

Annual Report and Accounts 2018-2019

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 2019 together with the Report of the Auditor General for Wales thereon and laid before the National Assembly for Wales pursuant to the Regulation and Inspection of Social Care (Wales) Act 2016 Schedule 2, Part 6 Paragraph 16 (4)

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Performance report

Overview

Statement from the Accounting Officer

We are in our second year of delivery against our 2017-2022 strategic plan. Thanks to the professionalism, dedication and hard work of our staff and partners we have been successful in delivering almost the entire programme of work as set out in our business plan and 100 per cent of our Remit Letter priorities. An overview of some of our achievements have been included in this report to give insight into what we have achieved this year.

We have made substantial progress on our longer-term priorities to influence and deliver against the vision for social care in Wales, focusing on well-being. Our contributions and developments support the ambitions of *A Healthier Wales*, which provides the vision for a whole system approach to health and social care. This seamless long-term vision underpins our work with Welsh Government and others. This supports the implementation of the new legislative framework to transform care and support in Wales as set out in Social Services and Well-being (Wales) and Regulation and Inspection of Social Care (Wales) Acts.

In a policy and legislative context, Brexit has played a significant part in these agendas over the past 12 months. Our focus has been on planning for a 'no deal' Brexit, and we have collaborated closely with Welsh Government and others to minimise disruptions, step up planning arrangements and signpost social care partners to helpful advice and resources.

There have been some important, influential and powerful pieces of work around care over the past year. I was involved in Measuring the Mountain (MtM), a unique initiative gathering people's experiences of social care throughout Wales. The final report is the first of its kind and will shed light on how social care really feels for carers and people who are receiving care and support. Funded by Welsh Government, MtM has collected close to 500 personal stories from across Wales about social care



that reveal the complex, vulnerable and important relationships people have when they are carers or need care and support.

It is only through working with others that make our achievements possible, and we are committed to working in partnership and actively engaging and listening to the views of our partners, stakeholders and individuals to shape and inform our work.

We want to know that our work makes a difference to people and their communities in Wales. We have begun to refine how we measure the impact of our work, to demonstrate the benefits of regulation, standards and workforce development in improving the social care and early years workforce. It may also highlight how our service improvement activities contribute to safeguarding and improving the well-being of people and their communities.

Looking forward to our work programme in 2019-2020 we will continue to work with people who use care and support services and organisations to lead and support improvement in social care. We will continue the collaboration with key partners to take forward the long-term vision for seamless health and social care in Wales.

A highlight of our priorities for 2019-20 are:

