



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



Annual Report and Accounts 2022-2023

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 2023 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 the national leadership organisation in Wales for social care workforce regulation, supporting service improvement through research and data, and delivering workforce development for the social care and early years sectors. Everything we do is focused on making a positive difference for high quality care and support in Wales.

This represents the sixth Annual Report and Accounts that have been prepared by Social Care Wales since our inception in 2017. This year, as all previous years, we can be pleased to have met our statutory obligations in full and to deliver meaningful support for the social care and early years sectors and those who use their services.

We know the social care and early years sector has been facing significant challenges for some time now. Recruitment and staffing issues are putting more pressure on sectors that are already struggling because of the increasing demand for care and support. We have continued to influence and work with key national organisations to address the issues currently facing the sectors.

Whilst supporting the sectors during these challenging times we have continued to embed the 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. We have worked hard with others to develop and plan the future development of social care and early years, through "A Healthier Wales" and the Welsh Government's "10-year Childcare, Play and Early Years" workforce plan, as well as evolving partnerships across Wales.

We continue to build on our national leadership role and our relationships with the social care and early years workforce, employers and other strategic leaders across Wales to improve practice, increase workforce resilience and make sure the care profession is as highly valued as it should be. Working with others is central to how we work, and partnership has been at the heart of the delivery of our business plan in 2022-23. We are committed to working with partners to positively influence the social care and early years services to improve outcomes for children, adults, families and unpaid carers who rely on care and support. The majority of our work is produced in partnership across public, private and third sector organisations throughout Wales.

Social care and early years workers help children, young people and adults live the lives they want, supporting people to develop, remain active and independent, stay safe and well connected to their community and wider networks. They do this alongside family, friends, volunteers and other public services. Early years workers help give our children a great start in life and provide valuable support for parents.

At Social Care Wales, we will continue to do all we can for the workforce, their employers, and strategic leaders during this difficult time and help them to continue to focus on caring for and supporting some of the most vulnerable people in our communities.

Sue Evans

Chief Executive and Accounting Officer

Date: 2 October 2023

Role of Social Care Wales – Who we are



Our vision and purpose

Our vision
is to make a positive difference to care and support in Wales for children, adults and their families and carers.

Our purpose
We provide national leadership and expertise in social care and early years. We lead on regulating and developing the social care workforce, service improvement, data and research to improve care.

Key issues and risks that we face

Information about our risk management and the main risks we face is provided in the Governance Statement on page 22.

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 issues facing the social care and early years sector which include:

- recruitment and retention in the social care and early years sector: the fundamental changes to the employment market after the pandemic, Brexit, and other existential events
- cost of living increases are reducing resource capacity in a market based primarily on public funding
- remaining in a period of financial constraint for public services
- the ongoing impact of Covid on the social care and early years sector alongside the continued growth in demand for social care
- the social care sector response to climate emergency
- the ambitious policy landscape.

Performance analysis

Our annual Business Plan for 2022-23 set out our strategic objectives, along with our high-level activities and achievement measures. Throughout the year, we provided quarterly reports about the progress we made against our strategic objectives to our Executive Management Team, and these are scrutinised by our Board and the Welsh Government.

This performance analysis provides a small snapshot of the work undertaken last year through the lens of our stakeholders:

1. empower the **workforce** to achieve the best person-centred care
2. enhance the provision of services through **managers, leaders and owners**
3. enable **strategic leaders** with evidence and skills to improve planning, service development and quality
4. ensure continuous improvement and transformation of how we deliver the **work of Social Care Wales**.

The current challenges facing the social care and early years sector cannot be underestimated. The provision of social care and early years services will continue to change, due to the continued impact of the pandemic, increasing economic pressures and the needs of communities. The workforce is still struggling with the changes brought about by the pandemic. These changes have placed extra demands on staff, leading to an increase in stress and lower morale and job satisfaction. There are also challenges in relation to recruitment and retention across all areas of the sector.

As a national leadership organisation we have continued to work with national organisations throughout the year to influence national policy development and in responding to the challenges facing social care and early years during the year.

We have a number of long-term programmes of work (5-10 years) looking at making a positive change to long term challenges in the sector. This report focusses on activities that have been achieved during 2022-23 to support those long-term programmes of work.

Priority theme 1: social care and early years workforce

Registration

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

The Register has increased significantly over the last year with adult care workers needing to register by October 2022. As of 31 March 2023, we had 53,537 workers on the Register of Social Care Workers. This is an increase of over 18,000 from March 2022. This means that most of the social care workforce in Wales will be regulated.

As the social care workforce continues to grow, we know how important it is to make our registration process simpler, to make it as easy as possible for people to work in the social care sector. We will be consulting on proposed changes to the Register in May 2023.

Fitness to Practise

A central part of our regulatory function is to make sure that those providing social care are competent and safe to practise. This requires an effective and efficient Fitness to Practise (FtP) process. Throughout the year we continued to implement recommendations following our review to make sure that our current FtP processes are both efficient and timely. The review also looked for new and different ways of carrying out our functions to maximise resources and measure our efficiency.

We understand that being referred to us can be confusing and upsetting and we want to help make the process easier for registered workers to take part in the investigation. During the year we launched a free, independent and confidential well-being assistance helpline which can give support while people go through the hearings process. There has been no take up of the Wellbeing offer from Victim Support yet. However since October there have been 10 contacts from care workers going through an investigation process and 25 counselling sessions.

During 22-23 we received **394** referrals that we opened as cases and in total we removed **36** people from the Register, ensuring they could no longer work in our sector.

50 final hearings were held

Of those removed (**36**), their registered roles were:

6 - residential childcare workers

2 - adult care home managers

1 - adult care home worker

6 - social workers

21 - domiciliary care workers

Safeguarding

Wales's first national safeguarding training, learning and development standards were launched during Safeguarding week in Autumn 2022. The standards set out the expectations for knowledge, skills, attitudes and values for people working with adults and children who may be at risk of abuse, harm or neglect.

The standards were co-produced by a multi-agency national development group led by Social Care Wales as well as other groups focused on specific aspects of the work. The standards will help organisations make sure they incorporate the standards for workers into their safeguarding policies and procedures; that practitioners understand their responsibilities relevant to the group they're in and how to follow the relevant policies and procedures all practitioners have access to and comply with the Wales Safeguarding Procedures.

Digital learning modules

Safeguarding group A

The bilingual e-learning package gives learners a practical understanding of safeguarding and has been developed by Social Care Wales in line with the Wales Safeguarding Procedures, launched in 2019.

It is the first of a series of online training resources that we will be developing on different topics.

Launched as part of National Safeguarding Week 2021, the e-learning module is mainly aimed at those working in the public and voluntary sectors. This includes those looking to work in social care, early years and childcare, as well as in health, the emergency services and local councils.

Infection Prevention and Control

We developed a set of digital learning modules to help anyone involved in the social care or early years and childcare sector know how to behave to reduce the spread of infections. Good evidence informed infection prevention and control (IP&C) practice is essential for maintaining a safe environment for everyone and reducing the risk of the spread of infection and infectious diseases. There are 3 modules available aimed at; those who are considering a career in social care or early years and childcare; people who either visit care settings as a professional; and workers who are providing direct care and support in a social care or early years and childcare setting. The modules are free for anyone to access at Learning@Wales.

Digital Confidence

We launched a new e-learning course for the social care and early years sectors in Wales to help workers use digital technology with confidence. Delivered in partnership between Digital Communities Wales, Digital Confidence, Health and Wellbeing and Social Care Wales, the Your role and digital technology resource has been designed to help the social care and early years workforce better use digital technology to engage with and support the individuals in their care. Available to all those working in social care and early years and childcare, the bilingual online course draws upon real-life examples and provides a range of practical solutions as to how digital technology can enhance a care setting.

Priority theme 2: social care and early years managers, leaders and owners

Support and promote the sector as a career

WeCare

Throughout the year we have been building on the WeCare Wales brand to support attraction and recruitment to the sector during this time.

We ran five campaigns focussing on social care, Social Workers, early years and childcare, apprenticeships and Welsh Language. All campaigns are shared on WeCare Wales's various social media profiles – YouTube, Facebook, Instagram, Twitter and Snapchat. Many are also played on national TV and radio or printed in national and local media outlets.

62,461,120

Impressions across all campaigns
(Number of times content was displayed)

121,097

Clicks across all campaigns
(A click is a type of interaction with the ad container, links to other destinations and links to expanded ad experiences, includes Swipe Ups on Snap Chat)

Over 1 in 3 (37%)

Respondents felt more positive about the sector after seeing the TV advert

1 in 5 (19%)

Of the population are aware of WeCare Wales

We have also developed our WeCare Wales website to create a jobs portal for employers and organisations to advertise job roles. We have seen an increase in the volume of jobs being posted on our jobs portal and also the number of direct applications. The job portal enhances the ease at which employers can advertise their job vacancies and people can see the vacancies available within their area.

We will continue to focus on the development of the jobs portal in 2023-24 to support recruitment into the social care and early years sector.

139,779

number of visitors to the WeCare Wales website.

6,442

jobs posted on the jobs portal

Introduction to Social Care

The Introduction to Social Care programme has continued to develop throughout 2022-23 with more than 600 completers of the course as of March 23. Anyone who completes the Introduction to Social Care programmes can show social care employers their completion certificates as part of the WeCare Wales guaranteed interview scheme to help them find work. This shows employers these candidates are committed and know what to expect from the job.

Links have been made with groups such as the African Community, Ukrainian refugees, and younger people (in partnership with Prince's Trust). These links have helped widen the reach of the programme and also connect with harder to reach communities. More than 70 members of Swansea's African Community Centre have completed the programme, to help set them on the pathway to a career in care. Of those, 35 have since gone on to work in social care. The programme, which is a partnership between WeCare Wales, Swansea's African Community Centre and Swansea Working, is an important step to make sure the social care workforce represents the communities they work in. It also aims to bring more experience and diversity to the workforce.

Those who take part in Programme are assigned a mentor to help get them job-ready if they decide to start a career in social care. The mentor's role includes sharing interview skills and discussing which qualifications may be needed.

Introduction to Childcare

The Introduction to Childcare Programme started in September 2022, and since then 116 participants have completed the programme. The Introduction to Childcare course gives an overview of working in childcare and early years. It introduces core areas which will be needed to start working in childcare, offers an insight into career options and explains what qualities workers need. Each course has guest speakers and ambassadors who bring to life the reality of working in childcare and early years.

We are working in partnership with Careers Wales to provide course completers with employability support and career guidance to support participants to find training, jobs and placements in childcare.

