

Annual Report and Accounts 2019-2020

Regulation and Inspection of Social Care (Wales) Act 2016

Annual Report and Accounts of Social Care Wales prepared pursuant to Schedule 2, Part 6 Paragraph 16(1-3) of the Regulation and Inspection of Social Care(Wales) Act 2016, for the year ended 31 March 2020 together with the Report of the Auditor General for Wales thereon and laid before Senedd Cymru pursuant to the Regulation and Inspection of Social Care (Wales) Act Schedule 2, Part 6 Paragraph 16(4)

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Performance report

Overview

Statement from the Accounting Officer

We are in our third year of delivery against our 2017-22 strategic plan. Thanks to the professionalism, dedication and hard work of our staff and partners, we have been successful in achieving almost the entire programme of work as set out in our business plan and 100 per cent of the priorities as set out in our remit letter from the Welsh Government. We have included a summary of some of our achievements in the performance commentary to provide an overview of what we have achieved this year.

The social care and early years sectors have an important role in improving the well-being of children and adults in Wales. Our work contributes to the ambitions of *A Healthier Wales* and the Welsh Government's 10-year Childcare, Play and Early Years workforce plan.

Our work, in partnership with others, supports the implementation of the legislative framework to transform care and support in Wales, as set out in the Social Services and Well-being (Wales) and Regulation and Inspection of Social Care (Wales) Acts.

Every day, in every community in Wales, the hidden army of social care workers is battling away on the frontline, providing care and support to our most vulnerable friends, families and neighbours.

During the current Covid-19 crisis this has never been so evident, and we adapted our work at the end of the last financial year to respond proactively to the situation. This work included:

- creating a temporary register to enable former social workers to re-register
- publishing information and resources to guide workers through Covid-19
- enabling managers to register once they enrolled on a relevant course



- developing a social care worker recognition card to provide access to a range of benefits.

Hopefully, when this crisis is over, and care workers will, as ever, have demonstrated how valuable they are to our society, they will continue to be recognised as key workers. It is hoped investment will continue to be made in the workforce to ensure a sustainable way forward to meet the needs of our communities where the impact of poverty, poor health and an ageing society bring increased demands for good quality care and support.

We are committed to responding to the views and needs of people who use care and support, their families and those working in the sector to inform our work. This approach includes the design, delivery and governance of our work in setting and promoting high standards of practice and training.

Some of our main achievements have been delivered in partnership with others. These include the draft health and social care workforce strategy, the review, re-design and launch of the new Level 2 and Level 3 qualifications, and the WeCare Wales attraction, recruitment and retention campaign.

Through our work to regulate and support the workforce, we will maintain our approach to professional registration, communicating the standards set out in the *Code of Professional Practice for Social Care* to help registered people understand what's required of them. The focus is one of regulating for improvement, and assuring the public of the quality and safety of the social work and social care workforce.

There are now more than 30,000 people on the Register of Social Care Workers in Wales, which is a considerable increase over the last two years (there were 11,500 people on the Register in March 2018). We will consider how new groups of social care and early years workers may become professionally registered with us, working closely with the sector to find ways to do this that adds value during these challenging times.

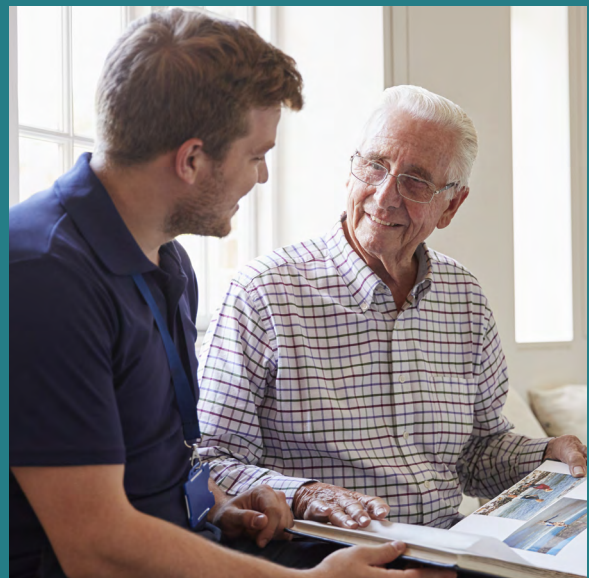
Looking forward to our work programme in 2020-21, we will continue to work with partners to lead and support improvement in social care, and to take forward the long-term vision for seamless health and social care in Wales as set out in *A Healthier Wales*.

Our priorities for 2020-21 include:

- extension of registration to adult care home workers and new managers
- developing an ambitious new digital offer for our registered persons
- strengthening and extending our WeCare Wales campaign to support the sector
- developing proposals for an employer liaison service to be operational from April 2021
- progressing the workforce strategy
- developing expert guidance on evidence and good practice, including COVID-19 resources
- strengthening our data and influencing research and development activities to increase our intelligence
- learning from our COVID-19 related activities and from independent analysis to feed into a review of our strategic plan
- continuing to support the Welsh Government's improvement priorities.

Sue Evans
Chief Executive and Accounting Officer

Date: 17 July 2020



Role of Social Care Wales – who we are



Our vision and strategic objectives

Our purpose

Building confidence in the workforce and leading and supporting improvement in social care

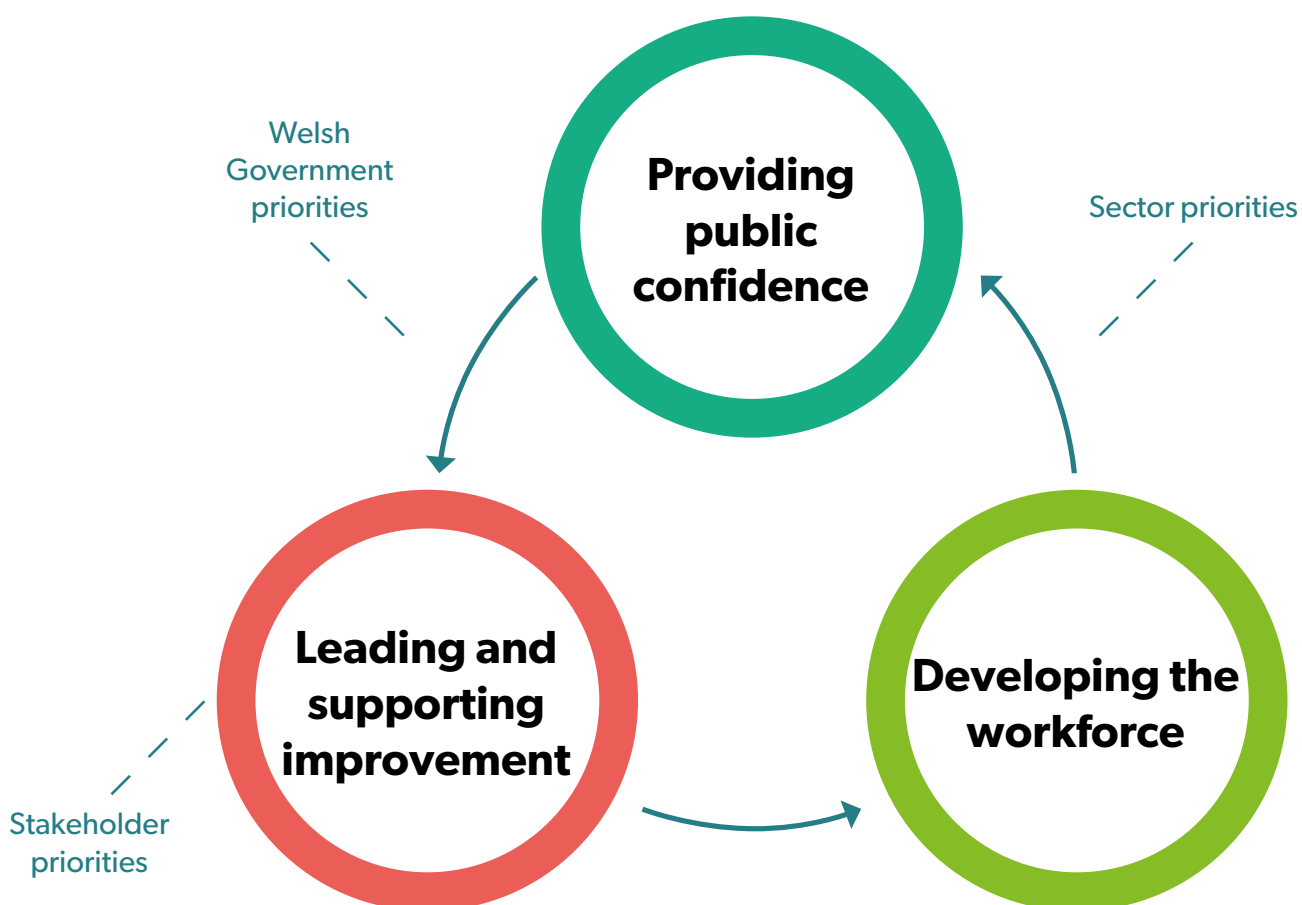
Our vision

We want every person who needs support to live the life that matters to them

Our aims

Our three strategic aims define what we do. These aims will result in:

- improved well-being outcomes for children and adults who rely on care and support, their families and carers
- a high-quality, sufficient and skilled workforce
- people having confidence in the social care workforce, including the early years workforce, and the effectiveness of Social Care Wales.



Issues and risks we face

Information about our risk management and the main risks we face is provided in the Governance Statement on page 18.

The factors we think will have the greatest influence over the way we work and how we achieve our vision over the next five years are:

- the impact of COVID-19 on the social care and early years sector in supporting people and children
- remaining in a period of financial constraint
- the complex policy landscape.

Performance analysis

Our annual Business Plan for 2019-20 sets out our strategic objectives, along with our high-level activities and achievement measures. Throughout the year, we provide quarterly reports about the progress we have made against our strategic objectives to our Executive Management Team, and these are scrutinised by our Board and the Welsh Government.

Overall, we achieved all the priorities set out in our remit letter from the Welsh Government and we have highlighted some of our main achievements below.

This is a report about our work in 2019-20, but we recognise the significant impact COVID-19 had on the social care and early years sector towards the end of the financial year.

Providing public confidence

We want people to have confidence in the social care sector and in the effectiveness of Social Care Wales.

Registration

Registration is part of our ongoing commitment to professionalise the social care workforce and raise the status of workers. We recognise the need to make sure we have a sufficient workforce that's ready to meet new challenges, with the right skills and confidence to practise.

This year has been our busiest registration period by far as we registered more than 17,000 domiciliary care workers, while also maintaining the registration of the other groups of social care workers.

With the increased size of the Register, we will continue to identify ways in which we can better interact with registered people, helping them understand the expectations and standards set by the *Code of Professional Practice* by supporting their learning and development.