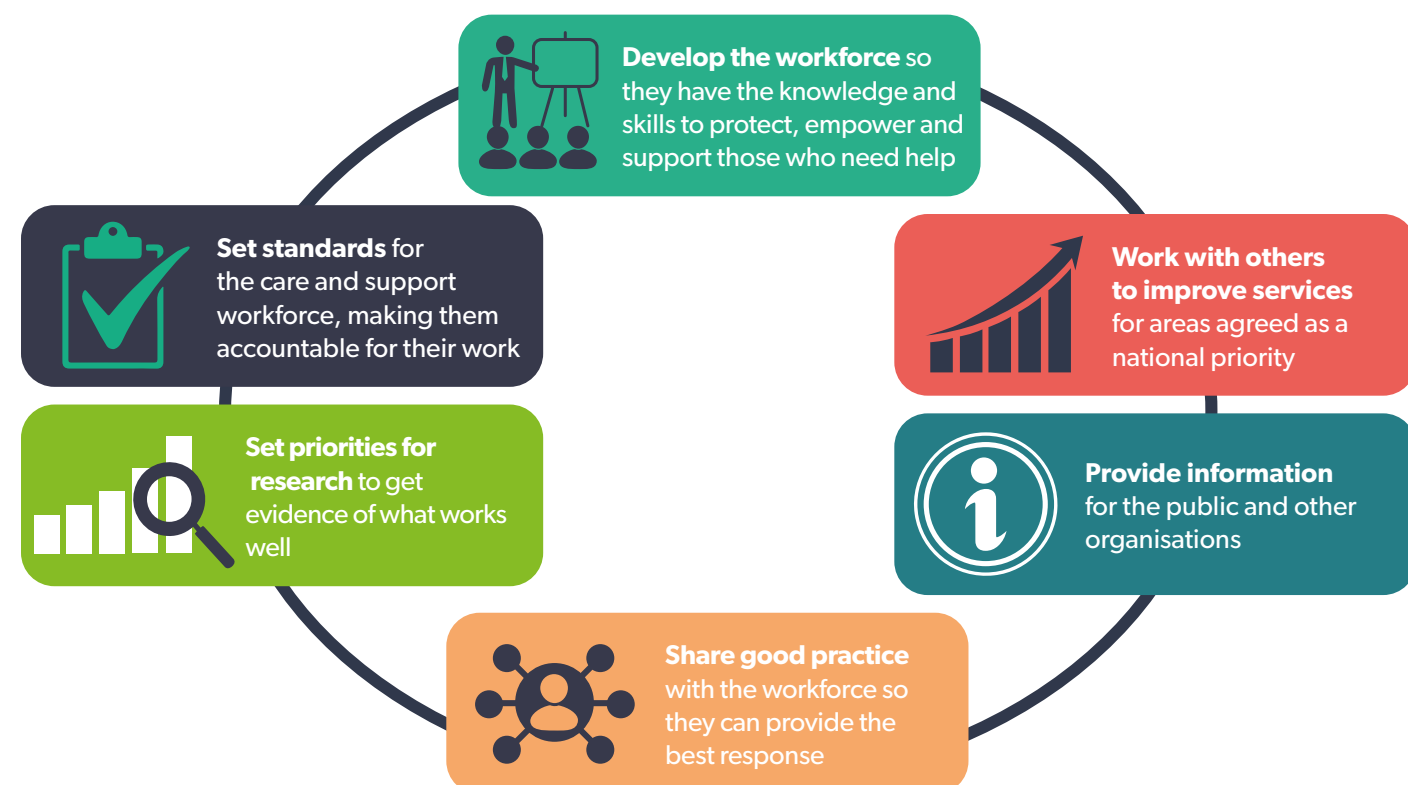
- with Health Education and Improvement Wales (HEIW), develop a workforce strategy for health and social care
- registering domiciliary care workers and prepare for the registration of other social care workforce groups
- with Qualifications Wales and HEIW, launch the new health, social care and childcare qualifications
- taking forward our new, extended role in relation to the early years workforce
- with partners, raise the profile of the sector through the 'WeCare' campaign
- continue to drive forward our agreed national improvement plans
- continue to support key Welsh Government agendas – tackling loneliness and isolation, the foundational economy, the social care levy and contributing to emerging work and discussions regarding parity of esteem between health and social care.

Sue Evans
Chief Executive and Accounting Officer

Date: 24 July 2019



Role of Social Care Wales – who we are



Our vision and strategic objectives



Our aims

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

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



Key issues and risks that we face

We provide information about our risk management and our principle risks in the Governance statement on page 21. These are the two factors we think will have the greatest influence over the way we work and achieve our vision over the next five years:

- financial constraints
- the complex policy landscape.

Performance analysis

Our annual Business Plan for 2018-19 sets out our strategic objectives, along with our high-level activities and achievement measures. Throughout the year, our Executive Management Team receive quarterly reports on our progress against our strategic objectives, which are then scrutinised by our Board and Welsh Government.

Overall, we achieved all remit letter priorities and below is a highlight of some of the main achievements.

Providing public confidence

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

Transforming care in the 21st century

During the year, we continued our conversations with the sector and key stakeholders to deliver our “Transforming care in the 21st century” programme, in which the Welsh Government confirmed that domiciliary care workers will have to register with us by 2020 and the adult care home workforce by 2022. This will increase the numbers on the Register by an additional 30,000. This extension of the Register is part of a long-term commitment by the Welsh Government to support and value the social care workforce.

Registration is part of our ongoing commitment to professionalise the social care workforce and raise the status of workers. We recognise the need to ensure a sufficient workforce, ready to meet the new challenges, with the right skills and confidence in their practice.