"As a result of this course I was considering a change in career. After 20 years at my current job, I have given in my notice to start a new career in childcare. Luckily, I have got a fulltime job as a nursery nurse and start in two weeks and I can't wait"
(Participant)

Promote recognition of the workforce

The Accolades were held as an in-person event on 21 April 2022 for the first time since September 2018. The awards recognise, celebrate and share excellent practice in social care and childcare, play and early years in Wales. The Accolades are open to care workers at all levels, as well as teams, projects and organisations from across the public, voluntary and independent sectors that have made a positive difference in people's lives. We received a total of 76 entries and nominations across seven categories. Even though a virtual awards ceremony was held during the pandemic, in November 2020, all submissions had been made before Covid started. Therefore, the 2022 awards were unique in that all entries were submitted during the pandemic. A total of 135 guests attended the awards ceremony held at the Royal Welsh College of Music and Drama and the event had an overall 92% approval rating.

Well-being

Your well-being matters framework

In October 2022, we launched our health and well-being framework for the social care, early years and child-care sector your well-being matters. The framework describes what good wellbeing in the workplace looks like, and how to create workplaces that support the well-being of the workforce. This framework is centred around four commitments that organisations, managers and individuals working in social care, early years and childcare can work towards. In 2023 we'll be speaking to people using the framework to find out how it's working for them.

"I have been using the framework model to share learning with leaders in my local authority"
(Workforce manager)

Peer Support

We have delivered online group peer support to managers working in care homes and domiciliary care. The purpose of this peer support is to help managers connect and support each other through difficult times. Our peer support networks reported that 93% of attendants felt emotionally supported and offered support to others and 69% felt less isolated in their role.

'I didn't realise how much I needed these sessions until I started them, possibly one of the very few positives to come out of the pandemic.'
(Manager)

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 £7,144,856, which was paid to local authorities through the Social Care Wales Workforce Development Grant (SCWWDP) and was match funded by £3,062,081 local authority funding.

Changes to Qualifications

Changes have been made to the level 2 and level 3 Health and Social Care and the level 2 and 3 Children's Care, Play, Learning and Development qualifications following feedback from the Sector. The qualifications were launched in 2019, but due to challenges during the Covid Pandemic it was agreed that some amendments were necessary to ensure that they were fit for purpose. Following considerable engagement with the Sector and working with Awarding Bodies and Regulators changes have been made to the assessment methodology. A range of additional units have also been added to the Health and Social Care Practice level 2 and 3 for adults and level 3 for Children and Young People.

Priority theme 3: leaders and stakeholders

National Management Development Framework

The past 12 months have seen continued success for our national management development framework. The framework sees the bringing together of both accredited and professional development opportunities for, in the main, social services departments and their managers across the 22 local authorities. Work continues to develop the management development framework and to look at what offers are currently available to sector wide leaders other than formal route leading to qualifications with an aim to map that availability and identify whether there is a further need for senior leader peer learning/development on a cross sector basis.

We know that the leadership programmes we deliver are well received. For example for the last two cohorts of the Middle Manager Leadership Programme, 100% of participants felt the programme was relevant to their organisation, met their needs and had appropriate activities which supported their operational practice.

For the last three cohorts of the Team Manager Development Programme 98% said it was relevant to their organisation, 99% said it met their needs and 98% said the programme had appropriate activities.

Workforce Survey

We want to give social care workers a voice, so that they can tell us how things really are. During early 2023 we developed a pilot survey of the registered workforce. The results of the survey will help us to make sure our work is supporting them in the most effective way. The survey asks questions on topics such as well-being, what it's like to work in social care, pay and conditions, training and qualifications. As at the end of the year 900 registered people had responded to our survey. The survey is being run on behalf of Social Care Wales by Swansea-based research agency, Opinion Research Services (ORS). The survey, and what it aims to achieve, is being supported by bodies that work closely with Social Care Wales, including Welsh Government and the Association of Directors of Social Services (ADSS) Cymru. The results of the survey will be published in 2023-24 and we will use the findings for our future work along with sharing with other organisations on specific areas of focus to take forward.

Workforce Report

In June 2022 we published the Social Care Workforce Report⁴. Compiled from data collected through a survey of all the local authorities in Wales, the report gives a clear picture of the workforce as it stood on 31 March 2021. This was the first time we had carried out the survey in its entirety, as the information was previously collected separately. Every local authority in Wales responded and data was received from 2,173 settings or providers of social care in Wales. The data provides a valuable insight into the social care workforce in Wales.

Strength Based Practice: training for Responsible Individuals (RIs): using outcome-focussed practice

During the year we developed and provided training for RIs. The focus of the training was to:

- develop an understanding of the legislative context in Wales
- develop knowledge and understanding of what is meant by outcome focused and strength-based practice
- how 'what matters' conversations are at the heart of service delivery.

The programme focused on providing the foundation for learning, making sure there was a consistent understanding of the legislation and what it means for practice and to provide opportunities to share practical experiences and take learning from peers across the sector and to focus on measuring the impact of the outcome.

160 RIs attended the online sessions and over a 100 RI's attended the face-to-face sessions in Swansea and Cardiff. Feedback from the training was excellent, with colleagues saying that they left feeling inspired, empowered and confident. For those who attended face to face sessions, they valued meeting other RIs and sharing ideas and many were interested in joining the online RI community.

Maintain and develop All Wales Network of Mentors

For those who Mentor / champion the strengths-based approach within their organisation we support them via an all-Wales mentors' network. The network comes together on-line to share practice and learning. Membership consists of representatives from 19 local authorities and Credu Cymru (carers organisation). During the year we contacted a small number of mentors to hear and understand their experiences of the mentors' network. Feedback was very positive overall, and the majority found the Network to be a supportive environment to share good practice, hearing other people's experiences and challenges and re-energise their own passion for Strengths Based Practice.

Data portal

In May 2022 we launched a new 'look and feel' data portal which has a range of data from a variety of sources relating to social care services. The portal is available for everyone, although its main audience is planners, Local Authority Commissioners, researchers and Heads of Services. We will be adding new data sources for the portal in 2023-24 along with developing new functions and providing analysis on the portal usage.

Social Care Research and Development Strategy

During the year we worked with stakeholders as part of the development of a new research, development and innovation strategy. This included interviews and workshops to consider some of the emerging themes and priorities, as well as learning from the previous research and development strategy. We will be consulting on the draft strategy in 2023-24 prior to publication of the final strategy.

Develop a service to support innovation in social care in Wales

In 2022-23 we began a long-term programme of work looking at how we can support innovation in social care in Wales. Our initial work focused on asking people what support they would like from us, developing an approach based on their feedback, developing on-line information to support users and building communities of practice. Our current on-line community of practice to support the use of evidence in strategic planning and service design had more than 60 members by the end of the year.

Plans for three additional communities were under development by the end of the year. In 2023-24 we will build on the communities of practice to support our wider research, data and innovation work.

Priority theme 4: Our workforce and organisation – Social Care Wales

Working with you to be effective

Strategy and governance

Following a consultation on our future priorities during 2020-21, we published our [Strategic Plan for 2022-2027](#) at the Senedd in April 2022. The Plan sets out our priorities and proposals for what we want to achieve, where we suggest we focus our energies and how we want to work with people over the next five years to realise our vision. Our 2023-24 Business Plan will reflect our new Strategic Plan and activities will be listed under our 8 national outcomes.

Considerable work has been done to ensure that our financial resources reflect our ambitions to support reforms to improve delivery and increase the sustainability of services across the social care and early years sector.

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. On 1 March 2023 we launched our internal Welsh Language Strategy. The aim of the Strategy is to not only comply with the legislative requirement to provide a bilingual service, but also to offer language choice on a routine basis to all those who contact Social Care Wales. We aspire to providing an environment which nurtures and develops staff to learn and improve their bilingual skills.

We also published our Strategic Equalities Plan which compliments the activities within our Strategic Plan. At the start of 2023 we recruited an Equality, Diversity and Inclusion Lead Officer to the organisation which will ensure that this is an area of priority across all areas of work.

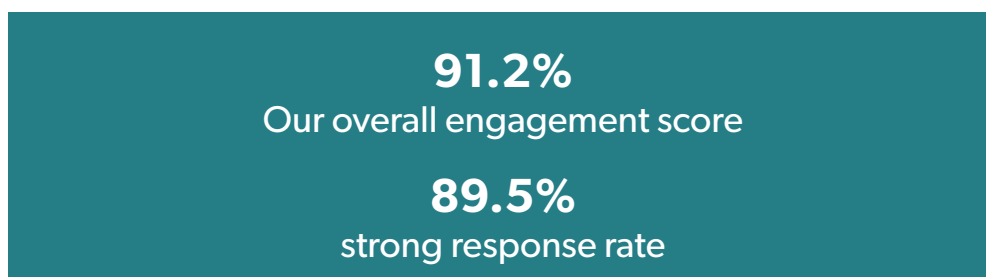
During the year we put in place our Decarbonisation Action Plan which aligns with the Welsh Government Public Sector 2030 net zero target. Our direct emissions carbon footprint reduced to 44% of the 2019-20 baseline for the year 2021-22 on a like for like basis. Our action plan will reduce our emissions further in future and to support wider sector policy initiatives.

Our staff

On 31 March 2023 we had a total of 201 staff members and welcomed 52 new starters to the organisation during the year.



The results from our annual people survey (which is a survey to collect staff thoughts and opinions on how we work in Social Care Wales) were very positive overall and we have maintained or slightly improved on the results from last year.



Staff wellbeing

In our 2022 People Survey, 97% of respondents said that they believe the organisation values their health and wellbeing, and 90% said they felt supported to manage any stress associated with their job. During this year we have started work on developing a new 5-year Health and Wellbeing strategy (due to be launched in early 2023-24).

As part of that early development, we held a number of listening exercises with staff to gather their views on our wellbeing priorities, and these will be incorporated into the final strategy.

During this year we also finalised and launched a new menopause policy, alongside some additional online awareness training and establishing a support group. We also participated in Neurodiversity Celebration Week, sharing information and resources with staff in partnership with our Equality, Diversity and Inclusion working group.

Our approach for 2023 - 24

Our new five-year Strategic Plan sets out our ambition and the differences and changes we want to see. These changes are dependent not just on Social Care Wales, but also on the hard work of many organisations, each with their own remit and responsibilities. But we also need to understand, and set out, our role in bringing about these changes.

1. We have set out the changes we want to see using national outcomes:
2. Improved well-being for the social care and early years workforce
3. A social care and early years workforce that is highly recognised and valued
4. Social care practice and policy that is underpinned by innovation, high-quality research, data and other forms of evidence
5. A registered social care workforce that has the public's confidence
6. A social care and early years workforce that is suitably qualified, knowledgeable and skilled with the right values, behaviours and practice
7. Social care and early years services that attract, recruit and retain people with the right values to meet the needs of those who need care and support
8. Social care services that embed and deliver strengths-based approaches to care and support
9. Social Care Wales provides effective, high quality and sustainable services.