30,152
people were on our Register

17,711
domiciliary care workers were
registered with us by 31 March 2020

1,371
people left the Register

Registration is changing

Our consultation in autumn 2019, 'Registration is changing', set out new arrangements that covered:

- ways to register for adult care home workers
- practice guidance for adult care home workers
- ways to register for residential family centre support workers
- a new way for residential child care workers to qualify for registration
- a more flexible way of recognising a social care worker as a manager for the purposes of registration
- the payment of fees in years two and three of registration
- the streamlining of categories of worker on the Register.

We did all we could to make sure that those who might be affected by the proposed changes had a chance to comment. We sent the consultation document to more than 12,000 people, held workshops to help people understand the proposed changes and sent information about the consultation to registered persons and employers.

We received 136 responses to the consultation. We also took other opportunities to gather opinions from the sector throughout the 12-week consultation period and didn't rely on consultation responses alone, meeting with more than 500 people at a range of events. As a result, we now have a good understanding of the things people want us to do to support them if we go ahead with the proposals.

socialcare.wales/consultations/registration-is-changing

Covid-19 response

To assist the workforce during the emergency period, we put the following arrangements in place:

- we created a temporary register and social workers who left the Register in the last three years were invited to return to practise
- social workers registered in England, Northern Ireland or Scotland can now work in Wales without having to register with us
- residential child care workers and domiciliary care workers now have up to 12 months from the date they started in their role to complete their registration
- the confirmed competence route has been extended for domiciliary care workers applying to register
- we brought forward new routes for manager registration:
 - managers enrolled on the level 5 qualification can apply to register
 - nurses, occupational therapists or social workers can apply to register as managers.

Fitness to practise

Engagement work with employers, regulators and safeguarding

We have been working to change the emphasis of our investigation work towards supporting workers to develop and improve if they've been referred to us. To involve people in this approach, we:

- held numerous events throughout the year, including workshops
- supported inspector training for Care Inspectorate Wales
- attended local authority and provider training events across Wales.

We also increased our levels of active engagement with other regulators and worked with them on improving the way in which we carry out our work to maximise efficiency while protecting the public. One way in which we did this was by being proactive in sharing intelligence to support our collective aims.

Through our on-going engagement, organisations and employers have a better understanding of our regulatory work, and their responsibilities to support us in professionalising the social care sector. Early indications show organisations and employers are carrying out better internal disciplinary investigations, which means we are able to progress their referrals more efficiently. This has also meant we have been able to carry out more fitness to practise investigations as the number of registered workers has increased.

227
(0.75% of
the Register)

the number of registered persons about whom we received allegations that called into question their fitness to practise and suitability to remain on the Register

99
(44%)

of referrals related to registered persons who were subject to disciplinary processes

42

final hearings were held

25

people were removed from the Register

Of those removed, their roles were:

- 36%** residential child care workers
- 20%** adult care home managers
- 36%** social workers
- 4%** domiciliary care managers

Working with you to be effective

Strategy and Governance

During the year, Mick Giannasi was appointed our new Chair, following a public appointment recruitment process. Two new Board members were also appointed.

You can find out more about our governance effectiveness and achievements in our Governance Statement.

Engagement and communication

We have a detailed engagement strategy for 2018-22, and a detailed activity plan to put it into practice. The plan focuses on:

- the stakeholders we should engage with
- the level the engagement should take
- the methods for engagement and how they would be evaluated
- desired outcomes.

Our focus in 2019-20 was mainly, but not exclusively, on:

- the joint health and social care workforce strategy
- the attraction and recruitment campaign
- registering domiciliary care workers and preparing to register other groups
- the new health, social care and childcare qualifications
- implementation of the agreed national improvement plans
- our new, extended role in relation to the early years workforce.

Staff well-being

As a public service organisation, we are committed to demonstrating the Welsh public service values in the way we work with the sector and the way we work within the organisation.

Current workforce

126 staff



31 posts were recruited to

13.76%
staff turnover

3.74%
sickness
absence rate

143,664

resources were downloaded
from the website



10%

of these resource
downloads are the Code of
Professional Practice

1,523,225

website pageviews



38,818

reach of our best-
performing tweet



5,100

followers on Twitter

Developing the workforce

We want Wales to have a sufficient, high quality and skilled social care, and early years and childcare workforce.

Workforce strategy

To support the realisation of A Healthier Wales, the Welsh Government commissioned Health Education and Improvement Wales (HEIW) and us to develop a long-term workforce strategy. We did this in partnership with NHS Wales and local government, the voluntary and independent sectors, as well as regulators, professional bodies and education providers.

We employed a comprehensive engagement strategy, which involved contributions from nearly 1,900 people through a variety of methods. These methods included online surveys, workshops, webinars, one-to-one meetings and attending a range of professional meetings, and network and conference events.

The responses, along with reviews of recent literature, good practice and innovation, workforce intelligence, workforce trends and the implications of national legislation and policy on the workforce, have helped us in shaping this strategy.

This strategy is underpinned by seven key themes, which have been shaped by the engagement and consultation we carried out, and this work will influence our priorities for business planning for 2020-21.

The draft strategy was submitted to Welsh Government after it was approved by our board and that of HEIW.

WeCare Wales campaign

Launched in March 2019, the campaign aims to help attract more people into roles in care in Wales because we know that over the next 10 years, we will need around 20,000 more care workers.

The campaign was shaped by the feedback of people who are already working in the sector and more than 1,200 members of the public, who shared their perceptions about the social care, and early years and childcare sectors.

The campaign has been very well received so far.

26
WeCare Wales stories
films were made



714,663
the number of times the
WeCare Wales stories
films were viewed



49,749
visitors to the WeCare
Wales website



3,938
followers across all
social media platforms
with a reach of 5.5
million people



"What better way to demonstrate how rewarding and diverse a career in Social Care and Early Years offers, than seeing people share their real experiences in the WeCare Wales campaign in Wales."

Jonathan Griffiths, Director of Social Services, Pembrokeshire Council

"PACEY Cymru have supported the development of the WeCare Wales campaign and continue to work closely to promote the campaign. WeCare Wales inspires others, promotes the roles to potential recruits and creates a sense of pride in the work."

Claire Protheroe, National Manager for Wales, PACEY

Investing in the workforce

We invested in supporting the social care workforce, so they have the right knowledge, skills, understanding and approach to provide good care and support.

This included £7,149,350 million, which was paid to local authorities through the Social Care Wales Workforce Development Grant (SCWWDP) and was match funded by £3,064,007 million local authority funding.

The local authorities also invested additional funding to supplement the grant in supporting the development of the workforce.

Qualifications

New qualifications at levels 1, 2 and 3 were launched in September 2019. These were designed to strengthen the care profession for the future, provide a recognised and consistent standard, as well as a clear pathway for those wanting to progress in their careers.

The qualifications were developed in partnership by Qualifications Wales, Health Education and Improvement Wales, and us, and will be delivered by a consortium of the Welsh Joint Education Committee (WJEC) and City & Guilds.

The number of qualifications has been significantly reduced to provide more clarity to learners, learning providers and employers about the most appropriate route to follow.

These new qualifications will build on the excellent work already being carried out and will enable the sector to take on the challenges that lie ahead. We would also like to recognise the valuable contribution of so many colleagues from social care, health, and early years and childcare in helping develop the new qualifications. Their input and feedback were so important, as they reflected the voices of those working in the sector.

Level 4 and 5 qualifications will be available for delivery from September 2020. There will be a transition period across all the qualifications for those already studying existing qualifications to make sure they can complete their current studies.

Caring in Welsh award

The Caring in Welsh award was a new initiative for 2019 to help raise awareness of the importance and value of using the Welsh language when providing care and support. The award recognised and celebrated paid care workers in social care, early years and childcare who provide excellent care through the medium of Welsh. The workers could be a fluent Welsh speaker, know a little Welsh or be a learner, and needed to use the language when providing care and support.

Twenty-two care workers were nominated for the award. These were whittled down to six finalists from across Wales by our panel of three judges and more than 850 people took part in a public vote to decide the winner. The winner was announced at a ceremony at the National Eisteddfod in Llanrwst on 6 August 2019, attended by the First Minister, the Welsh Language Commissioner and the Strategic Director of Social Care and Education at Conwy County Borough Council.

Leading and supporting improvement

We want improved outcomes for children and adults who rely on care and support, their families and carers.

Providing outcomes-focused training to local authorities

In partnership with Achieving Sustainable Change Ltd (ASC Ltd), we continue to deliver the Collaborative Communications Skills (CCS) training programme to councils across Wales.

The programme aims to equip workers with the skills needed to work in an outcomes focused way. The aim of an outcomes approach is to make sure that people who receive care and support and their family or unpaid carers are supported to live the best lives possible, building on their own strengths and capabilities. It also requires organisations to focus their resources on the impact they have, as well as the activities they carry out. The programme also helps managers understand and think about what they need to do to embed and sustain change.

The training programme is delivered in four phases:

- briefing and planning session for the senior management team
- staff training: two consecutive days with two follow-up sessions at four weekly intervals. The follow-up days review progress and look at what opportunities and barriers the teams are facing
- further training (two consecutive days with follow-up sessions) for those who will act as mentors/champions within the authority. Mentors support the embedding of the approach across their department and with partners
- a review of the training that's taken place involving senior managers and mentors. This is followed by a strategic planning session for moving the work forward.

Online resource to support the Improving Outcomes for Children programme

A new online resource was launched in October to help people find out more about the Welsh Government's Improving Outcomes for Children programme and to access its research and reports.

The programme has three aims, which are to:

- safely reduce the number of children in need of care
- make sure there are sufficient placements of a high quality
- support children to have the best possible journeys through care and into adulthood.

The resource helps answer the recommendation made by the Public Accounts Committee in November 2018 to improve the visibility of the programme's work, to increase its accountability and allow for scrutiny.

socialcare.wales/service-improvement/improving-outcomes-for-children-programme

One in a Million: Dementia training resource

During the year, we launched the One in a Million training resource, a two-and-a-half hour classroom-based training package to help those who work with people with dementia. The session gives staff a better understanding of dementia and its different forms and helps achieve the aims of the Good work dementia learning and development framework. Staff also learn practical tips about improving the day-to-day experiences of people with dementia.

One in a Million is available free on request, so that it can be delivered by any trainer in Wales, and we've created a supporting guide and video to help them.

socialcare.wales/service-improvement/people-with-dementia

"I firstly wanted to thank you for the fantastic training package that you have provided. I've had a look through the presentation and material and it all looks very comprehensive and insightful. It will be very beneficial for our home."

Care home training manager

"I've had an overview, and it looks great! I am already training Dementia packages quite widely, and wanted something fresh and new. This looks ideal and I particularly like the freedom within it to meet a variety of delegates requirements."

