from the Department of Health		(3,178)	(1,279)

## Reconciliation of Gross Capital Expenditure to Capital Grant in Aid

		2007/08	Restated 2006/07
		£'000s	£'000s
Gross capital expenditure	Cash flow statement	(2,212)	(2,741)
Net book value of assets disposed		0	2
Net capital resource outturn		(2,212)	(2,739)
Grant in Aid	Cash flow statement	1,461	2,650
Under / (over spend) against Financing received from the Department of Health		(751)	(89)

In 2007-08, GSCC's gross capital expenditure above included £1.682 million on the development of the UK social care regulation system. In 2007-08 GSCC received contributions of £0.25 million from the other UK Care Councils towards these costs, which is not reflected in the above table.

## 3. Education Support Grants – Programme expenditure

	Year ended 31/03/2008	Year ended Restated 31/03/2007
	£'000	£'000
Social Work Degree Grants	25,883	21,014
Other Grants*	691	1,590
<b>Total</b>	<b>26,574</b>	<b>22,604</b>

\* Other grants comprises: grants to voluntary organisations £317,040 (2006-07 £279,812), PQ consortia £374,091 (2006-07 £580,000) and practice teaching programme (2006-07 £730,560).

#### 4. Management and Administration

	Year ended 31/03/2008	Year ended Restated 31/03/2007
	Total £'000	Total £'000
<b>Staff Costs (Note 5b)</b>	<b>8,476</b>	<b>7,674</b>
<b>Other Administration Expenditure</b>		
Staff travel and subsistence expenses	209	240
Staff development and training	285	304
Staff recruitment	354	190
Premises costs (excluding operating lease payments)	673	642
Rentals under operating leases:-		
Hire of plant and machinery	109	73
Other	1,212	1,151
Communications	428	550
Other office services	1,141	1,513
Assessors and Verifiers costs	70	144
Publications and Promotions	1,812	1,365
Courses and Workshops	109	311
Cost of Council and Committees	131	142
International Recognition Service	31	64
Conduct excluding legal fees	640	278
Audit Fees	53	53
Other fees and charges	1,354	1,967
Write offs and losses	0	31
(Decrease) / increase in provision for doubtful debts	141	80
Depreciation & amortisation	1,790	1,531
Permanent diminution in value of fixed assets	0	14
Loss on disposal of fixed assets	0	1
<b>Total Management and Administration</b>	<b>19,018</b>	<b>18,318</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 does not include fees in respect of non-audit work. No such work was undertaken.

#### 5a. Number of staff

The average number of whole-time equivalent employees, including the Chief Executive during the year ended 31 March 2008 was as follows:

	Year ended 31/03/2008	Year ended Restated 31/03/2007
	No.	No.
Permanent	177	166
Agency	53	66
<b>Total</b>	<b>230</b>	<b>232</b>



## 5b. Staff Costs

The total cost of employing staff in 2007/08 was:

	Year ended 31/03/2008	Year ended Restated 31/03/2007
	£'000	£'000
<b>Pay</b>		
Salaries and wages	4,752	4,327
National insurance employers' contributions	393	373
Occupational pension scheme, employers' contributions	298	274
Pensions: deficiency payments	125	125
Current and past service costs*	382	267
Amounts payable in respect of agency/temporary staff	2,526	2,308
<b>Total</b>	<b>8,476</b>	<b>7,674</b>

\* FRS 17 disclosure

## 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 2007/08 is £302,000 (06/07 £330,736). The GSCC has adopted the requirements of FRS12 and made no allowance for notional insurance costs.