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 sixth prepared as Social Care Wales. Seventeen 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 2023 there were fourteen members including the Chair who have been appointed by the Minister for Health and Social Services.

Members serving 1 April 2022 to 31 March 23

Members

Mick Giannasi - Chair (term ending 31 July 2027)
 Abigail Harris (term ending 31 March 2025)
 Carl Cooper (term ending 31 March 2025)
 Damian Bridgeman (term ending 31 March 2024)
 Donna Hutton (term ending 31 March 2024)
 Emma Britton (term ending 31 March 2025)
 Grace Quantock (term ending 31 March 2025)
 Helen Mary Jones (from 1 May 2022 with term ending 30 April 2026)
 Joanne Kember (term ending 31 March 2025)
 Jane Moore (term ending 31 March 2024)
 Maria Battle (term ending 30 June 2027)
 Peter Max (term ending 31 March 2024)
 Simon Burch (term ending 31 March 2024)
 Trystan Pritchard (term ending 30 June 2027)

In addition, Daxa Varsani is an independent member of the Audit and Risk Committee, and her term ended on the 30 April 2023. In addition, two further independent members were appointed on the 1 March 2023 with one replacing Daxa Varsani. Their terms will end on the 31 March 2025.

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

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 independent members and co-opted members. 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 Section 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: 2 October 2023

Governance statement

A governance statement is a document we need to write which says what processes and procedures we have in place for us, as Social Care Wales, to do our work well and effectively.

Our governance statement sets out what structures, processes, policies and systems we have in place. It will give you an account of corporate governance and risk management, alongside a description of the strategic risks we faced in 2022-23.

My responsibilities, as Accounting Officer, are set out in the Model Governance Framework. It sets out the broad framework within which we work and details the terms and conditions under which Members of the Senedd provide Grant-In-Aid to Social Care Wales.

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.”

My governance statement is written following our first annual business plan within our 5 year strategy 2022-27. We have set out our ambition outlining what it means for the sector during 2022-23, who we will work with during the year to do this work and what we will be doing during the year through the lens of our stakeholders:

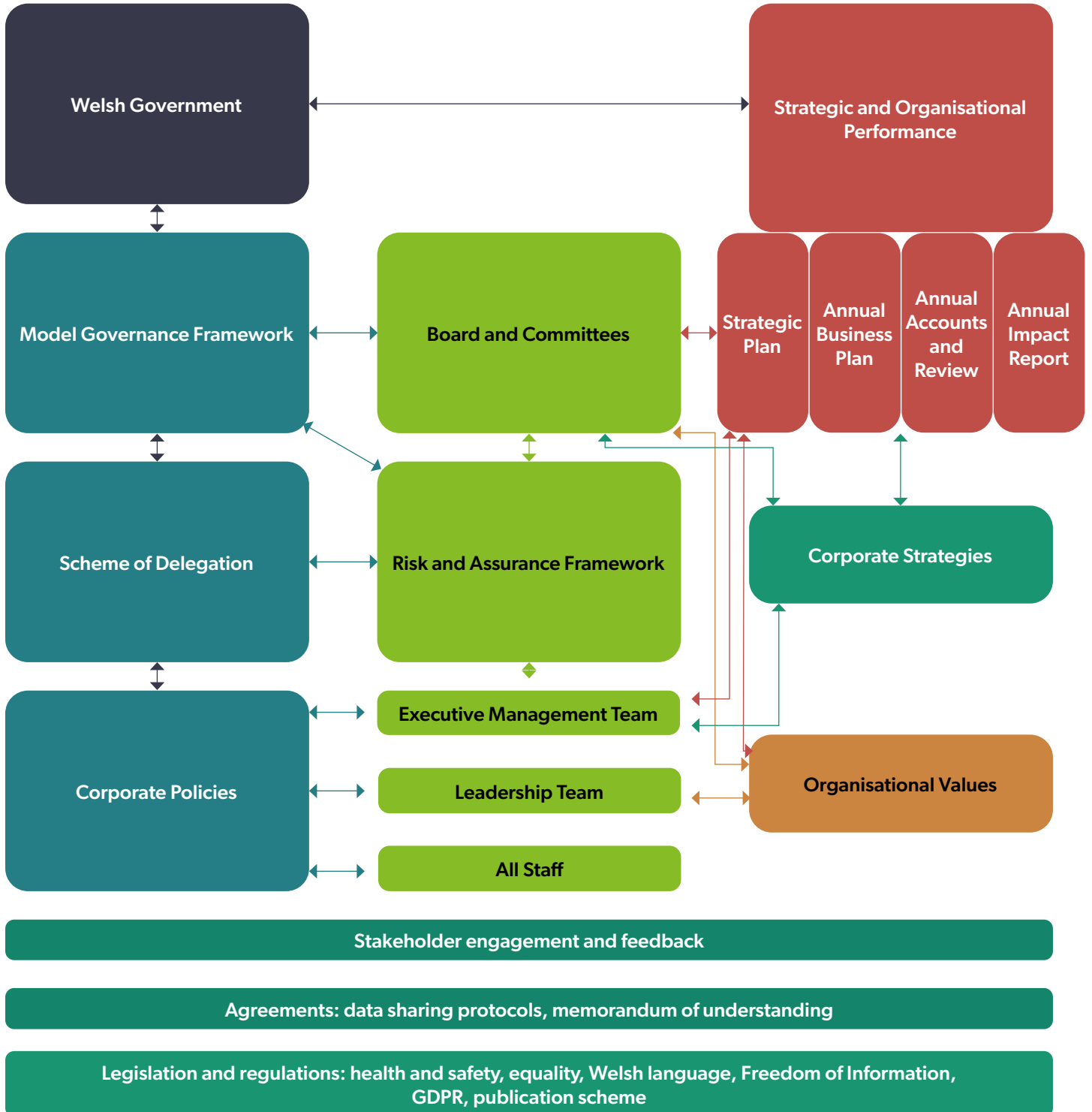
1. empower the **workforce** to achieve the best person-centered care.
2. enhance the provision of services through **managers, leaders and owners**
3. enable **strategic leaders** with evidence and skills to improve planning, service development and quality
4. ensure continuous improvement and transformation of how we deliver the **work of Social Care Wales.**

Our annual business plan sets out in more detail the activities we identified to support the sector and our organisation during 2022-23. Our performance was monitored and scrutinised by our Board and Welsh Government throughout the year, including through formal quarterly meetings.

Our governance and accountability framework

In accordance with the 'International Framework: Good governance in the public sector' governance 'comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved'.

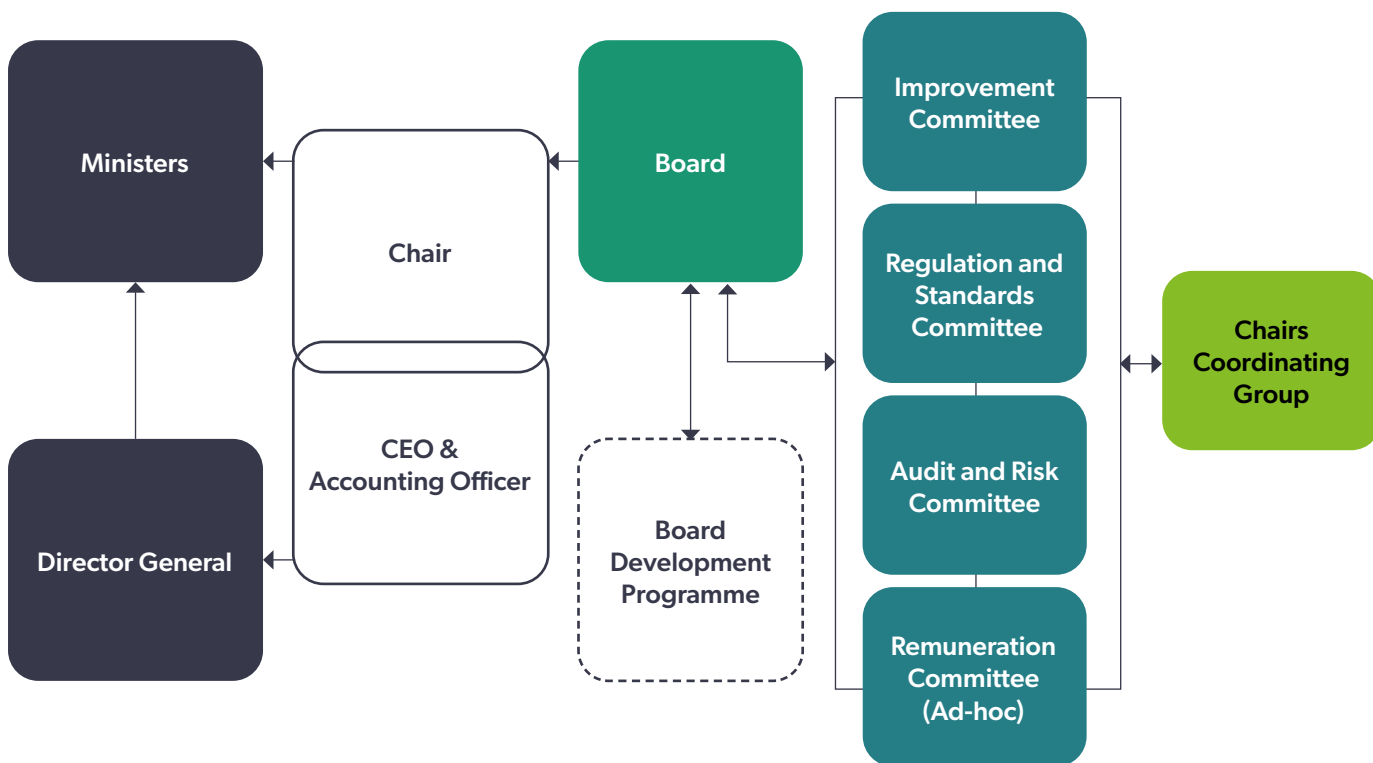
You will find our governance and accountability framework, including summary information on what the Board and Committees cover in the next few pages.



Accountability

We are accountable to the taxpayer to make sure our work achieves value for money.

In the diagram below we have set out the accountability structure of our Board and for me as Chief Executive in my role as accounting officer.



To make sure we keep our accountability to Welsh Government in 2022-23:

- Our Executive Management Team met with representatives from our sponsorship division at Welsh Government. These meetings took place every three months to go through our business plan performance and our budget spend to date
- I have regular meetings with the Chair of Social Care Wales and the Chief Social Care Officer at the Welsh Government
- The Chair and I attended our annual meeting with the Deputy Minister for Social Services in October 2022
- Our Board had its annual meeting with the Deputy Minister for Social Services in October 2022.

Our Board and committees

Our Chair and 13 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, informed and approved by the Board and its sub-committees.

This diagram shows our Board and Committee structure at 31 March 2023:

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 (including financial, risk management and HR data)
- demonstrates high standards of corporate governance – agreeing Board and Committee terms of reference
- receives messages and advice from the Executive Management Team.