Staff development manager – third sector provider

Residential child care conference

More than 130 people came together to share good practice across the residential care workforce and to celebrate success within the sector. Residential child care is a positive choice for some of our most vulnerable children and young people in Wales, providing invaluable opportunities for supporting them to recognise and achieve their full potential.

National Social Care Data Portal for Wales

In December, we launched our improved National Social Care Data Portal for Wales. There are many sources of social care data in Wales and finding them can be confusing. The portal brings together data about social care services in one place. It aims to help local authorities, regional partnership boards and others understand the social care sector in Wales and find the right sources of data.

We have developed the portal so it's easier to use, accessible and provides a comprehensive evidence base for decision-making in the sector. The portal has a 'core set' of the most useful data and, in the future, it will signpost to other, more detailed, sources of information.

The new portal includes a range of thematic dashboards on specific topics including children who are looked after, workforce, dementia, and care and support at home. These are intended to help users interrogate and understand the data.

www.socialcaredata.wales/IAS/eng

Accountability report

Corporate governance report

Directors report

History and statutory background

The Care Council for Wales was renamed Social Care Wales in accordance with the Regulation and Inspection Act (Wales) 2016 and this Annual Report and Accounts will be the third prepared as Social Care Wales. Sixteen Annual Report and Accounts were previously prepared as the Care Council for Wales.

The Annual Report and Accounts has been prepared under Schedule 2, Part 6, Paragraph 16(1-3) of the Regulation and Inspection of Social Care Wales Act 2016; it is presented in a form directed by Welsh Ministers, with the approval of HM Treasury.

Chief Executive and Accounting Officer

The Chief Executive and Accounting Officer for the financial year was Sue Evans.

Social Care Wales Board members

At 31 March 2020 there were fifteen members including the Chair who have been appointed by the Minister for Public Health and Social Services with two additional members joining prior to the 31st March 2020. In addition the term of Arwel Ellis Owen as Chair ended on the 31 July 2019 and was replaced on the 1 August 2019 by Mick Giannasi.

Members serving 1 April 2019 to 31 March 2020

Members

Arwel Ellis Owen – Chair (term ended 31 July 2019)
 Mick Giannasi – Chair (term started 1 August 2019)
 Abigail Harris
 Carl Cooper
 Damian Bridgeman
 Donna Hutton
 Emma Britton
 Grace Quantock
 Joanne Kember
 Jane Moore
 Kate Hawkins
 Maria Battle (term started 1 July 2019)
 Peter Max
 Rhian Watcyn Jones
 Simon Burch
 Trystan Pritchard (term started 1 July 2019)

A register of the declared interests of members is available on our website.

The Chair's term will end on the 31 July 2023. All other existing terms will end on the 31 March 2021 (may be extended for a further year in light of the impact on COVID-19 on Public Appointments) other than Maria Battle and Trystan Pritchard who's term will end on the 30 June 2023.

In addition Daxa Varsani was an independent member of the Audit and Risk Committee from 1 May 2019 and her term will end on the 30 April 2021.

In line with best practice and guidance, Social Care Wales established an Audit and Risk Committee at its inception. Membership is drawn from Board Members plus a co-opted independent member. Meetings are attended by representatives of internal and external audit and Executive Management Team.

Statement of the Responsibilities of Social Care Wales and the Chief Executive

Under Schedule 2, Part 6 Paragraph 16(1-2) of the Regulation and Inspection of Social Care (Wales) Act 2016 Social Care Wales is required to prepare a statement of account for each financial year in such a form and on the basis directed by Welsh Ministers with the approval of HM Treasury.

The accounts are prepared on an accruals basis and must give a true and fair view of Social Care Wales state of affairs at the period end, and of its income and expenditure and cash flows for the period.

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

- observe the accounts direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements and
- prepare financial statements on a going concern basis, unless it is inappropriate to assume Social Care Wales will continue in operation.

The Principal Accounting Officer for the Welsh Ministers has designated the Chief Executive as Accounting Officer for Social Care Wales. Her relevant responsibilities as Accounting Officer, including the propriety and regularity of the public finances for which the Accounting Officer is answerable and for keeping proper records and for safeguarding Social Care Wales assets, are set out in Managing Welsh Public Money.

I confirm that as far as I am aware there is no relevant audit information of which Social Care Wales auditors are unaware and that I have taken all steps to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and for the judgements required for determining that they are fair, balanced and understandable.

Sue Evans
Chief Executive and Accounting Officer

Date: 17 July 2020

Governance statement

This statement sets out the control structure of Social Care Wales and provides an account of corporate governance and risk management, alongside a description of the strategic risks.

This governance statement sets out:

- the basis by which we were established
- the way in which we are governed and managed
- how as the Accounting Officer, I am accountable for what I do.

Our organisation

We are a Welsh Government Sponsored Body (WGSB). This means we receive funding from Welsh Government to complete specific priorities, which are set out on an annual basis in a remit letter.

We were set up under the Regulation and Inspection of Social Care (Wales) Act 2016 in April 2017 “to continue the work previously undertaken by Care Council for Wales regulating and developing the social care workforce, while also taking on a new responsibility to lead and support improvement across the sector. This involves a range of activities from presenting data and evidence, advising on priorities for social care research and showcasing best practice.”



Our Board and committees

At the end of July 2019 we said goodbye to our Chair Arwel Ellis Owen following 10 years as Chair of the Care Council for Wales and Social Care Wales. In August we welcomed [Mick Giannasi](#) as our new Chair.

Our Chair and 14 Board members are responsible for providing us with leadership and direction. They

work closely with the Executive Management Team to set our strategic and business plans, allocate our resources and monitor our performance. Our work is scrutinised, steered and approved by the Board and its sub-committees.

This diagram illustrates our Board and Committee structure as at 31 March 2020:

Board

- Makes decisions on those matters reserved for the Board
- provides leadership and direction by setting our strategic and business plan
- scrutinises resources and performance – through regular business plan performance reports
- demonstrates high standards of corporate governance – agreeing Board and committee terms of reference
- received messages and advice from the Executive Management Team

Improvement Committee

Advises the Board on:

- strategies and policies relating to principles for investment, improvement and national learning and development programmes
- the quality assurance of the research, development and improvement programmes
- the implementation of the Regulation and Inspection of Social Care (Wales) Act 2016 and the Social Services and Well-being (Wales) Act 2014

Audit and Risk Committee

Advises the Board on:

- the effectiveness of risk management, internal control and governance
- the integrity of the *Annual Report and Accounts*
- the adequacy of the response to issues that have been identified at audit
- assurances relating to the corporate governance requirements for the Board
- appointing internal audit provision and reviewing their effectiveness on an annual basis

Regulation and Standards Committee

Advises the Board on:

- strategies and policies in relation to the registration of social care workers and fitness to practise matters
- the quality assurance of the regulation of training programme and receive regular reports on regulation matters
- the implications of developments in the field of regulation and how these may affect the Board's responsibilities
- the implementation of the Regulation and Inspection of Social Care (Wales) Act 2016

Remuneration and Well-being Committee

Advises the Board on:

- matters relating to the review of the pay of the Executive Management Team, and consider the staff annual payment recommendations in line with our policy
- HR governance, policy and employee engagement data by scrutinising our performance

Board development and engagement

Board members continued their learning and development with a series of seminars during 2019-20 the topics were:

Providing public confidence

- Horizon scanning of future opportunities and risks
- Measuring our impact
- Stakeholder mapping
- Public sector governance update (David Richards, Director of Government and Ethics & Julia Douch, Head of Public Bodies Unit, Welsh Government)
- Principles of regulation
- Strategic risks review
- Organisational reflections and suggestions for improvement (facilitated by the new Chair and new Director of Regulation)
- The social care sector's financial outlook (Jon Rae, Director of Resources, WLGA)
- Social Care Wales future financial scenarios
- Review of our Strategic Plan

Developing the workforce

- Overview of the early years and childcare sector
- Overview of the Canterbury, New Zealand model of integrated health and care (facilitated by a Board member following a recent visit to Canterbury)

Leading and supporting improvement

- Our improvement offer, innovation and evidence

Board and committee effectiveness

As we are a learning organisation, we regularly reflect on the effectiveness of our policies, processes and meetings.

During June 2019 the Board were asked to complete a wide-ranging questionnaire to inform actions for continuous improvement.

The survey questions related to:

- Objectives, strategy and remit
- Relationships with key stakeholders
- Performance and risk management
- The Boardroom
- Suggestions for improving Board effectiveness

The response rate to this survey was 69% which members reflected was disappointing and the Board discussed other ways of capturing feedback in future such as live voting at a meeting. The majority of responses received to the questions were positive and members agreed to use the results as a benchmark for future questionnaires.

A similar questionnaire was also sent to Committee members to reflect on their effectiveness during December 2019 and January 2020, all committee members were asked to complete a wide-ranging questionnaire to inform actions for continuous improvement.

The survey questions related to:

- membership, independence, objectivity and understanding
- skills
- the role and scope of the Committee
- communication and reporting
- meeting effectiveness.

The response rate to the survey for each committee ranged between 100 per cent and 60 per cent. The results were collated and presented to the Committees for discussion in their spring meetings, and inform our development plan for the next financial year.

Meeting effectiveness also appears as a standing item on agendas for every Board and Committee meeting, and the chairs of each Committee and Board Secretary ask members for feedback during and after each meeting.

Members' attendance at Board and committees

Board members are paid the equivalent of two days' work a month. In addition to our 15 publicly appointed members, Daxa Varsani is an independent co-opted member, without voting rights, with a professional financial qualification

and background who supports the Audit and Risk Committee.

The Standing Orders for the Board set out the expected attendance level for Board members at meetings at 60 per cent. This table shows members' attendance at Board and Committee meetings during 2019-20.

To assist members in making effective decisions, papers for every Board and Committee meeting are posted onto a digital portal, with a wide range of supporting technical documents.

Name	Committee	Attendance at Board meetings & development sessions	Overall meeting attendance (inc. Committees)	Audit and Risk (out of 4)	Improvement (out of 4)	Regulation and Standards (out of 4)	Remuneration and Well-being (out of 4)
Arwel Ellis Owen (Chair until 31 July 2019)		100%	100%				
Mick Giannasi (Chair from 1 August 2019)		100%	100%				
Abigail Harris	Improvement	85%	82%		3		
Daxa Varsani	Audit and Risk	n/a	100%	4			
Carl Cooper	Audit and Risk; Remuneration and Wellbeing	92%	90%	3			4
Damian Bridgeman	Improvement	92%	94%		4		
Donna Hutton	Regulation and Standards; Remuneration and Wellbeing	69%	62%			2	2
Emma Britton	Audit and Risk	85%	82%	3			
Grace Quantock	Regulation and Standards	62%	65%			3	
Jane Moore	Improvement; Remuneration and Wellbeing	69%	71%		3		3
Joanne Kember	Regulation and Standards; Remuneration and Wellbeing	92%	90%			3	4
Kate Hawkins	Audit and Risk	92%	94%	4			
Maria Battle (from 1 July 2019)	Regulation and Standards; Remuneration and Wellbeing	60%	50%			0 (3)	2 (3)
Peter Max	Improvement	100%	100%		4		
Rhian Watcyn Jones	Audit and Risk	77%	82%	4			
Simon Burch	Regulation and Standards	85%	82%			3	
Trystan Pritchard (from 1 July 2019)	Audit and Risk	100%	100%	3 (3)			

Effectiveness of our governance framework

As Chief Executive and Accounting Officer, I receive assurance that our business and strategic objectives are being met via internal management meetings, budget and performance reports, and project updates. I operate an 'open door policy' where any member of staff can approach me with any matter that may concern them. I also promote the Staff Partnership Council and Staff Forum as a way of making sure we clearly engage with staff about our priorities across the organisation.