## 7. Income

	Year ended 31/03/2008	Year ended Restated 31/03/2007
	£'000	£'000
<b>Operating Income</b>		
Social care registration fees	2,508	2,551
Registration fees	116	315
Rentals from operating leases	386	475
Income from devolved social care authorities	534	575
Other operating income	267	116
<b>Total</b>	<b>3,811</b>	<b>4,032</b>

Other operating income comprises of £130,489 project funding and £129,370 from other bodies within the Department of Health and £7,145 from issuing duplicate 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>
At 1 April 2007	1,468	756	344	2,568
Additions	92	37	129	258
Revaluation	185	25	(10)	200
Disposals	0	0	(48)	(48)
<b>At 31 March 2008</b>	<b>1,745</b>	<b>818</b>	<b>415</b>	<b>2,978</b>
<i>Depreciation</i>				
<b>At 1 April 2007</b>	<b>728</b>	<b>355</b>	<b>235</b>	<b>1,318</b>
Provided during the period	158	78	92	328
Revaluation	106	13	(6)	113
Disposals	0	(0)	(47)	(47)
<b>At 31 March 2008</b>	<b>992</b>	<b>444</b>	<b>274</b>	<b>1,710</b>
<i>Net book value</i>				
<b>At 31 March 2008</b>	<b>753</b>	<b>374</b>	<b>141</b>	<b>1,268</b>
<b>At 31 March 2007</b>	<b>740</b>	<b>403</b>	<b>109</b>	<b>1,252</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 2007</b>	<b>369</b>	<b>7,911</b>	<b>8,280</b>	
Additions	14	1,940	1,954	
Revaluation	(7)	0	(7)	
Disposals	(139)	0	(139)	
<b>At 31 March 2008</b>	<b>237</b>	<b>9,851</b>	<b>10,088</b>	
<i>Amortisation</i>				
<b>At 1 April 2007</b>	<b>306</b>	<b>1,130</b>	<b>1,436</b>	
Provided during the period	54	1,408	1,462	
Revaluation	(6)	0	(6)	
Disposals	(139)	0	(139)	
<b>At 31 March 2008</b>	<b>215</b>	<b>2,538</b>	<b>2,753</b>	
<i>Net book value</i>				
<b>At 31 March 2008</b>	<b>22</b>	<b>7,313</b>	<b>7,335</b>	
<b>At 31 March 2007</b>	<b>63</b>	<b>6,781</b>	<b>6,844</b>	

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

## 9. Debtors

	31/03/2008	Restated 31/03/2007
	£'000	£'000
General debtors	1,538	876
Prepayments	729	480
<b>Total</b>	<b>2,267</b>	<b>1,356</b>
<b>Intra-Government Balances</b>	<b>31/03/2008</b>	<b>31/03/2007</b>
	£'000	£'000
Balances with central Government bodies	276	212
Balances with local Government	199	10
Balances with bodies external to Government	1,792	1,134
<b>Total</b>	<b>2,267</b>	<b>1,356</b>

## 10. Creditors – amounts falling due within one year

	31/03/2008	Restated 31/03/2007
	£'000	£'000
General creditors	985	2,530
Tax and social security	137	127
Accrued expenditure and deferred Income	354	532
<b>Total</b>	<b>1,476</b>	<b>3,189</b>
<b>Intra-Government balances</b>	<b>31/03/2008</b>	<b>Restated 31/03/2007</b>
	£'000	£'000
Balances with central Government bodies	137	127
Balances with bodies external to Government	1,339	3,062
<b>Total</b>	<b>1,476</b>	<b>3,189</b>

## 11. Movement in General Reserve

	31/03/2008	Restated 31/03/2007
	£'000	£'000
At 1 April 2007 general reserve	8,444	5,761
Adjustment to general reserve for prior year	1,947	
Indexation of fixed assets	86	22
Adjustment to general reserve for capital charge	302	331
Actuarial gain / (loss )	(2,170)	959
Grant received in period	40,348	38,610
Net operating cost	(42,065)	(37,239)
<b>Balance at end of period</b>	<b>6,892</b>	<b>8,444</b>
Balance excluding pensions liability	11,369	10,391
Pension liability	(4,477)	(1,947)
<b>Balance at end of period</b>	<b>6,892</b>	<b>8,444</b>

The adjustment to the general reserve for the prior year, relates to money retained in the bank account for bursaries, at the end of the financial year, which was agreed with the Department of Health could be used for operating activities in 2007-08.