Domiciliary care workers started to register with us in April 2018 and we have been working with the sector to ensure we regulate for improvement. In our consultation on extending the Register and in our

ongoing engagement with employers and workers, we were asked to:

- hold roadshows on a local and regional basis to help support providers with raising the importance of registration with their employees
- provide clear and accessible information about registration, including ‘how to register’ guides and clarifying the requirements and responsibilities;
- consider support for those who might struggle to achieve the new qualifications but who are excellent care workers, and continue to raise standards but not at the expense of losing valued professionals.

In response, we held more than 100 events across Wales meeting with more than 500 people. The events have ranged from briefings on registration and training sessions for employers to help them support their staff, to workshops where domiciliary care workers applied for registration on the day. This has contributed to a steady increase of individuals on the Register by the end of the first year of voluntary registration, an indication that the awareness-raising activity has brought tangible benefits. A number of organisations, having participated in the training sessions we ran, have now put in place plans to roll-out registration to their staff.

Alongside this engagement, we produced a range of materials to help support the sector. These include:

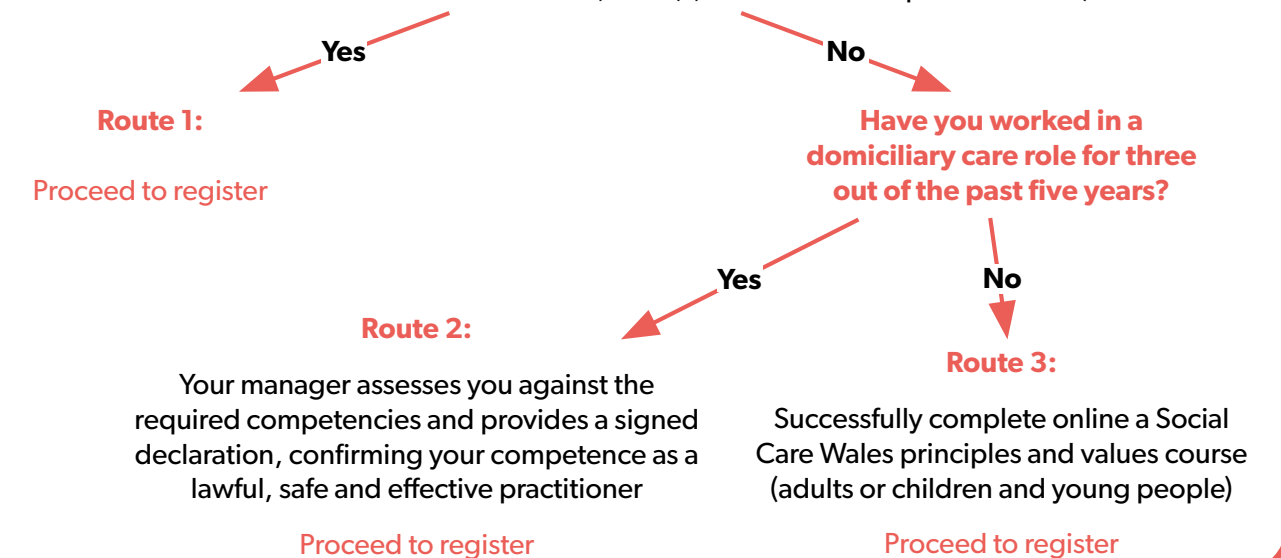
- case study videos by people who use care and support, registered people and employers
- a ‘how to’ video and presentation explaining the registration process
- apps for registration, practice guidance and the *Code for Employers*

In responding to the sector’s concerns around the qualifications, we designed three routes to registration for domiciliary care workers. We ensured we balanced our public protection role, with our role supporting the professionalisation of the workforce.

Domiciliary care workers – three routes to register

Do you hold any of the following qualifications?

- Level 2 or 3 in health and social care (Diploma, QCF or NVQ) or equivalents (see qualifications framework)
- Level 2 award for social care induction (Wales) (available until September 2019)



The Register is now open to domiciliary care workers:

1,529
of these were
registered on
31 March 2019

Other parts of the Register remain largely stable:

13,683
number of registered
persons on the Register
of Social Care Workers
on 31 March 2019

899 (7.8%) of registered persons left the Register, a decrease of 338 compared to the previous year

“In designing these three routes to registration, our prime consideration has been ensuring the quality of care to people who receive care and support from domiciliary care workers, while also considering the needs of employers and the different circumstances of those currently working in these roles.”