We use a scheme of delegation and financial instructions to carry out our work to make sure our decision making is appropriate and proportionate to the level of risk associated with it.

We also maintain and review registers of interest for employees and Board members to identify any potential or perceived conflict with our decision-making processes, so we can take steps to mitigate them.

Internal audit

The Internal audit plan has been based on a risk-based approach, and was agreed by the Audit and Risk Committee. Our internal auditors submit regular reports about the adequacy and effectiveness of our systems (financial, corporate and workforce regulation) of internal control, together with recommendations for improvement.

During 2019-20, 8 internal audits were carried out on our policies and procedures for:

Area	Assurance level	Definitions of assurance level
IT General Controls	Substantial	There is a reasonable framework of governance, risk management and control, which should make sure that objectives are achieved
Freedom of Information		
Regulation of Training		
Corporate Governance and Risk Management		
Grant Management		
Financial Systems – Financial Planning and Budgetary Control, Revenue and Receivables and Tendering and Procurement		
Staff Performance Management	Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control
Financial Systems – payroll		

The Head of Internal Audit, based on the audit work carried out during the year, concluded we had a sound system of internal control, which should provide **substantial assurance** that will be able to achieve our objectives.

External audit

We receive an Audit of Financial Statements Report and Management letter, which reports on issues that are picked up during the audit of our financial statements.

Risk management

Our positive approach to risk management means we not only look at the risk of things going wrong, but the impact of not taking opportunities or not capitalising on corporate strengths.

Our strategic risk register is reviewed every quarter by our Executive Management Team and is subsequently scrutinised by the Audit and Risk Committee. The Board also reflected on our strategic risks in September 2019 and a revised Strategic Risk Register was scrutinised at the November Audit and Risk Committee meeting. Our main strategic risks during 2019-2020, including its residual risk at February 2020, related to:

Risk title	Inherent	February 2020
If information sharing between regulators regarding the registered workforce is not effective there will be a loss of confidence. (moved to operational risk register following June Committee meeting)	Medium	
If the sector is not engaged in the work of Social Care Wales then we will be unable to deliver our aims and activities as we cannot achieve these in isolation. Title changed in November to: If we do not keep the sector engaged in the work of Social Care Wales then we start to lose credibility and not deliver our overall ambition, as we cannot achieve this in isolation.	High	Medium
If we are not clear on the positive difference that we will make on the care sector and the wider Welsh public service then we will lose credibility. Title changed in November to: If we do not demonstrate how we are contributing to making a positive difference to the care sector then we will lose credibility.	Medium	Low
If Welsh Government remove, or significantly reduce the funding for Level 2 apprenticeships, then it will reduce the amount of funding to support the achievement of qualifications in the sector. This will have an impact on the ability to provide learning and therefore increase qualification levels of the workforce.	High	Medium
If the qualifications are not fit for purpose then they will not meet the requirements for high quality care and support in the social care and early years sector.	High	Medium
If we have no increase in Grant In Aid by Welsh Government then we need to consider the sustainability of our existing remit. Titled changed in November to: If we don't have increased resources to meet what is expected from Government term of office then we will not be able to deliver the expected standards.	High	High
New risk in November: If we don't refresh and reform our regulatory processes, then the additional resources required will undermine our organisational stability and undermine work across our objectives, as well as missing the opportunity to link regulation with improvement more closely. If our changes are not supported by the sector and Welsh Government policy, we could struggle to deliver effective change and destabilise the sector.	High	Medium
New risk in November: If we don't manage competing Welsh Government priorities and ensure that any new work is within our scope and purpose then we could result in over committing our resources to deliver, extend our remit beyond our scope and lose our identity and unique purpose.	High	Medium
New risk in November: If we don't remain engaged with 'A Healthier Wales' and maintain key relationships with Welsh Government and critical stakeholders (HEIW, PHW etc) then this could impact on key deliverable priorities resulting in social care not being rebalanced within the ambition of 'A Healthier Wales' and lose confidence if we do not deliver against expectations.	High	Medium

We measure our operational risks in line with the recommendations of HM Treasury's Orange Book. Our senior management reviews the register of these risks every month.

Information governance and Security

As a data controller registered with the Information Commissioner's Office (ICO), we ensure we have information governance controls in place to keep the data we collect and process secure and in line with current data protection legislation and are open and transparent with our decision making.

This year, we commissioned a gap analysis of our compliance with the Data Protection Act 2018 to see where we are doing well and where we can improve. The recommendation report will be available in April and a number of actions will be fed into our business activities for 2020-21.

Also during 19-20:

- We recorded 26 data incidents: 5 were errors by a third party, 5 were software or server issues and the remaining 16 had a root cause as either human error or a staff training and awareness issue.
- We made the ICO aware of 3 of the above incidents, but no further action was required
- We responded to 11 requests under the Freedom of Information Act, all responded to within 20 working days bar 1 (due to Covid-19 crisis)
- We received 5 Subject Access Requests under the Data Protection Act 2018, all fulfilled within the 30 day period
- We maintained our accreditation with ISO27001 which is an industry standard for information security. This means our information security management systems are based on best practice.

Customer Service

We aim to provide our customers with the best experience possible, but we are aware we can always learn from feedback. During 2019-20 we received 9 formal complaints relating to our procedures or decisions made. While none of them were upheld or progressed by the Public Service Ombudsman, we have used the themes and trends from our complaints to improve our customer service approach.

During the year we also undertook a customer journey mapping exercise. The findings of this work will inform our business plan in the next financial year.

Whistleblowing

Internal

All Social Care Wales staff are encouraged to raise issues of concern about wrongdoing that come to their attention while at work. I regard the internal identification of wrongdoing as an important contribution to managing corporate risk and ensuring good governance.

We have established internal whistleblowing policy and procedures which reflects the provisions of the Public Interest Disclosure Act 1998 and sets out a mechanism for staff for raising such matters.

In terms of staff awareness of their responsibilities we asked staff in the April 2019 staff survey to rate their response to the following statement on a strongly agree to strongly disagree scale 'I know what my role and responsibilities are as part of our whistleblowing procedures'. Eighty nine percent of those that completed the survey answered strongly agree or agree to this question. Whilst this result indicates a high proportion of staff who know what they are expected to do we will follow up in the next survey on the staff confidence in these procedures, as there have been several new appointments since the last survey.

In 2019-20 no staff raised a concern under our Whistleblowing Policy as was the case in 2018-19.

External

We are listed under The Prescribed Persons Order 2014 as a designated organisation that any worker in the social care sector can approach to report suspected or known wrongdoing. This is also known as 'whistleblowing' or making a disclosure.

As a prescribed person, we have several duties, which are set out in guidance from the Department of Business, Energy and Industrial Strategy (BEIS), one of which is to annually report on the number of whistleblowing disclosures we receive.

For each referral received we consider the information received and in the cases of the 6 received during the year they did not comply with the definition of whistleblowing under the regulations. However, if we do not have enough information to open a case, and if the individual agrees to it, we share any relevant evidence with other agencies and log any actions taken. The information remains in our case management system and if more evidence becomes available later, the Fitness to Practise team will make an assessment about opening a case.

Sue Evans

Chief Executive and Accounting Officer

Date: 17 July 2020

Remuneration and staff report

Pay policy statement

This is Social Care Wales's pay policy statement for the period 1 April 2019 to 31 March 2020.

This pay policy statement provides the framework for decision making on pay and decision making on senior pay.

Chief Executive Officer

The Chief Executive Officer and Accounting Officer for Social Care Wales is Sue Evans who was in receipt of a salary of £115,143 per annum in 2019-20. The gross salary cost of the Chief Executive in the period 2019-20 was £160,586 which includes Employers National Insurance and Employers Pension costs.

The Board

The Board comprises of 15 Board Members led by a lay Chair Mick Giannasi. All have been appointed by the Minister, through the Public Appointments process. The remuneration of the Board members is non-pensionable and is determined by Welsh Government. For enhanced transparency, the remuneration of the Chair of Social Care Wales is disclosed in this report. Board members are remunerated £282 per day and committed to two days a month.

Social Care Wales Staff

All members of staff are employed by Social Care Wales on such terms and conditions as the Board determines. Remuneration of all members of staff are in line with the organisations scheme for staff pay and grading arrangements that was approved by the Welsh Government in 2004 and applies equally to all staff members.

These arrangements include a salary scale with incremental salary progression during the early years of employment, and a non-consolidated award based on organisational performance. Payment of the Corporate Performance Award was suspended in 2010-11 and consequently no bonuses have been paid since 2009-10.

The pay award is subject to discussion with Staff Council and approval by the Social Care Wales Remuneration Committee and the Welsh Government annually. When determining pay strategies, the Board considers the:

- need to recruit, retain and motivate suitably able, qualified and high-calibre people
- overall affordability
- pay practices in the wider public sector and comparator organisations
- relevant legal obligations including equality and anti-discrimination requirements.

The following sections in the Remuneration and Staff Report are subject to audit.

Senior pay remuneration

Officials	Salary (£000)*		Pension Benefits (£)		Total (£000)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Chair Arwel Ellis-Owen (to 31 July 2019)	10-15	25-30	N/A	N/A	10-15	25-30
Chair Mick Giannasi (from 1 August 2019)	20-25	N/A	N/A	N/A	20-25	N/A
Chief Executive Sue Evans	115-120	110-115	32,500	31,700	145-150	140-145
Director of Corporate Services & Strategy Joanne Oak	75-80	70-75	22,600	21,000	95-100	95-100
Director of Improvement and Development Sarah McCarty	75-80	55-60	21,100	21,200	95-100	80-85
Director of Regulation and Intelligence/Deputy Chief Executive Gerald Evans (to 31 March 2019)	N/A	75-80	N/A	9,700	N/A	85-90

*Included in Salary where applicable are any Taxable travel and Subsistence Allowances in accordance with our Travel and Subsistence scheme.