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.

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.

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.

At the end of 2022-23 we reviewed and revised the terms of reference for our Committees. This was to make sure they are in line with our strategic plan. The revised terms of reference will be in place in 2023-24.

Board development and engagement

Our Board members continued their learning and development during the year. This included a series of seminars and the topics of these were:

- Informal discussions with the Deputy Minister for Social Services and Chief Social Care Officer
- New Strategic Plan 2022-27 launch at Senedd
- Dementia Friends Training
- Our Digital Strategy
- Measuring our Impact
- Impact report 2021-22
- Potential new and emerging areas of work for Social Care Wales
- Insights® Discovery Development
- Business plan and budget 2023-24 update
- Reflections from individual Board members
- Supporting the sector in the current context
- Board effectiveness 2022-23
- Regular updates from the CEO.

People from outside the organisation came to Board development sessions. These were:

- Strategic Primary Care programme
- The Evaluation of the Social Services and Well-being (Wales) Act (IMPACT)
- Health Technology Wales
- Wales Council for Voluntary Action (WCVA)
- Carers Wales
- Accolades Winner – Dementia Supportive Communities
- Accolades Winner - Blaenau Gwent County Borough Council's 'BG Hub' – A Place to Grow.

Board and committee effectiveness

One of our values as an organisation is continuous learning. For the Board and Committees we regularly look at the effectiveness of our policies, processes, and meetings. Our 2022-23 annual review of Board and Committee effectiveness followed up the results of last year's externally facilitated group discussions. These were based on the analysis of individual feedback provided by Board members through a structured questionnaire completed in advance.

In order to provide comparative data, it was agreed that the Board would utilise the same questionnaire for its 2022-23 Board effectiveness review. The results again this year indicates a generally positive assessment of the effectiveness of the organisation's corporate governance arrangements and reasonably high levels of satisfaction and commitment amongst members. There has also been a slight positive shift in comparison to 2021-22 results. The results of the survey can also be read against the internal audit review of our corporate governance arrangements which resulted in a 'substantial assurance' grading in 2022-23.

After the review of Board effectiveness, the opportunities below have been added to our Board corporate governance action plan:

- Review forward action plans. Reduce the amount of time spent presenting papers and reduce number of papers to allow more time for discussion and debate.
- Create an issues log which would be supplementary to the rolling action log and supported by a mechanism which would enable tracking and review of suggestions or approaches which are not actions.
- The Board Development Sessions should be re-named Board Leadership sessions and be managed accordingly as a shared space for Board Members and Executive colleagues to collaborate on strategic considerations.
- Review the balance of virtual and in-person meetings.
- Chairs to provide a one-page written summary of the key issues and decisions arising from previous Committee meeting as part of the Board papers for the Board as a whole to be better assured on the outcomes and key decisions made by the Committees.
- Review opportunities to have Board meetings in different locations to enable better interaction with partners and stakeholders.
- Add a standing item to Committee agendas 'Context setting and key messages from the Director' to provide wider context to the items for discussion and provide up to date information to the Committee.
- Consider reverse mentoring.

Meeting effectiveness is 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 for two days' work a month. In addition to our 14 publicly appointed members we have several people who are co-opted onto our committees:

- Daxa Varsani is an independent member, without voting rights, with a professional financial qualification and background who supports the Audit and Risk Committee (until 30 April 2023).
- Abhishek Vyas is an independent member without voting rights, with a professional cyber security background who supports the Audit and Risk Committee (from March 2023).
- Heikki Doyle is an independent member, without voting rights, with a professional financial qualification and background who supports the Audit and Risk Committee (from March 2023).
- Margaret Rooney, Deputy Chief Inspector at Care Inspectorate Wales (CIW), sits on the Regulation and Standards Committee as a co-opted member.
- the Improvement Committee has two co-opted members, a representative from the Association of Directors of Social Services (ADSS) Cymru and until September 2022 Fiona Verity, Professor of Social Work and Social Care at Swansea University who brings a background in research to support the Improvement 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 2022-23.

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 membership	Attendance at Board meetings	Attendance at Board development sessions	Attendance at Committee meetings	Overall meeting attendance (inc. Committees)	Term of appointment ends
Mick Giannasi (Chair)		4/4	10/11		14/15 (93%)	31.07.27
Abhishek Vyas (Independent Audit and Risk Committee member – from 1 March 2023)	Audit and Risk			0/1	0/1 (0%)	31.03.25
Abigail Harris	Improvement, Audit and Risk	4/4	8/11	2/4 and 3/5	17/24 (71%)	31.03.25
Daxa Varsani (Independent Audit and Risk Committee Member)	Audit and Risk			5/5	5/5 (100%)	30.04.23
Carl Cooper	Audit and Risk (Chair)	4/4	10/11	4/5	18/20 (90%)	31.03.25
Damian Bridgeman	Improvement (Deputy Chair), Audit and Risk	4/4	9/11	4/4 and 4/5	21/24 (88%)	31.03.24
Donna Hutton	Regulation and Standards (Deputy Chair) Improvement	3/4	8/11	4/4 and 1/4	16/23 (70%)	31.03.24
Emma Britton	Audit and Risk (Deputy Chair); Regulations and Standards	3/4	9/11	5/5 and 2/4	19/24 (79%)	31.03.25
Grace Quantock	Regulation and Standards (Deputy Chair until Sept 22; Chair from Oct 22); Audit and Risk (until Sept 22)	4/4	7/11	2/4 and 2/3	15/22 (68%)	31.03.25

Name	Committee membership	Attendance at Board meetings	Attendance at Board development sessions	Attendance at Committee meetings	Overall meeting attendance (inc. Committees)	Term of appointment ends
Heikki Doyle (Independent Member Audit and Risk Committee – from 1 March 2023)	Audit and Risk Committee			1/1	1/1 (100%)	31.03.25
Helen Mary Jones (appointed from 1 May 2022)	Audit and Risk; Improvement	2/3	9/11	2/5 and 4/4	17/23 (74%)	30.04.26
Jane Moore	Improvement; Regulation and Standards	4/4	11/11	3/4 and 3/4	21/23 (91%)	31.03.24
Joanne Kember (Deputy Chair)	Regulation and Standards; Improvement	3/4	11/11	4/4 and 4/4	22/23 (96%)	31.03.25
Maria Battle	Improvement	3/4	8/11	3/4	14/19 (74%)	30.06.27
Peter Max	Improvement (Chair); Audit and Risk	4/4	11/11	4/4 and 5/5	24/24 (100%)	31.03.24
Simon Burch	Regulation and Standards (Chair until Sept 22) Audit and Risk (from Oct 22)	4/4	7/11	3/4 and 1/2	15/21 (71%)	31.03.24
Trystan Pritchard	Audit and Risk; Regulation and Standards (until Sept 22) Improvement (from Dec 22)	4/4	11/11	2/5, 1/2 and 2/2	20/24 (83%)	30.06.27

Effectiveness of our governance framework

During the year I held fortnightly staff briefings to share decisions made by the Board and the Executive Management Team, to update on our performance and to provide an opportunity for questions from staff members.

Throughout the year 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 a 'virtual open-door policy' where any member of staff can contact 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 work.

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 the right action.

Following the impact of Covid I asked our internal auditors to produce an advisory report on how we have demonstrated accountability using the Welsh Government's Covid accountability framework which covers what we have done, how we have done it and what we have learnt. The report was presented to our March 2023 Audit and Risk Committee and provided reasonable assurance. One important action that was raised was ensuring that the organisation was sufficiently prepared to be able to respond timely upon a call from the Government for input to the Covid inquiry. Since the action was raised guidance has been issued to staff and Board members on the organisation's approach to managing inquiry requests; staff were reminded of their responsibility to save relevant Covid documentation into our shared records system.

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.

12 internal audits were carried out in respect of the internal audit plan on our policies and procedures for:

Work area	Level of assurance
Corporate Governance: Strategic Controls	Substantial
Corporate Governance: Risk Management – Embeddedness	Reasonable
Performance Development Plans and Reviews	Reasonable
Covid 19 inquiry preparedness	Reasonable
Programme Management	Substantial
Data Protection	Substantial
Grant Management – SCWWDP	Substantial
Communications and Marketing	Substantial
Financial Systems	Substantial

Work area	Level of assurance
Workforce Regulation-Registration	Substantial
Advisory Review	Moderate
HR – Recruitment	Action points: Important – 2 Routine – 4 Operational – 1
Follow Up	Of the 44 recommendations reviewed it was concluded that only 3 were outstanding

Definitions of assurance level

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

The Head of Internal Audit, based on the audit work carried out during the year, concluded that we had reasonable and effective risk management, control and governance processes in place.

External audit

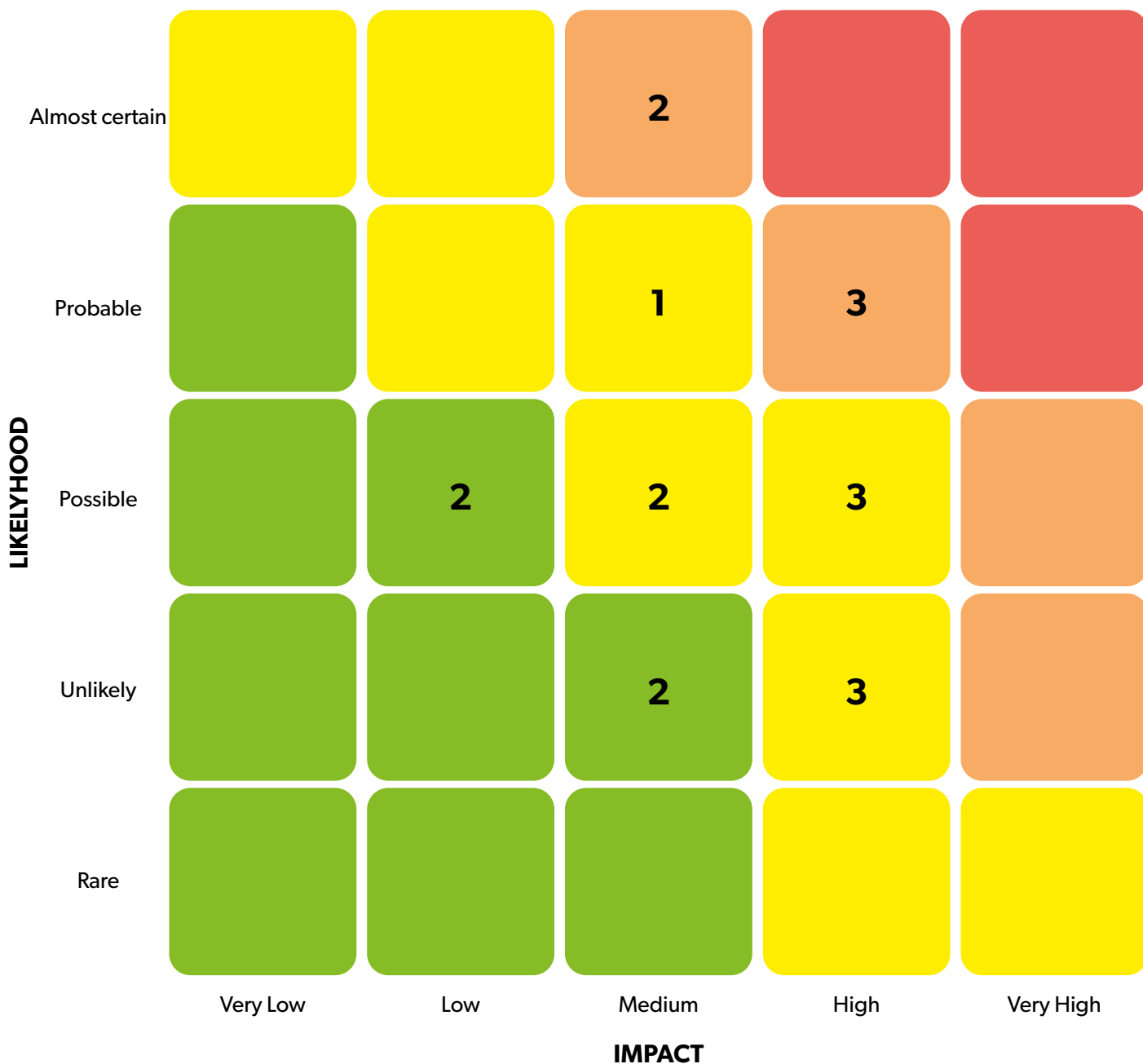
We receive an Audit of Financial Statements Report and Management letter, which reports on issues that are picked up during the audit of our financial statements.