Sue Evans, our Chief Executive

Fitness to practise

Only a very small proportion of registered persons appear before a final fitness to practise hearing, indicating that the majority are working to the required standards as outlined in the *Code of Professional Practice for Social Care*.

Our fitness to practise process aims to protect the public from those who are not fit to practise and ensure the workforce practise to the highest of standards. If a worker fails to meet these standards, they can be removed from the Register, which means they will be unable to practise in Wales. In every case, we aim to reach the outcome that best protects the public at the earliest opportunity.

The nature of the fitness to practise referrals we receive are wide ranging – for example, misuse of social media, medication errors, and failures to assess, record or visit people using care and support. Outcomes from our investigations and hearings are used to support continuous improvement in the sector.



Of the 10 who appeared before a final hearing and who were removed from the Register, five were residential child care workers, three were adult care home managers, and two were social workers.

212
number of registered persons about whom we received allegations that called into question their fitness to practise and their suitability to remain on the Register

132
(62%)
of referrals related to registered persons who were subject to disciplinary processes

50%
of referrals were from the residential child care workforce, the highest number of referrals

Registered social workers referred	
0.7%	2018-19
1%	2017-18
2%	2016-17
1.7%	2015-16
1.8%	2014-15

Working with you to be effective

Strategy and Governance

We made a commitment in our *Strategic Plan 2017-2022* to evidence and report on the impact of our work. During the year, we published our first *Impact Report* which has been downloaded nearly 600 times. We are also reviewing and refining our performance indicators to improve how we show our contribution to the social care and early years sectors.

We were featured in the *Lord Holmes Review* as a positive example of an organisation with a diverse and representative Board, acknowledging our innovative Board recruitment process. The success of our approach has resulted in a diverse Board of 14 people – of whom 57 per cent are women, three are disabled and the age ranges from their 30s to their 70s.

With our Chair, Arwel Ellis Owen OBE, coming to the end of his term of office in July 2019 we have recruited a new chair and two new Board members will start their term in July 2019.

You can find more on our governance effectiveness and achievements in our Governance statement on page 21.



Staff well-being

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

Current workforce



Recruitment



Retention



Engagement and communication

Last April, the Board approved an engagement strategy for 2018-2022, and subsequently, a detailed activity plan to implement it. The plan focused on:

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

During the year, our focus has been more about different levels of two-way engagement rather than broadcasting information to our audiences through communication. We have focused our attention on developing partnerships and doing the essential groundwork to plan major, long-term projects.

Examples include:

- our early work with HEIW on developing a health and social care workforce strategy
- our collaboration with the Association of Directors of Social Services (ADSS) Cymru to organise the 2018 National Social Care Conference
- our work with Qualifications Wales, HEIW, the consortium of WJEC and City & Guilds, and other partners to develop and roll-out new health, social care and childcare qualifications from September 2019
- our collaboration with the local safeguarding boards to develop a digital version of the new national safeguarding procedures for children and adults
- developing an implementation plan for the research and development strategy
- figures show that more and more of our stakeholders are now engaging with us digitally. For instance, an average of almost 124,000 page-views are recorded for the website each month and around 10,000 resources are downloaded. These figures are expected to grow as more domiciliary care workers join the Register.



99,615

resources downloaded from the website

10%

resources downloaded are the *Code of Professional Practice*



4,500

followers on Twitter



Best-performing tweet reached

38,818



Reach of our most popular Facebook post

11,978



4,713

Learning Zone account users

Developing the workforce

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

Workforce strategy

The ambition of 'A Healthier Wales' is for the health and social care systems to work together, so that people using them won't notice when services are provided by different organisations. A seamless system of health and social care will need a workforce that provides the best care, irrespective of who they are employed by and where they are based.

In response to this, we have designed a robust and comprehensive engagement plan to develop, for the first time, a health and social care workforce strategy for Wales. The intelligence gathered this year will lead to the development of a draft workforce strategy that will be ready for consultation in summer 2019 and publication in late autumn.

We have drafted two reports on:

- the profile of the health and social care workforce
- the future policy and strategic intent for the health and social care sector.

"The workforce strategy is an opportunity for us to be ambitious and forward-thinking in how we develop our current and future workforce, making sure that we put staff well-being and staff experience at the core of our proposals."