** Not included in the table above is the senior pay remuneration of the existing Director of Regulation as he is seconded into the post

The senior pay remuneration of David Pritchard, the Director of Regulation is not disclosed above as he is seconded into the post from Welsh Government. The total charge from Welsh Government was £116,475 which included Employers National Insurance, Employers Pension and unrecoverable VAT. This was for the period 29 April 2019 to 31 March 2020. The pay scales of Social Care Wales are applicable to the seconded Director of Regulation and his salary is in the pay band of £75,000-£80,000.

The amount of pension benefits for the year which contributes to the single total figure is calculated in a similar way to the method used to derive pension values for tax purposes and is based in information received from our actuaries.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump

sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

This is not an amount which has been paid to an individual by Social Care Wales during the year; it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

Salaries consist of gross pay and pay awards agreed by the Welsh Government.

No members of staff responsible for decision making received benefits in kind from Social Care Wales, and a scheme for the provision of motor vehicles to staff or members is not operated.

Pension Entitlements of Directors	Total accrued pension at 31 March 2020 £,000	Real increase in pension at 31 March 2020 £'000	Total accrued lump sum at 31 March 2020 £,000	Real increase/ (decrease) in lump sum at 31 March 2020 £,000	CETV at 31 March 2020 £'000	CETV at 31 March 2019 £'000	Real increase/ decrease in CETV in 2019-20 £'000
Chair Mick Giannasi and Arwel Ellis Owen	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chief Executive Sue Evans	20-25	0-2.5	-	-	378	324	49
Director of Corporate Services & Strategy Joanne Oak	15-20	0-2.5	-	-	199	176	20
Director of Improvement and Development Sarah McCarty	20-25	0-2.5	15-20	(2.5)-0	234	211	19
Director of Regulation and intelligence/ Deputy Chief Executive Gerald Evans (to 31 March 2019)	N/A	N/A	N/A	N/A	N/A	387	N/A

* The pension entitlements of the existing Director of Regulation is not included as he is seconded into his post

The Chief Executive is an ordinary member of the Social Care Wales pension scheme. The Chair does not participate in the pension scheme.

The Cash Equivalent Transfer Value is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when a member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

The pension figures shown related to the benefits that the individual has accrued as a consequence of their total membership of the scheme, not just

their service in a senior capacity to which disclosure applies. The CETV figures and other pension details include the value of any pension in another scheme or arrangement which the individual has transferred. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in the value of the CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee, including the value of any benefits transferred from another pension scheme or arrangement, and uses common market valuation factors from the start and end of the period

Fair Pay disclosure

Median Remuneration	2019-20	2018-19
Highest Earner's Total Remuneration (£'000)	115-120	110-115
Median Total Remuneration	£31,562	£30,943
Ratio	3.6	3.6
Range of total remuneration	£20,272-£115,143	£18,673 - £113,333

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Social Care Wales in the financial year 2019-20 was £115,000-£120,000 (2018-19: £110,000-£115,000). This was 3.6 times (2018-19: 3.6 times) the median remuneration of the workforce, which was £31,562 (2018-19: £30,943).

Total remuneration is the salary cost only and does not include employer pension contributions and the cash equivalent transfer value of pensions.

Remuneration ranged from £20,272 to £115,143 (2018-19: £18,673 to £113,333).

Staff report

Staff Costs	2019-20	2019-20	2019-20	2019-20	2019-20	2018-19
	Total Costs	Permanent Employed Staff	Temporary Staff and Secondees	Chair and Board members	Panel Members	Total costs
	£'000	£'000	£'000	£'000	£'000	£000
Salaries and Wages	4,499	4,115	153	125	106	4,038
Social Security Costs	425	418	-	4	3	385
Other pension Costs	1,592	1,592	-	-	-	1,061
Apprenticeship Levy	7	7	-	-	-	5
Sub Total	6,523	6,132	153	129	109	5,489
Less recoveries in respect of outward secondments	(19)	(19)	-	-	-	-
Total net costs	6,504	6,113	153	129	109	5,489

Consistent with guidance, employment costs include payments made in respect of contract staff. The total net cost of salaries excluding Other Pension Costs was £4,912k (£6,504k-£1,592k) in 2019-20 in comparison to £4,428k (£5,489k-£1,061k) in 2018-19.

Other pension costs are the service costs (current and past) of the scheme and in 2019-20 totalled a cost of £1,592k. The £1,592k consists of actual Employer contributions made of £1,282k which was made up of employer contributions based on

payroll of £1,014k and lump sum deficit payments of £268k. The residual difference of £310k (£80k in 2018-19) is the increased charge which is required to increase the actual contributions paid with the service cost required to be charged under International Accounting Standard (IAS 26). The increased charge in 2019-20 relates to £270k in past service charges and £40k in current service charges. In 2018-19 the £1,061k consisted of employer contributions of £981k but increased by £80k as noted above.

Staff numbers - WTE	2019-20	2019-20	2019-20	2018-19
	Total Number	Permanent Number	Other Number	Total Number
Chief Executive and Directors	4	3	1	4
Regulation and Intelligence	55	55	0	45
Improvement and Workforce Development	32	31	1	31
Corporate Services	28	27	1	31
Totals	119	116	3	111

The table above represents the average number of whole-time equivalent persons employed during the year.

Staff composition

As at the 31st March 2020 of the workforce of 129, 94 (73%) were women and 35 (27%) were men. In comparison as at the 31st March 2019 of the workforce of 126, 90 (71%) were women and 36 (29%) were men.

Included in these numbers are the Senior Management Team which consists of the Chief Executive and three directors. Of the Senior Management Team three were women (75%) and there was one man (25%) which was the same as at 31st March 2019.

Staff Composition by job family is as follows:

Staff composition by job family	Female	Male	Total	F	M
Executive Team	3	1	4	75%	25%
Senior Leadership Team	4	3	7	57%	43%
Management Team	21	9	30	70%	30%
Technical and Development Team	22	13	35	63%	37%
Support Team	44	9	53	83%	17%
Totals	94	35	129	73%	27%

Sickness absence data

The level of staff sickness during 2019-20 was 3.74% (2018-19: 3.73%) which was based on 1048 days lost out of 28,029 days. Excluding long term absences the rate was 1.82%(2018-19 :2.09%).

Staff policies, equality and diversity

Social Care Wales has 'Investors in People' status and its human resource policies reflect best practice as part of its commitment as a learning organisation. We recognise and value diversity and ensure that all our employment practices and programmes of work embed and demonstrate not just our public duty as set out by the Equalities Act but embraces equality and diversity as a core value underpinning all functions and the delivery of high quality services of our workforce and the sector.

We ensure through our Strategic Equalities Plan that we tackle discrimination in relation to all protected characteristics.

We will ensure that in all our work we fully embed a human rights approach. Social Care Wales through its remit, promotes and influences the importance of language choice for service users and sensitivity of language within the social care workforce. We have a leadership role in the delivery of the Welsh Government's More than Just Words - Strategic Framework for Welsh Language Services in Health, Social Services and Social Care. As an employer we are a truly bilingual organisation providing an environment which nurtures and develops staff to learn and improve their bilingual skills and own the bilingual ethos of the organisation.

We have also a responsibility to uphold the conventions set out in the Human Rights Act 1998. We are committed to providing a work environment that values the diversity of all people, both our own staff and those we come into contact during our work, and we fully support the rights of people to be treated with dignity and respect.

We are committed to making sure equality and openness in our pay and grading arrangements. When we considered our Equal Pay and Gender

Pay gap reports back in 2018-19 we found no evidence of pay discrimination on the grounds of any protected characteristics and our Gender Pay Gap was 15.58%(median). We have planned a further Equal Pay review for September 2020

Employee voice

During 2019-20 our Staff Partnership Council has had a crucial role to play in collecting and feeding back the views of staff on significant issues including the restructure and key policies. This has been achieved through regular staff forums, meeting with teams individually and producing feedback documents to HR and the Executive Management Team.

Support and wellbeing

Our Employee Assistance Programme is provided by Care First as part of the National Procurement Service (NPS) Occupational Health and Associated Services Framework.

As part of this framework we are able to utilise the following services:

- Access for all our staff to a 24-hour, 7 day a week telephone counselling service
- Face to face counselling
- Online resources

During the year 7 employees utilised the telephone counselling service (these are unique callers, not repeat callers), while no employees accessed face to face sessions.

The majority of issues reported were classed as personal, though there was one work related issue reported.

In 2020-21 we will continue to actively promote the service through a variety of forums and communications.

Flexibility and Benefits

- **3** flexible working applications were submitted and approved this year. None were refused.
- **18%** of our workforce work part time (less than 36 hours a week) and an additional **6%** who work full time have compressed working patterns over a reduced number of days.
- The childcare voucher scheme is closed to new entrants and has **7** members in total.
- **6** travel to work loans issued.
- **21** corporate eyecare vouchers were issued.
- **20** corporate Flu vaccinations were given.

Expenditure on consultancy

Any Consultancy costs in relation to expert opinion obtained to assist in business decision making are included in Administration costs (Professional Fees) in the financial statements. In 2019-20 these Consultancy costs amounted to £34k (2018-19: £16k).

Off-payroll engagements

In 2019-20 Social Care Wales has acted in accordance with Dear Accounting Officer letter 1/14 in relation to Tax Arrangements of Public Sector Appointees and no "off payroll" engagements are required to be reported.

Exit Packages

There were no exit packages agreed in 2019-20 as was the case in 2018-19.

Accountability and Audit

Regularity of expenditure

All expenditure in 2019-20 has been dealt with in accordance with any relevant legislation, the Governance Statement agreed with Welsh Government and Managing Welsh Public Money.

Fees and charges

Registration Fee income for the financial year 2019-20 was £978k (2018-19: £430k). As agreed by Welsh Government the fees received does not cover the full cost of registration and the excess cost is therefore funded by Grant in Aid. Following a formal consultation (Transforming Care in the 21st Century) undertaken on the regulation of the care and support workforce, fee levels were increased from 1st April 2018. The increased fee does not cover the full cost of registration and the excess cost continues to be funded by Grant in Aid.

Remote contingent liabilities

Social Care Wales is not aware of any remote contingent liabilities.

Long term expenditure trends

With the registration of new groups over the next two years there will be gradual increase in expenditure. The income to fund this increased expenditure will be funded from the increased and additional fees from registrants and additional funding from Welsh Government.