Risk management

We continue to look and manage risk based on our Risk Management and Assurance Policy. 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 making the most of what we do well. Our strategic risk register is looked at every month by our Executive Management Team. This is then scrutinised by the Audit and Risk Committee.

Strategic Risk profile

A summary of our risk profile at the end of March 2023 is provided in the diagram below. These are 'heat maps' which shows the number of strategic risks and assesses levels of residual risk following the application of controls to mitigate their impact and likelihood.



Risk Assessment

Several key strategic risks changed during the year. Some of these risks were merged with other strategic risks, whilst others were able to be reworded and updated to show the changing environment. These included risks associated with:

Risk Title	21-22 Residual Risk Score	Risk Title	22-23 Residual Risk Score
Public Perception	12	Public Perception	16
Welsh Government Funding and Support	6	Welsh Government Funding and Support	16
Insufficient Recruitment		Workforce Retention (Formerly Insufficient Recruitment)	15
Welsh Language	6	Welsh Language	Merged with other risk
Equality and Diversity	8	Governance and Assurance (Formerly Equality and Diversity)	6
Knowing and Understanding our Audiences	15	Knowing and Understanding our Audiences	Merged with other risk
Cyber Resilience	20	Cyber Resilience	15
COVID-19	16	COVID-19	Merged with other risk

There were two new strategic risks added to the risk register during 2022-23 which were associated with:

Risk Title	2022-23 Residual Risk Score
Registration Fees	9
Board Membership	10

I will continue to ensure that risks are well managed. Where there are weaknesses the appropriate actions are in place to tackle them and that our internal controls and assurances are regularly reviewed to make sure they stay effective.

Risk Appetite and Management

Given what we do our tolerance of risk in areas of governance and reputation is low. In other areas, such as workforce improvement we are prepared to accept more risk to take advantage of opportunities to pursue our ambitions.

The Board has adopted 5 assurance areas around which to structure an assurance map. This summarises existing controls and sources of assurance and highlights any gaps relative to meeting the needs of the Board. For each assurance area, the Board has broadly defined its risk appetite using the classification recommended in the [UK Government's Risk Appetite Guidance Note](#) and considers to what extent existing controls align with that appetite.

Assurance area	Risk appetite
Financial / value for money	Cautious / open
Governance	Averse
Operational and policy delivery	Open / hungry
Reputational	Minimal / cautious
Our people	Cautious

Information Governance and Security

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

During 2022-23:

- We recorded 17 data incidents.

	2022-23
Number of data incidents / incidents	17
Number reported to the ICO	3
Type of incident	
Errors by a third party	1
Software/server issue	0
Human error/ training and awareness issue	15
Physical	1
Cyber security inc. spam attack	0

- **Three incidents were reported to the ICO, however ICO confirmed that no further action was required.** Recommendations for improvement in practice were shared with the relevant teams within the organisation. We continue to monitor the root causes of incidents and report on the actions taken on a quarterly basis to our Audit and Risk Committee.
- We responded to **7 requests under the Freedom of Information Act**, all responded to within 20 working days. The types of requests were varied this year and included requests for information regarding our workforce, travel and subsistence policy and information relating to the register and hearings.
- We received **8 Subject Access Requests (SARs)** under the Data Protection Act 2018 (DPA). Two of those did not provide identification and therefore information was not shared, all other requests were fulfilled within the 30-day period. Some requests for information, for example copies of registration information, are not dealt with under the DPA and recorded as formal SARs as the information could be supplied quickly as opposed to waiting up to 30 days.
- We continue to look at improving our **information governance framework and DPA compliance** with our cross organisational Information Governance Group. This group looks at our compliance with ISO27001 certification, data protection legislation, accountability and alignment with Cyber (Security) Essentials. A programme of role-based training on managing data protection and information security risks was undertaken throughout the year.
- We have revised and developed a number of new policies in relation to data protection throughout the year.

Customer Service

We use complaints, customer feedback and queries to continuously look at how we can work better and provide better customer service.

During the year we updated our complaints policy. In 2022-23 we had 21 complaints under our complaints policy. Twenty of these complaints were classed as 'Stage 1' complaints where the Complaints Officer and a Team Manager, if required, were able to deal with the concern or query.

We had one 'Stage 2' complaint. This was about wording that we used which the recipient thought offensive. An investigation was completed and found no evidence of any wrongdoing. But the complaint did raise a question around the language used in correspondence with us and the public. We will continue to look at the language we use to make it clear to our customers on our work.

During the year, we had our first 'Stage 3' complaint requiring a Complaints Panel review of a previously held investigation. The Panel was chaired by a member of the Board member and included our Chief Executive and an independent Senior Manager. The panel decided to uphold the Complaints Officer's original decision.

Whistleblowing

Internal

All our 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 2022-2023 no staff raised a concern under our Whistleblowing Policy as was the case in 2021-22.

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 5 received during the year 4 cases were opened. One in respect of an employer (CIW and employer HR contacted); one in respect of a Registered Manager (CIW informed); one about a local authority social services department (CIW informed); two separate unrelated complaints in respect of 2 lots of registered workers.

Sue Evans

Chief Executive and Accounting Officer

Date: 2 October 2023

Remuneration Report and Staff Report

Remuneration Report

Pay Policy Statement

This is Social Care Wales's pay policy statement for the period 1 April 2022 to 31 March 2023.

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 and was in receipt of a salary of £125,682 per annum in 2022-23. The gross salary cost of the Chief Executive in the period 2022-23 was £179,788 which includes Employers National Insurance and Employers Pension costs.

The Board

The Board comprises of 14 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 have a commitment of two days a month. The Board remuneration daily rate was not uplifted in 2022-23.

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)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Chair Mick Giannasi	30-35	30-35	N/A	N/A	30-35	30-35
Chief Executive Sue Evans	125-130	120-125	38,600	38,200	160-165	155-160
Director of Finance, Strategy and Corporate Services Andrew Lycett	90-95	75-80	27,900	24,800	115-120	100-105
Director of Improvement and Development Sarah McCarty	90-95	75-80	60,900	28,900	150-155	105-110
Director of Regulation David Pritchard (from June 22)	75-80	N/A	23,800	N/A	100-105	N/A

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

The senior pay remuneration of David Pritchard the Director of Regulation is not disclosed for April and May of 2022 as he was seconded into the post from Welsh Government in those months for that period until he was made a permanent member of staff. The total charge from Welsh Government was £22,510 (2021-22 £139,302) which included Employers National Insurance, Employers Pension and unrecoverable VAT. The pay scales of Social Care Wales are applicable to the seconded Director of Regulation and his salary is in the pay band of £90,000-£95,000 (2021-22 £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 2023	Real increase in pension at 31 March 2023	Total accrued lump sum at 31 March 2023	Real increase/ (decrease) in lump sum at 31 March 2023	CETV at 31 March 2023	CETV at 31 March 2022	Real increase/ decrease in CETV in 2022-23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chair Mick Giannasi	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chief Executive Sue Evans	30.0-35.0	2.5-5.0	-	-	568	497	56
Director of Finance, Strategy and Corporate Services Andrew Lycett	0.0-5.0	0.0-2.5	-	-	58	30	26
Director of Improvement and Development Sarah McCarty	30.0-35.0	2.5-5.0	15.0-20.0	0.0-2.5	337	284	44
Director of Regulation David Pritchard (From June 22)	0.0-5.0	0.0-2.5	-	-	23	N/A	23

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 (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. 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

In 2022-23 all staff including the highest paid director received a pay of award of 4% (2021-22 2%).

Pay ratios	2022-23	2021-22
Highest Earner's Total Remuneration (£'000)	125-130	120-125
25th percentile pay ratio	4.4	4.6
Median pay ratio	3.5	3.7
75th percentile pay ratio	2.8	2.8
Range of total remuneration	£22,152-£125,682	£21,196-£120,848

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median, 25th percentile and 75th percentile remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Social Care Wales in the financial year 2022-23 was £125,000-£130,000 (2021-22: £120,000-£125,000).

The remuneration used for the 25th percentile pay ratio, median and 75th percentile pay ratio were £29,080, £36,656 and £45,045 respectively. The corresponding figures in 2021-22 were £26,612, £32,998 and £43,659.

The decrease in the 25th percentile pay ratio and the Median pay ratio represents the relevant remuneration lying one scale point higher than the previous year.

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 £22,152 to £125,682 (2021-22: £21,196 to £120,848).

Staff Report

Staff Costs	2022-23					2021-22
	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	7,173	6,730	192	122	129	5,583
Social Security Costs	740	735	-	4	1	536
Other pension Costs	2,763	2,763	-	-	-	2,424
Apprenticeship Levy	20	20	-	-	-	12
Sub Total	10,696	10,248	192	126	130	8,555
Add Payments in respect of inward secondments	-	-	-	-	-	(18)
Total net costs	10,696	10,248	192	126	130	8,537

Consistent with guidance, employment costs include payments made in respect of contract staff. The total cost of salaries excluding Other Pension Costs was £7,933k (£10,696k-£2,763k) in 2022-23 in comparison to £6,113k (£8,537k-£2,424k) in 2021-22.