## 12. Reconciliation of Net Movement in Funds

	31/03/2008
	£'000
Total reserves at 1 April 07	8,444
Movement in reserves	618
Actuarial gain / (loss)	(2,170)
<b>Total reserves at end of accounting period</b>	<b>6,892</b>

**13. Reconciliation of Net Operating Cost to operating cashflow**

	31/03/2008	Restated 31/03/2007
	£'000	£'000
Net operating cost	42,065	37,239
Depreciation & amortisation & capital charges	(2,092)	(1,862)
Loss on disposal of fixed assets	0	(1)
Permanent diminution in value of fixed assets	0	(14)
Increase/(decrease) in debtors (note 9)	911	(1,424)
(Increase)/decrease in creditors and accruals (note 10)	1,713	5,988
(Increase) reduction in pension liability	(2,531)	674
Adjustment to general reserve IRO actuarial gain/loss	2,170	(959)
Adjustment to general reserve for prior year	(1,947)	0
<b>Net cash outflow from operating activities</b>	<b>40,289</b>	<b>39,641</b>

**14. Analysis of changes in cash during the period**

	31/03/2008	Restated 31/03/2007
	£'000	£'000
Balance at start of year	4,128	7,900
Net cash inflow/(outflow)	(2,153)	(3,772)
<b>Balance at end of year</b>	<b>1,975</b>	<b>4,128</b>

## 15. Pension Scheme

In line with Accounting Standards Board requirements, the GSCC has implemented Financial Reporting standard 17 Retirement benefits in full.

### (i) Contribution rates

The majority of the GSCC's employees are eligible for membership of the Local Government Pension Scheme (LGPS) via an admission agreement with Essex County Council pension fund. The scheme is a multi-employer defined benefit scheme. Contributions are paid by employees at a fixed rate of 6 per cent of gross salary. For the year-ending 31 March 2008, the GSCC contributed 131 per cent of employees' contributions.

### (ii) Actuarial information

Triennial valuations of the Essex fund are carried out by qualified actuaries. The latest valuation as at 31 March 2007 showed a deficit of £1.916 million. For year-ending 31 March 2008, the GSCC contributed deficit payments to the Fund of £0.125m (2006/07 £0.125 million).

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

	At 31/03/2008	At 31/03/2007
Rate of increase in salaries	5.1%	4.6%
Rate of increase in pensions in payment	3.6%	3.1%
Discount rate	6.1%	5.4%
Rate of inflation	3.6%	3.1%

### (iii) The assets in the scheme and the expected rate of return were (FRS 17 disclosure):

	Long-term rate of return expected at 31/03/2008	Value at 31/03/2008	Long-term rate of return expected at 31/03/2007	Value at 31/03/2007
	%	£000s	%	£000s
Equities	7.5	7,429	7.5	7,324
Government Bonds	4.6	995	4.7	1,046
Other Bonds	6.1	698	5.4	666
Property	6.5	1,132	6.5	1,321
Cash/liquidity	5.25	328	5.25	211
Market value of assets		10,582		10,568
Present value of scheme liabilities		(15,059)		(12,515)
Deficit in the scheme		(4,477)		(1,947)