Sue Evans

Chief Executive and Accounting Officer

Date: 17 July 2020



The Certificate and independent auditor's report of the Auditor General for Wales to the Senedd

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of Social Care Wales for the year ended 31 March 2020 under the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers Equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs) as adopted by the European Union/ United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of Social Care Wales affairs as at 31 March 2020 and of its net expenditure, for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers directions issued under Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

Legislation and directions issued to Social Care Wales do not specify the content and form of the other information to be presented with the financial statements. The Accounting Officer is responsible for the other information in the Annual Report and financial statements. The other information comprises the information included in the Performance Report and the Accountability Report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information

and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on regularity

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

Report on other requirements

Opinion on other matters

As legislation and directions issued to Social Care Wales do not specify the content and form of the other information to be presented with the financial statements, I am not able to confirm that the Performance Report and the Accountability Report have been properly prepared.

In my opinion, based on the work undertaken in the course of my audit, the information given in the Performance Report and Accountability Report is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the Accountability Report.

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

- adequate accounting records have not been kept;
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding the remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for preparing the financial statements in accordance with the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2 and Welsh Ministers' directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

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

Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions.

I obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Adrian Crompton
Auditor General for Wales

30 July 2020

Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2020			
	Note	2019-20 £000	2018-19 £000
Expenditure			
Staff Costs	14	6,504	5,489
Programme expenditure			
Training support and other grants	4(i)	11,238	11,292
Non grant programme expenditure	4(ii)	1,901	2,263
Administration costs	5	1,385	1,332
Depreciation and Amortisation	1(ix)	209	241
		21,237	20,617
Income			
Income from Activities			
Registration Fee Income	1(iii)	978	430
Other Income			
Apprenticeship Certification	1(iv)	132	142
Work Welsh		156	250
Sundry Income		11	28
Pension Interest Credit	15	30	-
		1,307	850
Net Expenditure		19,930	19,767
Interest receivable	3(i)	4	4
Interest surrenderable to the Welsh Government	3(ii)	(4)	(4)
		19,930	19,767
Other Comprehensive Expenditure			
Actuarial remeasurement	15	2,180	(1,210)
Total Comprehensive Expenditure for the year ended 31 March 2020		22,110	18,557

The notes on pages 44 to 62 form part of these accounts.

Statement of Financial Position as at 31 March 2020					
	Note	£000	2020 £000	2019 £000	£000
Non-current assets:					
Pension Asset	15	-		490	
Property, plant and equipment	6	215		224	
Intangible Assets	7	349		383	
Total Non-Current Assets			564		1,097
Current Assets:					
Trade and other receivables	9	629		351	
Cash and cash equivalents	10	248		295	
Total Current Assets			877		646
Total Assets			1,441		1,743
Current Liabilities					
Trade and other payables	11	(525)		(492)	
Total Current Liabilities			(525)		(492)
Total assets less current liabilities			916		1,251
Non-current liabilities					
Pension Liabilities	15	(1,970)		-	
Total non-current liabilities			(1,970)		-
Assets less liabilities			(1,054)		1,251
Reserves					
General Reserve			916		761
Pension Reserve			(1,970)		490
Total			(1,054)		1,251

Notes on pages 44 to 62 form part of these accounts

The financial statements on pages 40 to 41 were approved by the Board of Social Care Wales on the 16 July 2020 and were signed on its behalf by:

Sue Evans
Chief Executive and Accounting Officer

Date: 17 July 2020

Statement of Cash Flows

for the year ended 31 March 2020

	Note	2019-20 £000	2018-19 £000
Cash flows from Operating Activities			
Net expenditure after interest		(19,930)	(19,767)
Adjustment for Depreciation and Amortisation		209	241
Adjustment for Pension finance Costs(net)		280	80
(Increase)/Decrease in trade and other receivables		(278)	13
Increase in trade and other payables		33	126
Net cash (outflow) from operating activities		(19,686)	(19,307)
Cash flows from Investing Activities			
Purchase of property, plant and equipment	6	(62)	(169)
Purchase of intangible assets	7	(104)	(54)
		(166)	(223)
Cash flows from Financing Activities			
Welsh Government funding (including Capital)		19,805	19,298
Net financing		19,805	19,298
Net (Decrease) in cash and cash equivalents in the period		(47)	(232)
Cash and cash equivalents at the beginning of the period	10	295	527
Cash and cash equivalents at the end of the period	10	248	295

The notes on pages 44 to 62 form part of these accounts.

Statement of Changes in Taxpayers Equity For the year ended 31 March 2020	Pension Reserve £000	General Reserve £000	Total £000
Balance as at 1 April 2018	(640)	1,150	510
Changes in Taxpayers' Equity 2018-19			
Welsh Government Funding	-	19,298	19,298
Transfer between reserves-Capital	1,130	(1,130)	-
Comprehensive Expenditure for the year	-	(18,557)	(18,557)
Balance at 31 March 2019	490	761	1,251
Changes in Taxpayers' Equity 2019-20			
Welsh Government Funding	-	19,805	19,805
Transfer between reserves-Capital	(2,460)	2,460	-
Comprehensive Expenditure for the year	-	(22,110)	(22,110)
Balance at 31 March 2020	(1,970)	916	(1,054)

The notes on pages 44 to 62 form part of these accounts.

Notes to the Accounts for the year ended 31 March 2020

1. Statement of accounting Policies

These accounts have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by the relevant authorities.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of Social Care Wales for the purpose of giving a true and fair view has been selected. The particular policies adopted by Social Care Wales are described below and have been applied consistently in dealing with items that are considered material to the accounts.

1(i) Accounting Convention

The accounts have been prepared on a going concern basis, in accordance with the Accounts Direction issued by the Welsh Ministers with the consent of HM Treasury. They have been prepared under the modified historical cost convention.

1 (ii) Financing

Social Care Wales receives monies from Welsh Government to fund its general revenue and capital activities. These amounts are regarded as financing and are credited to the General Reserve on receipt.

1(iii) Registration Fee Income

This arises from fees charged for registration on the Social Care Register. This fee is not considered to be for an on-going service but for registration in the register only. In line with International Accounting Standard 18 Revenue Recognition (IAS18), revenue is recognised at point of registration.

1(iv) Apprenticeship Certification income

Social Care Wales receives income for the compliance checking, printing and posting of Apprenticeship certificates as part of its work for the Apprenticeship Certification Authority. The revenue associated with the provision of services is recognised over time in line with the completion of the delivery of the services. In addition as Social Care Wales have all the risks and rewards associated with the provision of the services the income is accounted for on a gross basis in line with IAS 18 and recognises any costs associated with these services separately.

1(v) Training support and Other Grants

During 2019-20 Social Care Wales has made payments under the **Social Work Bursary Scheme** which is an incentive to train scheme for students enrolled on undergraduate and post-graduate social work training courses. This scheme includes payments to students of a non-income assessed bursary and an additional income assessed element for post-graduate students.

In addition, a **Practice Learning Opportunity Allowance** is also paid to all students. This expenditure is recognised as a liability on the receipt of the relevant grant claims in relation to the various elements of the Social Work Bursary scheme. This is on the basis that once the grant has been approved, Social Care Wales is unable to avoid this cost, as after eligibility has been proven there are no conditions in relation to the grant that are within the control of Social Care Wales that limit the amount payable.

Practice Learning Opportunity Funding (PLOF) is provided to Local Authorities as a contribution towards the costs of securing Practice Learning Opportunities for students undertaking approved Social Work courses in Wales. The grant is accounted for as a liability and the expenditure recognised in the Statement of Comprehensive Expenditure once the grant application has been successful. This is on the basis that at this point Social Care Wales cannot avoid paying this liability

and there are no conditions in relation to the grant that would limit the amount payable.

Payments are made in relation to the **Continuing Professional Education and Learning (CPEL)** scheme where Social Care Wales fund 100 places each year to qualified social workers. All costs are charged to the Statement of Comprehensive Net Expenditure in line with contractual payments made to Cardiff University. This is in line with IAS37 (Provisions, Contingent Liabilities and Contingent Assets) as the total annual contract value should be recognised as a liability once the University course commences as Cardiff University have fulfilled their element of the contract at that point.

From 1 April 2017, Social Care Wales was given the responsibility for the administration of **the Social Care Wales Development programme (SCWDP)** grant. The grant is provided to support Local Authorities to train and develop their own staff. Funding available from Social Care Wales through SCWDP in 2019-20 provides 70% of the cost of the programme currently £7,135,740. The remaining 30% is to be funded by Local Authorities. The conditions attached to the grant are that the grant must be spent on eligible expenditure and must be spent within the financial year. Therefore, the liability for the grant is recognised once the grant offer letter has been provided. This is on the basis that at this point there are no conditions that remain within the control of Social Care Wales that limit the eligible costs being incurred.

Other grants includes:

- Regional Facilitation Grants to Statutory Regional Partnership Boards,
- People Using Services and Carers grants to Higher Education Institutions and
- Research grant to the Social Care Institute for Excellence (SCIE).

The liabilities for these grants are recognised once the grant has been claimed as at this point there are no conditions that remain within the control of Social Care Wales that limit the amount payable.

1(vi) Trade receivables and other current assets – Social Work Bursary Scheme

During 2019-20 a small number of students terminated their training early, giving rise to a repayment of all or part of the award. The repayment due at 31 March 2020 totalled £45k (£44k: 31 March 2019) and this sum is included in Trade receivables and other current assets at note 9. It is the policy of Social Care Wales to seek full repayment of these funds.

1(vii) Property, plant and equipment

Property, plant and equipment of an individual or group value of £1,000 or more are capitalised. Property, plant and equipment have been valued at historic cost at the 31 March 2020, as in the opinion of Social Care Wales any revaluation adjustments are not material.

1(viii) Intangible Assets

Information Technology and Licence purchases of an individual value of £1,000 or more are capitalised. Information Technology and Licence costs have been valued at historic cost at the 31 March 2020, as in the opinion of Social Care Wales any revaluation adjustments are not material.

1(ix) Depreciation and Amortisation

Depreciation and amortisation is provided at rates calculated to write off the historic cost of each asset on a straight line basis over the asset's useful economic life as set out below, except for office refurbishment, where costs are written off over the remaining period of the office leases when purchased.

Communications equipment	five years
Furniture	ten years
I.T. (Property, plant and equipment)	four years
Accommodation costs	remaining period of accommodation leases when purchased
Information technology and licences (intangible assets)	four years

Depreciation and amortisation is calculated monthly and begins in the month following the month of purchase. As such, purchases made in March 2020 will not begin to depreciate/amortise until the 2020-21 financial year. The exception to this rule is accommodation refurbishment costs where the depreciation charge is calculated on a daily basis.

1(x) Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. Expenditure on leases of property is charged to the Statement of Comprehensive Net Expenditure on the basis of costs incurred in the year. Operating lease rentals of equipment are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term.

IFRS 16 which was issued in January 2016 and was effective for most companies from January 2019 has not yet been adopted by the FReM. It requires that all leases with a lease term of more than 12 months be recognized as assets and liabilities in financial statements. It is anticipated that this will be adopted within the FReM from 2021-22.