Other pension totalling £2,763k are the service costs (current and past) of the scheme and in addition any pension costs in relation to the increase in the holiday accrual. The £2,763k consists of actual Employer contributions based on payroll of £1,938k, lump sum deficit payments of £13k and costs in relation to the holiday pay accrual of £2k. The residual difference of £810k (£570k in 2021-22) is the increased charge which is required to be charged under International Accounting Standard (IAS 26). The increased charge in 2022-23 relates to £810k of current service charges. In 2021-22 the £2,424k consisted of employer contributions of £1,854k but increased by £570k as noted above.

Staff numbers - WTE	2022-23			2021-22
	Total No	Permanent No	Other No	Total No
Chief Executive and Directors	4	4	0	4
Workforce Regulation	80	78	2	61
Improvement and Development	52	52	0	40
Corporate Services and IT	40	40	0	36
Totals	176	174	2	141

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

Staff composition

As at the 31st March 2023 of the workforce of 201, 147 (73%) were women and 54 (27%) were men. In comparison as at the 31st March 2022 of the workforce of 163, 117 (72%) were women and 46 (28%) 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 two were women (50%) and two were men (50%) which was the case at 31 March 2022.

Staff Composition by job family is as follows :

Staff Composition by Job Family	Female	Male	Total	Female	Male
Executive Team	2	2	4	50%	50%
Senior Leadership Team	4	3	7	57%	43%
Management Team	46	13	59	78%	22%
Technical and Development Team	51	19	70	73%	27%
Support Team	44	17	61	72%	28%
Totals	147	54	201	73%	27%

Sickness absence data

The level of staff sickness during 2022-23 was 3.6 % (2021-22 was 4.77%).

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 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 report in June 2022, we found no evidence of pay discrimination on the grounds of any protected characteristics. We also considered our gender pay gap in June

2022 which stood at 11.52%(median). This has improved on the position on June 2021 when it was 16.64%(median).

Employee voice

During 2022-23 our Staff Partnership Council has had a crucial role to play in collecting and feeding back the views of staff on significant issues including staff remuneration, health and wellbeing initiatives, our decarbonisation action plan 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 Welsh Government Commercial Delivery (WGCD) team 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
- On-Line resources.

Flexibility and Benefits

- All staff are able to work under a hybrid pattern of home and office locations.
- 18% of our workforce worked not standard hours (less than 36 hours a week or compressed hours)
- The childcare voucher scheme is closed to new entrants with five active members as at 31 March 2023
- We operate a cycle to work scheme and increased the value and term of arrangements to staff during the year.

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 2022-23 there were no Consultancy costs (2021-22:2k).

Off-payroll engagements

In 2022-23 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 2022-23 or the prior year 2021-22.

Accountability and Audit

Regularity of expenditure

All expenditure in 2022-23 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 2022-23 was £2,224k (2021-22: £1,553k). 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.

Remote Contingent Liabilities

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

Long-expenditure trends

It is assumed in the term that expenditure levels will broadly remain the same based on the assumption that our Grant in Aid level will remain the same.

Sue Evans

Chief Executive and Accounting Officer

Date: 2 October 2023

The Certificate and report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Social Care Wales for the year ended 31 March 2023 under Schedule 2 of Paragraph 16 to the Regulation and Inspection of Social Care (Wales) Act 2016.

The financial statements 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 the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of Social Care Wales' affairs as at 31 March 2023 and of its net expenditure, for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.
- have been properly prepared in accordance with Welsh Ministers' directions issued under Schedule 2 of Paragraph 16 to the Regulation and Inspection of Social Care (Wales) Act 2016.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded 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.

Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are 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 opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Social Care Wales is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report other than the financial statements and other parts of the report that are audited and my auditor's report thereon. The Accounting Officer is responsible for the other information in the annual report. 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. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Welsh Ministers' directions made under Schedule 2 of Paragraph 16 to the Regulation and Inspection of Social Care (Wales) Act 2016.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Welsh Ministers' directions made under Schedule 2 of Paragraph 16 to the Regulation and Inspection of Social Care (Wales) Act 2016; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

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 Accountability Report.

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

- I have not received all of the information and explanations I require for my audit.
- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

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:

- maintaining adequate accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing Social Care Wales' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Social Care Wales will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Regulation and Inspection of Social Care (Wales) Act 2016 paragraph 16 of Part 6 of Schedule 2.

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.

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

My procedures included the following:

- Enquiring of management, the audited entity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Social Care Wales' policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals;

- Obtaining an understanding of Social Care Wales' framework of authority as well as other legal and regulatory frameworks that the Social Care Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Social Care Wales;
- Obtaining an understanding of related party relationships.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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.

Other auditor's responsibilities

I obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Adrian Crompton
Auditor General for Wales
 Date: 26 October 2023

1 Capital Quarter
 Tyndall Street
 Cardiff
 CF10 4BZ

The maintenance and integrity of Social Care Wales' website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2023	Note	2022-23 £'000	Restated 2021-22 £'000
Expenditure			
Staff costs	16	10,696	8,537
Programme expenditure			
Training support and other grants	4(i)	13,319	11,647
Non grant programme expenditure	4(ii)	4,382	4,219
Administration costs	5	1,457	1,224
Depreciation and amortisation	7,8 and 9	315	83
Pension interest charge		-	30
		30,169	25,740
Income			
Income from Activities			
Registration Fee Income	3(ii)	2,244	1,553
Other Income			
Apprenticeship Certification		68	55
Mental Health Workforce		75	67
National Data Resource		29	-
Introduction to Social Work		125	57
Sundry Income		10	11
Pension Interest Credit	17	10	-
		2,561	1,743
Net Expenditure		27,608	23,997
Interest receivable	3(i)	(8)	(1)
Interest surrenderable to the Welsh Government	3(ii)	8	1
IFRS 16 interest payable		15	-
Net expenditure after interest		27,623	23,997
Other comprehensive expenditure			
Actuarial remeasurement	17	(1,290)	(2,460)
Total comprehensive expenditure for the year ended 31 March 2023		26,333	21,537

The notes on pages 53 to 77 form part of these accounts.

Statement of financial position as at 31 March 2023	Note	2023		Restated 2022	
		£'000	£'000	£'000	£'000
Non-current assets:					
Pension Asset	17	-	-	-	-
Property, plant and equipment	7	193		260	
Intangible Assets	8	57		22	
Right of Use Asset	9	1,407		-	
Total non-current assets			1,657		282
Current assets:					
Trade and other receivables	11	778		699	
Cash and cash equivalents	12	432		365	
Total current assets			1,210		1,064
Total assets			2,867		1,346
Current liabilities					
Trade and other payables	13	(292)		(456)	
IFRS 16 Finance lease within one year	14	(234)		-	
Total current liabilities			(526)		(456)
Total assets less Current liabilities			2,341		890
Non-current liabilities					
IFRS 16 Finance Lease	14	(1,115)			
Pension liabilities	17	-		(490)	
Total non-current liabilities			(1,115)		(490)
Assets less liabilities			1,226		400
Reserves					
General reserve			1,226		890
Pension reserve			-		(490)
Total			1,226		400

The notes on pages 53 to 77 form part of these accounts.

The financial statements on pages 49 to 50 were approved by the Audit and Risk Committee of Social Care Wales as delegated by the Board on 21 September 2023 and were signed on its behalf by:

Sue Evans

Chief Executive and Accounting Officer

Date: 2 October 2023

Statement of cash flows for the year ended 31 March 2023	Note	2022-23 £'000	Restated 2021-22 £'000
Cash flows from Operating Activities			
Net expenditure after interest		(27,623)	(23,997)
Adjustment for Depreciation and Amortisation		315	83
Adjustment for Pension finance Costs(net)		800	600
(Increase) in trade and other receivables		(79)	(34)
(Decrease) in trade and other payables		(164)	(18)
Net cash (outflow) from operating activities		(26,751)	(23,366)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	-	(54)
Purchase of intangible assets	8	(53)	-
		(53)	(54)
Cash flows from financing activities			
Welsh Government funding (including Capital)		27,159	23,417
IFRS 16		(288)	-
Net financing		26,871	23,417
Net increase/(decrease) in cash and cash equivalents in the period			
		67	(3)
Cash and cash equivalents at the beginning of the period	12	365	368
Cash and cash equivalents at the end of the period	12	432	365

Notes on pages 53 to 77 form part of these accounts

Statement of changes in taxpayers' equity for the year ended 31 March 2023	Pension reserve £'000	Restated General reserve £'000	Restated Total £'000
Balance as at 1 April 2021	(2,350)	870	(1,480)
Changes in taxpayers' equity 2021-22			
Welsh Government funding		23,417	23,417
Transfer between reserves - Capital	1,860	(1,860)	-
Comprehensive expenditure for the year		(21,537)	(21,537)
Balance at 31 March 2022	(490)	890	400
Changes in taxpayers' equity 2022-23			
Welsh Government funding		27,159	27,159
Transfer between reserves - Capital	490	(490)	-
Comprehensive expenditure for the year		(26,333)	(26,333)
Balance at 31 March 2023	-	1,226	1,226

Notes on pages 53 to 77 form part of these accounts

Notes to the Accounts for the year ended 31 March 2023

Statement of accounting Policies

These accounts have been prepared in accordance with the 2022-23 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 2022-23 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.

From 1 April 2017, Social Care Wales was given the responsibility for the administration of the **Social Care Wales Development programme (SCWWDP)** grant. The grant is provided to support Local Authorities to train and develop their own staff. Funding available from Social Care Wales through SCWWDP in 2022-23 provides 70% of the cost of the programme currently £7,149,350. 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 include:

- 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 2022-23 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 2023 totalled £89k (£56k: 31 March 2022) and this sum is included in Trade receivables and other current assets at note 11. 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 £5,000 or more are capitalised. Property, plant and equipment have been valued at historic cost at the 31 March 2022, as in the opinion of Social Care Wales any revaluation adjustments are not material. Further to a policy review the capitalisation threshold was amended for the financial year 2022-23 with the previous threshold being £1,000.

1(viii) Intangible Assets

Information Technology and Licence purchases of an individual value of £5,000 or more are capitalised. Information Technology and Licence costs have been valued at historic cost at the 31 March 2023, as in the opinion of Social Care Wales any revaluation adjustments are not material. Further to a policy review the capitalisation threshold was amended for the financial year 2022-23 with the previous threshold being £1,000.

1(ix) Depreciation and Amortisation of Property, plant and equipment and Intangible Assets

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;

- Information Technology and - four years
- Licences (Intangible Assets)
- Accommodation - remaining period of accommodation leases when purchased.