<b>(iv) Movement in deficit during the year (FRS 17 disclosure)</b>		
	<b>2007-08</b>	<b>2006-07</b>
Deficit in scheme at beginning of year	(1,947)	(2,621)
Current service cost	(628)	(675)
Employer contributions	427	408
Past service gain	(177)	0
Other finance income	18	(18)
Actuarial gain	(2,170)	959
Deficit in scheme at end of year	<u>(4,477)</u>	<u>(1,947)</u>
<b>(v) Analysis of the amount charged to operating surplus (FRS 17 disclosure)</b>		
	<b>2008</b>	<b>2007</b>
Current service cost	628	675
Past service gain	177	0
Total operating charge	<u>805</u>	<u>675</u>
<b>(vi) Analysis of the amount credited to other finance costs</b>		
	<b>2008</b>	<b>2007</b>
Expected return on pension scheme assets	714	586
Interest on pension scheme liabilities	(696)	(604)
Net return	<u>18</u>	<u>(18)</u>
<b>(vii) Analysis of amount recognised in statement of recognised gains and losses (SRGL) (FRS 17 disclosure)</b>		
	<b>2008</b>	<b>2007</b>
Actual return less expected return on pension scheme assets	(1,161)	114
Experience gains and losses arising on the scheme liabilities	(251)	0
Changes in assumptions underlying the present value of the scheme liabilities	(758)	845
Actuarial loss recognised in STRGL	<u>(2,170)</u>	<u>959</u>
<b>(viii) History of experience gains and losses (FRS 17 disclosure)</b>		
	<b>2008</b>	<b>2007</b>
Difference between the expected and actual return on scheme assets (£000s):	1,161	114
Percentage of scheme assets (%)	11	1.1
Experience gains and losses on scheme liabilities: amount (£ 000s)	0	0
Percentage of the present value of the scheme liabilities (%)	0	0

## 16. Financial Commitments – Operating Leases

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

	Year ended 31/03/2008	Year ended 31/03/2007
	£'000	£'000
<b>Land and Buildings</b>		
Leases which expire between 1 and 5 years	988	0
Leases which expire after 5 years	217	1,107
<b>Sub-total</b>	<b>1,205</b>	<b>1,107</b>
<b>Other</b>		
Leases which expire between 1 and 5 years	11	34
Leases which expire after 5 years	31	0
Sub-total	42	34
<b>Total</b>	<b>1,247</b>	<b>1,141</b>

The above figures exclude maintenance agreements for equipment and service charges for buildings. £326,051 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 year, the GSCC received £40,348,000 as grant in aid from DH and £130,489 as other operating income from other central Government bodies. GSCC has had a number of material transactions with other Departments and bodies for which the Department of Health is considered to be the parent department viz:

Scottish Social Services Council: The GSCC earned income of £297,000 through recharges for the UK Social Care Regulation Programme and for costs of providing the external assessment (of social work courses) service to the SSSC.

Care Council for Wales: The GSCC earned income of £165,000 through recharges for the UK Social Care Regulation Programme and for costs of providing the external assessment (of social work courses) service to the CCW.

Northern Ireland Social Care Council: The GSCC earned income of £72,000 through recharges for the UK Social Care Regulation Programme and for costs of providing the 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 year.

## 18. Capital Commitments

There were no capital financial commitments at 31 March 2008.

## 19. Provisions, Contingent Assets and Liabilities

There were no provisions made during the year.

## 20. FRS13 Financial Instruments

Financial Reporting Standard 13, Derivatives and other Financial Instruments, requires disclosure of the role which financial instruments have had during the period, in creating or changing the risks the GSCC faces in undertaking its activities. As permitted by FRS13, debtors and creditors which mature or become payable within 12 months from the balance sheet date have been omitted from disclosures.

### (i) Interest Rate Risk

The GSCC is not exposed to interest rate risk

### (ii) Liquidity Risk

The GSCC is not exposed to liquidity risk, all funding requirements within agreed funding limits are met by the Department of Health

### (iii) Currency Risk

The GSCC is not exposed to currency risk.

### (iv) Credit Risk

The GSCC is not exposed to significant credit risk.

## 21. Post Balance Sheet Events

The accounts were authorised for issue on 2 July 2008 by the Accounting Officer.

## 22. Losses and Special payments

During the year, the GSCC made a ex-gratia payment of £10,000 to a former member of staff in a settlement of a grievance procedure. Retrospective agreement for the payment was received from HM Treasury on the 25 June 2008.

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