1(xi) Value Added Tax

Social Care Wales is not registered for Value Added Tax (VAT). All expenditure including capital expenditure is reported including VAT, where relevant, as no VAT can be recovered.

1(xii) Pension Costs

Past and present employees are covered by the Local Government Pension Scheme administered by Rhondda Cynon Taf County Borough Council, which is a multi-employer funded scheme. Further information is provided at note 15 to these Accounts where the principal assumptions used by the actuaries are outlined.

Pension Costs have been disclosed in accordance with IAS 19 Employee Benefits. IAS 19 requires the disclosure of certain information covering assets, liabilities and income and expenditure relating to the Scheme.

1(xiii) Provisions and Contingent Liabilities and Contingent Assets

Provisions

Social Care Wales provides for obligations arising from past events where there is a present obligation at the date of the Statement of Financial Position, it is probable Social Care Wales will be required to settle the obligation and a reliable financial estimate can be made.

Contingent Liabilities

Social Care Wales discloses possible obligations arising from past events where the outcome is based on uncertain future events. Disclosure is made where a present obligation is not probable or cannot be measured reliably.

Contingent Assets

Social Care Wales discloses a possible asset when the outcome is based on one or more uncertain future events not in the control of Social Care Wales.

2. Analysis of Net Expenditure by Segment

The Statement of Comprehensive Net Expenditure Account reflects the segments that the operating results of Social Care Wales are reported to the Executive Management Team in order that performance can be assessed by these segments. Consequently, no further analysis of Net Expenditure by Segment is provided.

3			
Welsh Government Funding	2019-20	2018-19	
	£000	£000	
Grant in Aid received from the Welsh Government	19,805	19,298	
Amount credited to General Reserve	19,805	19,298	

As outlined in Note 1(ii) the total grants of £19,805k (2018-19: £19,298k) are now credited to the General Reserve on receipt.

3(i) Non-retainable income	2019-20	2018-19
Interest on deposit account	4	4
Total non-retainable income	4	4

3(ii) Reconciliation of cash received from non-retainable income with amounts repaid to the Welsh Government	2019-20	2018-19
Cash Received (income exceeding Welsh Government threshold).	4	4
Total income repayable	4	4
Cash repayment	4	4
Due to the Welsh Government at the year end	-	-

Social Care Wales has a liability to repay the Welsh Government interest received during the year, and fee income in excess of the target of £862k. The interest received of £4k was paid to Welsh Government. The fee income received in the year in cash terms totalled £978k (2019-20: £445k). As per our Governance Framework with Welsh Government permission was obtained by Welsh Government to retain registration income over the target amount.

4. Programme Costs

4(i)		
Training Support and other grants	2019-20	2018-19
	£000	£000
Social Work Bursary Scheme Payments	2,162	2,250
Practice Learning Opportunity Funding	1,142	1,181
People using Servicees and Carers in Social Work Training	57	66
Continuing Professional Education & Learning	50	300
Social Care Wales Development Programme	7,149	7,136
	10,560	10,933
Other Grants		
Grants to Regions	555	236
Research - Social Care Institute for Excellence	123	123
	11,238	11,292

4(ii)		
Non grant programme expenditure	2019-20	2018-19
	£000	£000
Improvement and Workforce Development	807	1,355
Work Welsh	132	198
Regulation and Intelligence including Regulation of Social Work Training	962	710
	1,901	2,263

5	2019-20	2018-19
Administration Costs	£000	£000
Chair, members, and staff expenses	121	163
Other staff costs	120	158
Rental under Operating leases- Accommodation	265	154
Other Premises costs	312	261
Workshops, seminars, promotions, publications	114	143
Equipment and software	240	268
Rental under Operating leases-Photocopiers & Franking Machines	23	22
Administration	56	56
External audit-Audit work	21	21
Other professional fees	113	86
	1,385	1,332

Included in the above in Equipment and Software is the purchase of IT equipment to facilitate home working due to Covid-19 totalling £24k..

6 Property, Plant and Equipment	year ended 31 March 2020				
	Accommodation	Furniture	Information	Assets under	Totals
	Refurbishment	and Fittings	Technology	construction	
	£000	£000	£000	£000	£000
Cost					
At 1 April 2019	418	143	639	155	1,355
Additions in the period	18	-	44	-	62
Transfer from Assets under Construction	155	-	-	(155)	-
Disposals in the period	-	-	(23)	-	(23)
At 31 March 2020	591	143	660		1,394
Depreciation					
At 1 April 2019	414	139	578	-	1,131
Charged in the year	39	1	31	-	71
Disposals in the period	-	-	(23)	-	(23)
At 31 March 2020	453	140	586		1,179
Net book value					
At 31 March 2020	138	3	74	-	215
At 1 April 2019	4	4	61	155	224

	year ended 31 March 2019				
	Accommodation	Furniture	Information	Assets under	Totals
	Refurbishment	and Fittings	Technology	construction	
	£000	£000	£000	£000	£000
Cost					
At 1 April 2018	406	141	659	-	1,206
Additions in the period	12	2	-	155	169
Disposals in the period	-	-	(20)	-	(20)
At 31 March 2019	418	143	639	155	1,355
Depreciation					
At 1 April 2018	367	138	561	-	1,066
Charged in the year	47	1	37	-	85
Disposals in the period	-	-	(20)	-	(20)
At 31 March 2019	414	139	578		1,131
Net book value					
At 31 March 2019	4	4	61	155	224
At 1 April 2018	39	3	98	-	140

7 Intangible Assets	year ended 31 March 2020			Totals £000
	Information Technology £000	Licences £000	Development Expenditure £000	
Cost				
At 1 April 2019	1,436	91	-	1,527
Additions in the period	62	42	-	104
Transfer from Development	-	-	-	-
Disposals in the period	-	-	-	-
At 31 March 2020	1,498	133	-	1,631
Amortisation				
At 1 April 2019	1,067	77	-	1,144
Charged in the year	130	8	-	138
Disposals in the period	-	-	-	-
At 31 March 2020	1,197	85	-	1,282
Net book value				
At 31 March 2020	301	48	-	349
At 1 April 2019	369	14	-	383

	year ended 31 March 2019			Totals £000
	Information Technology £000	Software Licences £000	Development Expenditure £000	
Cost				
At 1 April 2018	994	82	397	1,473
Additions in the period	45	9	-	54
Transfer from Development	397	-	(397)	-
Disposals in the period	-	-	-	-
At 31 March 2019	1,436	91	-	1,527
Amortisation				
At 1 April 2018	918	70	-	988
Charged in the year	149	7	-	156
Disposals in the period	-	-	-	-
At 31 March 2019	1,067	77	-	1,144
Net book value				
At 31 March 2019	369	14	-	383
At 1 April 2018	76	12	397	485

8. Financial Instruments

As the cash requirements of SCW are primarily met through Grant-in-Aid provided by the Welsh Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with SCW's expected purchase and usage requirements and SCW is therefore exposed to little credit, liquidity or market risk.

9. Trade receivables and other current assets	At 31 March	
	2020	2019
	£000	£000
Amounts falling due within one year		
Trade receivables		
Welsh Government	1	-
Local Authorities	-	33
Social Work Bursary Scheme Debtors	45	44
Other bodies	152	25
Other receivables		
Prepayments and accrued income	431	249
	629	351

Social Work Bursary Scheme debtors are repayable over more than one financial year, repayment contracts being agreed and signed by students which take account of their individual circumstances. However, for the purposes of disclosure, all balances have been included as falling due within one financial year.

10. Cash and cash equivalents	2019-20	2018-19
	£000	£000
Balance at 1 April	295	527
Net change in cash and cash equivalent balances	(47)	(232)
Balance at 31 March	248	295

The balances at the 1st April 2018, the 1st April 2019, and the 31st March 2020 were held at Commercial Banks.

11. Trade payables and other current liabilities	At 31 March	
	2020	2019
	£000	£000
Amounts falling due within one year		
Trade payables		
Other Taxation and Social Security	-	8
Other payables		
Accruals and deferred income	525	484
	525	492

12. Capital Commitments

There were contracted capital commitments of £10k at 31 March 2020 not otherwise included in these financial statements (£7k at 31 March 2019).

13. Commitments under Operating leases	as at 31 March	
	2020	2019
	£000	£000
Obligations under operating leases comprise:		
Land and Buildings		
Not later than one year	278	271
Later than one year and not later than five years	1,113	1,023
Later than five years	1,080	1,231
	2,471	2,525
Other		
Not later than one year	22	23
Later than one year and not later than five years	20	42
Later than five years	-	-
	42	65

14 Staff costs	2019-20	2018-19
	£000	£000
Salaries and wages	4,499	4,038
Social Security costs	425	385
Other Pension Costs	1,592	1,061
Apprenticeship Levy	7	5
	6,523	5,489
Less recoveries in relation to onward secondments	(19)	-
	6504	5,489

15. Retirement benefit obligations

(i) Present Staff and Pensioners

Social Care Wales participates in a multi-employer funded pension scheme which provides benefits at a normal retirement age of 65. The assets of the scheme are held separately from those of Social Care Wales and are administered by Rhondda Cynon Taf County Borough Council. Social Care Wales share of the underlying assets and liabilities of the scheme was separately identified in the actuarial valuation at 31 March 2004 for the first time.

15(ii) Local Government Pension Scheme, a defined benefit scheme

The Scheme is contracted out of the State Earnings Related Pension Scheme (SERPS) and is not subject to the minimum pension requirements of the Pensions Act 1995. The Local Government Pension Scheme Regulations 1997 (regulation 77) specifies that actuarial valuations must be carried out at 31 March 1998, and triennially thereafter. The disclosures below relate to the Rhondda Cynon Taf County Borough Council Pension Scheme and have been provided by the Scheme's actuary Aon Hewitt Limited, London.

15(iii) Results under International Accounting Standard no.19 (Disclosure)

The disclosures below relate to the funded liabilities within the Rhondda Cynon Taf Pension Fund (the 'Fund') which is part of the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations 2013' (as amended) and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014' (as amended).

Funding / Governance Arrangements of the LGPS

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid out is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. The Fund Administering Authority, Rhondda Cynon Taf County Borough Council is responsible for the governance of the Fund.

Assets

Social Care Wales recognises gains and losses in full, immediately through the Statement of Comprehensive Net Expenditure. In accordance with International Accounting Standard no.19 - Employee Benefits (IAS 19), disclosure of certain information concerning assets, liabilities and income and expenditure relating to pension schemes is required.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to these notional assets over the accounting period. The fund is large and holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Administering Authority) is shown in the disclosures split by quoted and unquoted investments. The Fund Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Risks associated with the Fund in relation to accounting

Asset Volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform, this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

Changes in Bond Yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in Corporate bonds).