Depreciation and amortisation is calculated monthly and begins in the month following the month of purchase. As such, purchases made in March 2023 will not begin to depreciate/amortise until the 2023-24 financial year. The exception to this rule is accommodation refurbishment costs where the depreciation charge is calculated on a daily basis.

1(x) Right of use assets

A right of use asset and lease liability is recognised at commencement date and is measured at the present value of the lease liability, discounted at the incremental borrowing rate promulgated in the Public Expenditure System (PES) Treasury paper.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

Social Care Wales used a practical expedient when applying International Financial Reporting Standards (IFRS) 16 to leases previously classified as operating leases under IAS 17 and did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. photocopiers).

Implementation and Assumptions

IFRS 16 has been applied using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 "Leases" and IFRIC 4 "Determining whether an arrangement contains a lease". IAS 17 operating leases are now included within the Statement of Financial Position as a lease liability and right of use asset.

Previous treatment

In the comparative year, we classified leases that transfer substantially all the risks and rewards of ownership as finance leases.

Leases other than finance leases are classified as operating leases. Assets previously held under operating leases were not recognised in the Statement of Financial Position. Payments were recognised in the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease. Lease incentives were recognised as an integral part of the total lease expense, over the term of the lease.

Policy applicable from 1 April 2022

At inception of a contract, it is assessed as to whether it contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset we would assess:

- The contract involves the use of an identified asset;
- We have the right to obtain and substantially all of the economic benefit from the use of the asset throughout the period of use, and
- We have the right to direct the use of the asset.

The policy is applied to contracts entered into, or changed, on or after 1 April 2022.

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 17 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	2022-23 £'000	2021-22 £'000
Grant in aid received from the Welsh Government	27,159	23,417
Amount credited to general reserve	27,159	23,417

As outlined in Note 1(ii) the total grants of £27,159k (2021-22: £23,417k) are now credited to the General Reserve on receipt.

3(i) Non-retainable income	2022-23 £'000	2021-22 £'000
Interest on deposit account	8	1
Total non-retainable income	8	1

3(ii) Reconciliation of cash received from non-retainable income with amounts repaid to the Welsh Government	2022-23 £'000	2021-22 £'000
Cash received (income exceeding Welsh Government threshold)	8	1
Total income repayable	8	1
Cash repayment	8	1
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 £2,100k. The interest received of £8k was paid to Welsh Government. The fee income received in the year in cash terms totalled £2,244k (2021-22: £1,553k). As per our Governance Framework with Welsh Government permission was obtained from Welsh Government to retain registration income over the target amount.

4. Programme costs

4(i) Training support and other grants	2022-23 £'000	2021-22 £'000
Social Work Bursary Scheme payments	2,617	1,862
Practice Learning Opportunity Funding	1,121	1,237
People using services and carers in social work training	44	53
Social Care Wales Workforce Development Programme	7,145	7,149
	10,927	10,301
Other grants		
Grants to regions	2,392	1,172
Research - Social Care Institute for Excellence	-	174
	13,319	11,647

4(ii) Non grant programme expenditure	2022-23 £'000	Restated 2021-22 £'000
Improvement and development	3,215	2,889
Workforce regulation including regulation of social work training	1,167	1,330
	4,382	4,219

5. Administration costs	2022-23 £'000	2021-22 £'000
Chair, members, panel members and staff expenses	44	5
Other Staff Costs	292	170
Other Chair, members and panel members costs	13	8
Rental under operating leases- accommodation	-	273
Other premises costs	209	271
Workshops, seminars, promotions, publications	98	93
Equipment and software	616	225
Rental under operating leases- photocopiers & franking machines	-	23
Administration	56	51
External audit- audit work	24	22
Other professional fees	105	83
	1,457	1,224

6. Prior period adjustment

The prior year adjustment is in respect of an error in the accounting treatment of expenditure on our Carreg CRM system and Data and Discovery Portal. It relates to all expenditure on the development and further changes to our existing Carreg system which should have not been capitalised and in addition expenditure in relation to our Data and Discovery Portal which was in development as at 31 March 2022 and incorrectly capitalised.

This adjustment will ensure that our accounting treatment will be in line with International Accounting Standard (IAS 18) in relation to Configuration of Customisation costs in a Cloud Computing arrangement. Carreg expenditure and the Portal development costs should not have been capitalised as we do not own the relevant software and only have a licence for its use.

In addition, there were significant costs in respect of the previous Customer Relationship Management (CRM) expenditure which the current Carreg system replaced. These were capitalised correctly as the development and any changes were situated on local servers. However, these were not disposed of when the existing cloud system was developed as the costs on the existing Carreg system was considered an upgrade of the new system. The costs would have been treated as a disposal if the current Carreg cost expenditure had been treated in line with IAS 18.

The correction to the comparatives in 2021-22 are as follows:

Statement of Comprehensive Expenditure

Understatement of Programme expenditure	£000
In 2021-22 as previously stated	3,585
Adjustment	634
As restated	4,219

Overstatement of Depreciation	
In 2021-22 as previously stated	260
Adjustment	(177)
As restated	83

A net increase of **£457k** in the Total Comprehensive expenditure for the year ending 31st March 2022.

Statement of Financial Position

The brought forward balance as at 1 April 2021 in relation to the Revenue Reserve has also been reduced by £287k reflecting a reduction in the Net Book Value as at 1 April 2021 of Intangible Non-Current Assets if IAS 18 had been implemented correctly.

Therefore, the correction to the comparatives in relation to the Statement of Financial Position is as follows:

Intangible Fixed Assets	£000
As at 31 March 2022 as previously stated	766
Adjustment to reflect prior periods before 21-22	(287)
Decrease in 21-22 additions	(634)
Decrease in 21-22 Depreciation	177
As restated as at 31 March 2022	22

Revenue Reserve	£000
As at 31 March 2022 as previously stated	1,634
Adjustment to reflect prior periods before 21-22	(287)
Increase in Total Comprehensive Expenditure	(457)
As restated as at 31 March 2022	890

7. Property, plant and equipment year ended 31 March 2023	Accommodation refurbishment £'000	Furniture and fittings £'000	Information technology £'000	Totals £'000
Cost				
At 1 April 2022	591	143	822	1,556
Additions in the period	-	-	-	-
Disposals in the period	(255)	(134)	(437)	(826)
At 31 March 2023	336	9	385	730
Depreciation				
At 1 April 2022	485	141	670	1,296
Charged in the year	15	1	51	67
Disposals in the period	(255)	(134)	(437)	(826)
At 31 March 2023	245	8	284	537
Net book value				
At 31 March 2023	91	1	101	193
At 1 April 2022	106	2	152	260

year ended 31 March 2022	Accommodation refurbishment £'000	Furniture and fittings £'000	Information technology £'000	Totals £'000
Cost				
At 1 April 2021	591	143	768	1,502
Additions in the period	-	-	54	54
Disposals in the period	-	-	-	-
At 31 March 2022	591	143	822	1,556
Depreciation				
At 1 April 2021	469	141	616	1,226
Charged in the year	16	-	54	70
Disposals in the period	-	-	-	-
At 31 March 2022	485	141	670	1,296
Net book value				
At 31 March 2022	106	2	152	260
At 1 April 2021	122	2	152	276

Included in the total disposals of £826k in 2022-23 are £306k of fully depreciated assets which had a purchase cost of less than £5k. These assets have been removed from the Asset Register in line with the increase in the capitalisation threshold as outlined in Note 1(vii).

8. Intangible assets year ended 31 March 2023	Information technology £'000	Software licences £'000	Development expenditure £'000	Totals £'000
Cost				
At 1 April 2022	125	133	-	258
Additions in the period	-	53	-	53
Transfer from development	-	-	-	-
Disposals in the period	(116)	(76)	-	(192)
At 31 March 2023	9	110	-	119
Amortisation				
At 1 April 2022	125	111	-	236
Charged in the year	-	18	-	18
Disposals in the period	(116)	(76)	-	(192)
At 31 March 2023	9	53	-	62
Net book value				
At 31 March 2023	-	57	-	57
At 1 April 2022	-	22	-	22

Restated year ended 31 March 2022	Information technology £'000	Software licences £'000	Development expenditure £'000	Totals £'000
Cost				
At 1 April 2021	125	133	-	258
Additions in the period	-	-	-	-
Transfer from development	-	-	-	-
Disposals in the period	-	-	-	-
At 31 March 2022	125	133	-	258
Amortisation				
At 1 April 2021	125	98	-	223
Charged in the year	-	13	-	13
Disposals in the period	-	-	-	-
At 31 March 2022	125	111	-	236
Net book value				
At 31 March 2022	-	22	-	22
At 1 April 2021	-	35	-	35

Included in the total disposals of £192k in 2022-23 are £92k of fully depreciated assets with a purchase cost of less than £5,000. These assets have been removed from the Asset Register in line with the increase in the Capitalisation threshold as outlined in Note 1(viii).

9. Right of use asset	Buildings £,000
Cost	
At 1 April 2022	-
IFRS Recognition of Asset	1,637
Additions in the period	-
Disposals in the period	-
At 31 March 2023	1,637
Depreciation	
At 1 April 2022	
Charged in the year	230
Disposals in the period	-
At 31 March 2023	230
Net Book Value at 31 March 2023	1,407

In line with IFRS16, from April 2022 Right of Use assets of £1.407 million related to leased properties that do not meet the definition of investment properties have been recognised. For more information see Note 1(x) Right of use assets.

10. 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.

11. Trade receivables and other current assets at 31 March	2023 £'000	2022 £'000
Amounts falling due within one year		
Trade receivables		
Welsh Government	144	76
Local Authorities	4	-
Social Work Bursary Scheme debtors	89	56
Other bodies	58	8
Other receivables		
Prepayments and accrued income	483	559
	778	699

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.

12. Cash and cash equivalents	2022-23 £'000	2021-22 £'000
Balance at 1 April	365	368
Net change in cash and cash equivalent balances	67	(3)
Balance at 31 March	432	365

The balances at the 1st April 2021, the 1st April 2022, and the 31st March 2023 were held at Commercial Banks.

13. Trade payables and other current liabilities at 31 March	2023 £'000	2022 £'000
Amounts falling due within one year		
Trade payables		
Other taxation and social security	-	-
Other payables		
Accruals and deferred income	292	456
	292	456

14. Right of Use liability	Buildings £,000
Cost	
At 1 April 2022	-
IFRS Recognition of Liability	1,637
Repaid prior to commencement	(58)
Repaid in the year	(245)
Interest charged	15
At 31 March 2023	1,349
Analysis of the expected timings of the future liabilities	
Not later than one year	234
Later than one year and not later than five years	958
Later than five years	157
Total	1,349

15. Capital Commitments

There were no contracted capital commitments at 31 March 2023 not otherwise included in these financial statements (Nil at 31 March 2022 restated).

16. Staff costs	2022-23 Total costs £'000	2021-22 Total costs £'000
Salaries and wages	7,173	5,583
Social security costs	740	536
Other pension Costs	2,763	2,424
Apprenticeship levy	20	12
Sub-total	10,696	8,555
Less recoveries in respect of outward secondments	-	(18)
Total net costs	10,696	8,537

17. 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 pension age which is linked to the state pension age (but with a minimum 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.

17(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.

17(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 2022 and the contributions to be paid until 31 March 2026 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.

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).

The Minister of Housing, Communities and Local Government (MHCLG) (now Department of Levelling Up, Housing and Communities (DLUHC)) published its McCloud consultation for the LGPS (in England and Wales) on 16 July 2020, setting out proposed changes aimed at removing unlawful discrimination in the LGPS. Further to the close of the consultation in a written statement on 13 May 2021 the MCHLG (now DLHUC) confirmed that they would be proceeding with the key principles as laid out in the consultation.

We have allowed for the impact of the McCloud judgement in these figures and the method used is closely aligned with the method proposed by the MCHLG (now the DLUHC) in its consultation. The McCloud liability was updated as part of the 2022 valuation and updated as at 31 March 2023 in line with the method adopted in the 2022 valuation.

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 had paused their reviews following the 'McCloud' judgement in the Court of Appeal. These have been un-paused and both reviews in relating to the 2016 valuations recommended no changes to the provisions of the Scheme. However, the legality of the Government's decision to include McCloud costs as a member cost within the 2016 HMT process is being challenged by a Judicial Review brought by the trades unions. If the judicial review is successful, this may cause the 2016 HMT process to be re-run and could result in changes in benefits or members contributions backdated to 1 April 2019.

However, 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 assume that GMPs of members whose State Pension Age (SPA) is on or after 6 April 2016 will increase at the rate of full CPI inflation. This recognises the cost of the Government's commitment to compensate public service scheme members from the removal of the Additional Pension element of the State Pension from this date, and for the outcome of the Lloyds judgement which found GMPs to be illegally sex discriminatory. Government recognised that this solution will not address all sex inequalities for a minority of members. We are expecting further guidance from DLUHC (to an undefined timetable) on how they propose to deal with this. We expect any remaining sex inequalities to be small and believe that the approach, in line with government policy, is a reasonable estimate.

In October 2020 a second ruling in the Lloyds bank case clarified that compensation would be required to members who transferred benefits out since May 1990. The Government has not yet acknowledged a liability or indicated an approach to rectifying this. Therefore, no allowance has been made for any potential liability.

Goodwin ruling

In June 2020 an Employment Tribunal ruled, in relation to the Teachers' Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements. These changes are yet to be reflected in the LGPS regulations, so no allowance has been made in the calculations.

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2024 are estimated to £1.8m. The date of the last full actuarial valuation of Social Care Wales LGPS funded benefits was 31 March 2022 and the duration of liabilities is 22.3 years.

Social Care Wales is an admitted body to the Fund.

During 2022-23 discussions took place with the pension fund regarding our status as a member of the scheme. A review of the risk profile of the organisation was undertaken. A letter of comfort was provided to the trustees to support our status, a position supported by Welsh Government Public Bodies Unit. This is reflected in the significant increase in the discount rate assumed as reflected in the table below.

Key assumptions	31 March 2023 (% pa)	31 March 2022 (% pa)	31 March 2021 (% pa)
Discount rate	4.6	2.7	2.1
CPI inflation	2.6	2.9	2.6
Pension increases	2.6	2.9	2.6
Pension accounts revaluation rate	2.6	2.9	2.6
Salary increases	3.9	4.2	3.9

The change in risk profile also resulted in significant reduction in our Employer contribution rate as outlined below:

Financial Year	Employer Contribution Rate
2022/23	29.6%
2023/24	26.5%
2024/25	23.5%
2025/26	20.4%

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 2022 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 March 2023	31 March 2022
Males		
Pensioner member aged 65 at accounting date	21.6	21.6
Active member aged 45 at accounting date	22.9	22.6
Females		
Pensioner member aged 65 at accounting date	24.2	23.9
Active member aged 45 at accounting date	25.7	25.4

Asset allocation	Value at 31 March 2023			Value at 31 March 2022
	Quoted	Unquoted	Total	
Equities	69.2%	0.0%	69.2%	67.5%
Property	6.8%	0.0%	6.8%	0.0%
Government bonds	10.3%	0.0%	10.3%	11.6%
Corporate bonds	12.2%	0.0%	12.2%	12.7%
Multi Asset Credit	0.0%	0.0%	0.0%	7.3%
Cash	0.8%	0.0%	0.8%	0.6%
Other	0.7%	0.0%	0.7%	0.3%
Total	100.0%	0.0%	100.0%	100.0%

Reconciliation of funded status to the Statement of financial position	Value at 31 March 2023 (£M)	Value at 31 March 2022 (£M)
Fair value of assets	33.14	32.65
Present value of funded defined benefit obligation	23.52	33.14
Funded status	9.62	(0.49)
Unrecognised asset	(9.62)	0.00
(Liability)/Asset recognised on the SOFP	-	(0.49)

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

- Active Member 51%
- Deferred Pensioners 18%
- Pensioners 31%

Paragraph 64 of IAS 19 as interpreted by IFRIC 14, limits the amount of net pension asset (surplus) that can be recognised on the Statement of Financial Position. Therefore the surplus of £9.62m has not been recognised as it is assumed there is no economic benefit from a refund of surplus as Social Care Wales provides a statutory service and is therefore unlikely to be able to exit the Fund.

Amounts recognised in comprehensive net expenditure	Year ending 31 March 2023 (£M)	Year ending 31 March 2022 (£M)
Operating cost		
Current service cost ⁽¹⁾	2.76	2.42
Past service cost (incl. curtailments)	0.00	0.00
Settlement cost	0.00	0.00
Financing cost		
Interest on net defined benefit liability/(asset)	(0.01)	0.03
Pension cost recognised in net expenditure	2.75	2.45
Remeasurements in other comprehensive expenditure		
Return on plan assets (in excess of) that recognised in net interest	2.54	0.58
Actuarial (gains)/losses due to change in financial assumptions	(15.90)	(2.82)
Actuarial (gains)/losses due to change in demographic assumptions	(0.04)	(0.33)
Actuarial (gains)/losses due to liability experience	2.49	0.11
Adjustment in respect of paragraph 64	9.62	0.00
Total amount recognised in other comprehensive expenditure	(1.29)	(2.46)
Total amount recognised in total comprehensive expenditure	1.46	(0.01)
(1) Allowance for administration expenses included in current service cost (£M)	0.03	0.03

Changes to the present value of the defined benefit obligation	Year ending 31 March 2023 (£M)	Year ending 31 March 2022 (£M)
Opening defined benefit obligation	33.14	33.00
Current service cost	2.76	2.42
Interest expense on defined benefit obligation	0.90	0.69
Contributions by participants	0.46	0.35
Actuarial (gains)/losses due to changes in financial assumptions	(15.90)	(2.82)
Actuarial (gains)/losses due to changes in demographic assumptions	(0.04)	(0.33)
Actuarial (gains)/losses due to liability experience	2.49	0.11
Net benefits paid out	(0.29)	(0.28)
Past service cost (incl. curtailments)	0.00	0.00
Net increase in liabilities from disposals/acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing defined benefit obligation	23.52	33.14

Changes to the fair value of assets during the year	Year ending 31 March 2023 (£M)	Year ending 31 March 2022 (£M)
Opening fair value of assets	32.65	30.65
Interest income on assets	0.91	0.66
Remeasurement gains(losses) on assets	(2.54)	(0.58)
Contributions by the employer	1.95	1.85
Contributions by the participants	0.46	0.35
Net benefits paid out	(0.29)	(0.28)
Net increase in assets from disposals & acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing fair value of assets	33.14	32.65

Actual return on assets	Year ending 31 March 2023 (£M)	Year ending 31 March 2022 (£M)
Interest income on assets	0.91	0.66
Remeasurement gains /(losses) on assets	(2.54)	(0.58)
Actual return on assets	(1.63)	0.08

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 2024 (£M)
Current service cost	1.13
Interest on net defined benefit liability	(0.04)
Total estimated pension expense	1.09

Allowance for administration expenses included in the Current service cost (£M) 0.03

Estimated pensionable payroll over the period (£M) 6.80

Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2023 and the projected service cost for the year ending 31 March 2024 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)	23.0	23.52	24.06
% change in present value of total obligation	-2.2%	-	2.3%
Projected service cost (£M)	1.08	1.13	1.19
Approximate % change in projected service cost	-4.8%	-	4.9%

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)	23.57	23.52	23.47
% change in present value of total obligation	0.2%	-	-0.2%
Projected service cost (£M)	1.13	1.13	1.13
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)	23.99	23.52	23.05
% change in present value of total obligation	2.0%	-	-2.0%
Projected service cost (£M)	1.19	1.13	1.08
Approximate % change in projected service cost	4.9%	-	-4.8%

Post retirement mortality assumption* Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£M)	24.13	23.52	22.91
% change in present value of total obligation	2.6%	-	-2.6%
Projected service cost (£M)	1.17	1.13	1.09
Approximate % change in projected service cost	3.7%	-	-3.7%

* 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.

18. 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.

19. Contingent Asset

At 31 March 2023 there were £27k of registration fees outstanding. Based on experience to date only after contacting the registered person we are able to substantiate whether the registered person 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 £27k 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 contact is made and a response is received from the registered person.

20. 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:

	2022-23	2021-22
Income	£27.36m	£23.541m
Expenditure	£0.72m	£0.164m
Debtor balance as at 31 March	£0.144m	£0.076m
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.

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.

Two members of our board were members of the Regional Partnership Boards which received grant funding from Social Care Wales in the form of Regional Facilitation Grant. In addition, two of our members were associates of Practice Solutions who we commissioned work with in 2022-23 but had no involvement in the work commissioned.

The remuneration of the board member Abigail Harris is recharged by Cardiff and Vale University Local Health Board and is therefore also disclosed as a related party transaction.

The transactions were as follows:

Board Member	Role	Organisation	Expenditure 2022-23 (£)	Restated Expenditure 2021-22 (£)
Abigail Harris	Executive Director	Cardiff & Vale University Local Health Board	6,768	6,768
Abigail Harris	Member	Cardiff & Vale Regional Partnership Board	235,462	99,244
Carl Cooper	Deputy Chair	Powys Regional Partnership Board	92,302	69,660
Helen Mary Jones and Jane Moore	Associate	Practice Solutions	54,464	Not applicable

Please note that the payments in the table above were made to the nominated local authority being Vale of Glamorgan Council (Cardiff and Vale) and Powys County Council (Powys) in 2022-23.

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 are no events after the reporting period, which require adjustment to the 31 March 2023 financial statements.



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