Inflation Risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

Life Expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting Employers

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

Other Notes

McCloud Judgement

The 'McCloud' judgement in the Court of Appeal found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. On 27 June 2019 the Supreme Court denied permission for Government to appeal this judgement, and on 15

July 2019 the Government issued a ministerial statement saying they would expect to compensate members across all public-sector schemes which contained transitional protection arrangements (which includes the LGPS).

Therefore, we have allowed for the impact McCloud judgement in these figures. As we did not recognise a potential McCloud liability last year the potential liability has been presented as a past service cost this year of £0.27m. The Current Service Cost includes a prospective allowance for McCloud liabilities of 1.13% of Pensionable pay over the accounting period.

Cost Management in the LGPS

Legislation requires HM Treasury and the Scheme Advisory Board (SAB) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. This is referred to as the 'Cost Management Process'.

HM Treasury and the SAB have paused their reviews following the 'McCloud' judgement in the Court of Appeal.

The Cost Management process will not recommence until the outcome of the Government's McCloud appeal is known. This is because the McCloud judgement could result in a change to the underlying cost of the scheme upon which the Cost Management process is based. Therefore, no allowance for the Cost Management Process has been made in these figures.

GMP Equalisation and Indexation

On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs".

These figures allow for full pensions increases to be paid on GMPs to individuals reaching State Pension Age after 6 April 2016. The increase in liability at this accounting date has been charged through the Statement of Comprehensive Net Expenditure.

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2021 are estimated to £1.17m. The date of the last full actuarial valuation of Social Care Wales LGPS funded benefits was 31 March 2019 and the duration of liabilities is 26.3 years.

Key Assumptions	31-Mar-20 (% pa)	31-Mar-19 (% pa)	31-Mar-18 (% pa)
Discount Rate	2.3	2.5	2.6
CPI inflation	1.8	2.1	2.0
Pension Increases	1.8	2.1	2.0
Pension accounts revaluation rate	1.8	2.1	2.0
Salary Increases	3.1	3.4	3.3

Mortality Assumption

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

Assumed life expectancy at age 65	31-Mar-20	31-Mar-19
Males		
Pensioner member aged 65 at accounting date	21.7	22.2
Active member aged 45 at accounting date	22.7	23.9
Females		
Pensioner member aged 65 at accounting date	24.0	24.1
Active member aged 45 at accounting date	25.5	25.9

Asset Allocation	Value at 31 March 2020			Value at 31 March 2019
	Quoted	Unquoted	Total	
Equities	63.7%	0.0%	63.7%	64.5%
Property	8.6%	0.0%	8.6%	6.9%
Government Bonds	13.8%	0.0%	13.8%	13.5%
Corporate Bonds	13.0%	0.0%	13.0%	11.6%
Cash	0.9%	0.0%	0.9%	3.5%
Other	0.0%	0.0%	0.0%	0.0%
Total	100.0%	0.0%	100.0%	100.0%

Reconciliation of Funded Status to the Statement of Financial Position	Value at 31 March 2020 (£M)	Value at 31 March 2019 (£M)
Fair value of Assets	21.71	21.00
Present value of funded defined benefit obligation	23.68	20.51
Funded Status	(1.97)	0.49
Unrecognised asset	0.00	0.00
(Liability)/Asset recognised on the SOFP	(1.97)	0.49

The split of the liabilities obligation at the last valuation date between the various categories of members was as follows:

Active Members	56%
Deferred Pensioners	18%
Pensioners	26%

Amounts recognised in Comprehensive Net Expenditure	Year ending March 2020 (£M)	Year ending 31 March 2019 (£M)
Operating Cost		
Current service cost ⁽¹⁾	1.32	1.06
Past service cost (incl. curtailments)	0.27	0.00
Settlement cost	0.00	0.00
Financing Cost		
Interest on net defined benefit liability	(0.03)	0.00
Pension cost recognised in Net Expenditure	1.56	1.06
Remeasurements in Other Comprehensive Expenditure		
Return on plan assets (in excess of) that recognised in net interest	0.86	(1.35)
Actuarial (gains)/losses due to change in financial assumptions	(0.60)	0.94
Actuarial (gains)/losses due to change in demographic assumptions	(0.33)	(0.83)
Actuarial (gains)/losses due to liability experience	2.25	0.03
Adjustment in respect of paragraph 64	0.00	0.00
Total Amount recognised in Other Comprehensive Expenditure	2.18	(1.21)
Total Amount recognised in Total Comprehensive Expenditure	3.74	(0.15)
⁽¹⁾ Allowance for administration expenses included in current service cost (£M)	0.02	0.02

Changes to the present value of the defined benefit obligation	Year ending March 2020 (£M)	Year ending 31 March 2019 (£M)
Opening defined benefit obligation	20.51	18.79
Current service cost	1.32	1.06
Interest Expense on Defined Benefit Obligation	0.51	0.49
Contributions by participants	0.27	0.25
Actuarial (gains)/losses due to changes in financial assumptions	(0.60)	0.94
Actuarial (gains)/losses due to changes in demographic assumptions	(0.33)	(0.83)
Actuarial (gains)/losses due to liability experience	2.25	0.03
Net benefits paid out	(0.52)	(0.22)
Past service cost (incl. curtailments)	0.27	0.00
Net increase in liabilities from disposals/acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing defined benefit obligation	23.68	20.51

Changes to the Fair Value of Assets during the Year	Year ending March 2020 (£M)	Year ending 31 March 2019 (£M)
Opening fair value of assets	21.00	18.15
Interest income on assets	0.54	0.49
Remeasurement gains on assets	(0.86)	1.35
Contributions by the Employer	1.28	0.98
Contributions by the Participants	0.27	0.25
Net benefits paid out	(0.52)	(0.22)
Net increase in assets from disposals & acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing fair value of assets	21.71	21.00

Actual Return on Assets	Year ending March 2020 (£M)	Year ending 31 March 2019 (£M)
Interest income on assets	0.54	0.49
Remeasurement gains on assets	(0.86)	1.35
Actual return on assets	(0.32)	1.84

Estimated pension expense in future periods

Funded Benefits

We provide an estimate of the charges to comprehensive expenditure on the provision of services in future periods, based on the assumptions outlined above.

Analysis of amount charged in other comprehensive expenditure on the provision of services next year	Year ending 31 March 2021 (£M)
Current service cost	1.27
Interest on net defined benefit liability	0.03
Total estimated pension expense	1.30

Allowance for administration expenses included in the Current Service Cost (£M)	0.02
Estimated pensionable payroll over the period (£M)	3.91

Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2020 and the projected service cost for the year ending 31 March 2021 is set out below.

In each case only the assumption mentioned is altered; all other assumptions remain the same as summarised above.

We have not included sensitivity of unfunded benefits (where applicable) on materiality grounds.

Funded LGPS Benefits

Discount rate assumption			
Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	23.06	23.68	24.32
% change in present value of total obligation	-2.6%	-	2.7%
Projected service cost (£M)	1.22	1.27	1.32
Approximate % change in projected service cost	-4.0%	-	4.2%

Rate of general increase in salaries			
Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	23.77	23.68	23.59
% change in present value of total obligation	0.4%	-	-0.4%
Projected service cost (£M)	1.27	1.27	1.27
Approximate % change in projected service cost	0.0%	-	0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption			
Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	24.22	23.68	23.16
% change in present value of total obligation	2.3%	-	-2.2%
Projected service cost (£M)	1.32	1.27	1.22
Approximate % change in projected service cost	4.2%	-	-4.0%

Post retirement mortality assumption*			
Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£M)	24.41	23.68	22.95
% change in present value of total obligation	3.1%	-	-3.1%
Projected service cost (£M)	1.32	1.27	1.22
Approximate % change in projected service cost	3.8%	-	-3.8%

* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

16. Provisions and Contingent Liabilities disclosed under IAS 37

The lease agreements in relation to our Cardiff and St Asaph Offices potentially requires that any alterations, additions and partitioning should be removed on cessation of the lease. No provision has been made as this obligation is uncertain and is contingent on the landlord requesting the removal.

There is an ongoing legal case which may result in a possible liability. As the outcome is not known at this stage no provision has been made.

17. Contingent Asset

At 31 March 2020 there were £52k of registration fees outstanding. Under the Regulation and Inspection Act (Wales) 2016 we can only remove registrants for non payment of outstanding fees at renewal of registration which takes place three years after initial registration and then on a three year cycle. Based on experience to date it is only at the this renewal date we are able to substantiate that in relation to the majority of outstanding fees whether the registrant has not paid due to leaving the sector (and the outstanding fee will not be pursued) or if it is a genuine debt in relation to an ongoing registrant.

Therefore the £52k outstanding is not treated as income in the Statement of Comprehensive Net Expenditure as we are not sure of the precise economic value of this amount as on an individual basis we will not know whether the income will materialise until the renewal date of each individual amount/amounts owed is reached.

18. Related Party Transactions

During the year Social Care Wales has had various material transactions with the Welsh Government which is regarded as a related party. The transactions and balances were as follows:

	2019-20	2018-19
Income	£19.805m	£19.298m
Expenditure	£0.128m	£0.024m
Debtor Balance as at 31 March	£0.001m	-
Creditor Balance as at 31 March	-	-

Social Care Wales Board Members and Staff

No employees including key management personnel or board members nor their related parties were involved directly or indirectly in any transactions with Social Care Wales during the year, apart from normal expense claims, salary payments etc. Information about key management personnel is included in the Remuneration Report. The Director of Regulation is seconded to Social Care Wales from Welsh Government and the transactions with Welsh Government are disclosed in the table above.

However for transparency we do disclose material transactions with organisations in which senior staff or members or any of their family held positions of influence during the year.

Our previous Chair was also a Council Member of the University of Wales and was the Chair of the Audit and Risk Committee of the University of Wales Trinity St David. The expenditure transactions with the University of Wales were £0 (2018-19:£0) and with the University of Wales Trinity St David £1,040 (2018-19:£195,069) for the period he was in office. There were no debtor or creditor balance at the end of the financial year.

In addition, two members of our board were also members of the Regional Partnership Boards which received grant funding from Social Care Wales in the form of Regional Facilitation Grant.

The transactions were as follows:

Board Member	Role	Regional Partnership Board	Expenditure 2019-20	Expenditure 2018-19
Abigail Harris	Member	Cardiff & Vale Regional Partnership	73,036	37,036
Carl Cooper	Deputy Chair	Powys Regional Partnership Board	32,574	21,574

Please note that the payments in the table above were made to the nominated local authority being Cardiff City Council (Cardiff and Vale) and Powys County Council (Powys).

19. Third Party Assets

Social Care Wales does not hold any third party assets in which it acts as a custodian or a trustee.

20. Events after the reporting period

There have been no events after the reporting period, which require adjustment to the 31 March 2020 financial statements.



Gofal Cymdeithasol **Cymru**
Social Care **Wales**



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Lywodraeth Cymru
Funded by
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