**Alex Howells,
Chief Executive of HEIW**

40+
peer group meetings

40+
1:1 interview with stakeholders



2
webinars

14

workshops across Wales



online survey



All Wales health and social care induction framework

Working in partnership with services and organisations across health, social care, work-based learning and further education we've developed and launched an *All Wales health and social care induction framework*. The induction framework covers the principles and values, knowledge and skills workers need to be able to carry out their role competently in the first six months of their employment. Hywel Dda Health Board is currently, working closely with social care colleagues on a pilot to develop shared approaches to training to support the implementation of the induction framework.

Induction framework for early years and childcare

To ensure a consistent approach across the social care and early years sector, we also refreshed the induction framework to support a values-based induction for those working in early years and childcare. This was launched by the Minister in October 2018, with a set of online resources available on our website. This framework will provide early years and childcare settings with a robust structure for induction and makes it clear to new workers the knowledge and skills they will need to be able to evidence in their first six months of employment. This will create a firm foundation to help new workers develop their practice and future careers, in and across the early years and childcare sector. It also provides employers with a clear benchmark of the professional knowledge, skills and values that new employers need to evidence to make sure they are safe and competent to practise, at this stage of their development.

Step Up to Management

During 2018-2019, 200 learners took part in a programme for aspiring managers called Step Up to Management. We jointly hosted an award ceremony, in collaboration with the University of South Wales, for more than 80 learners who achieved the award. Plans are in place for a similar ceremony in December 2019 to recognise the remaining learners. We are also currently carrying out a piece of research to find out if the graduates have moved into managerial positions. This will be completed by March 2020.

National development programmes

We continue to support managers in local authorities by providing training and learning management programmes for strategic, middle and team manager roles. We have worked in partnership with the Association of Directors of Social Services (ADSS) Cymru, the Welsh Local Government Association (WLGA) and the Institute of Public Care to create learning, reflective and problem-solving environments for staff.

"Being a senior manager generally means time to pause and reflect is a luxury. The strength of the programme for me was coming together with peers to share issues, problem solve and build an on-going supportive and effective network."

"As a newly appointed TM this programme is helping me to shape my management style and focus my thoughts on shaping the team."

"Enjoyable and thought provoking. Really well structured and facilitators create a learning environment."

"Doing the step up to management enhanced my knowledge, and this gave me the confidence, to apply for senior roles."

"After completing step up to management, I progressed from care worker to senior care worker, and my current role is deputy manager, I believe my progression is a result of completing the step up to management course."

Attraction and recruitment – the WeCare campaign

Wales will need thousands more people to work in caring roles with adults and children by 2030 to keep pace with the growing demand for care services and provide support for communities across the country. During the year we worked with organisations, from across social care, early years and childcare to launch a national campaign called WeCare (www.wecare.wales).

The campaign is a collaboration between leading organisations representing the social care, and early years and childcare sectors, as well as national bodies involved in job-seeking and careers advice.

It is part of a long-term strategy to attract and retain people with the right skills to provide high-quality, seamless care and support to the people of Wales. The campaign highlights the breadth of career opportunities in care, from childminders and nursery practitioners to home care co-ordinators and care home managers.

"PACEY Cymru has supported the development of the WeCare campaign and continue to work closely to promote the campaign following the launch. We have worked this into our communications plan for coming months and engagement so far has been strong. The videos produced are inspiring others, as well as promoting the roles to those looking to enter the sector it has also created a sense of pride in their role by those currently working in the sector. We played the videos at our recent childminder event in Cardiff and they were extremely well received."


(PACEY Cymru)

"What better way to demonstrate how rewarding and diverse a career in social care and early years offers, than seeing people share their real experiences in the WeCare campaign in Wales."


Jonathan Griffiths (Director of Social Services for Pembrokeshire and the ADSS Cymru workforce lead)

WeCare campaign statistics


estimated overall reach for the news coverage it received is just under **4 million**




9 individual broadcast pieces






29 pieces of print coverage




798 followers / likes across all channels



3,347 video views across all channels – with Twitter (@WeCareWales) gaining the most video views



2,507 direct social media engagements



The #WeCareWales and #GofalwnCymru hashtags have been used in **127** posts

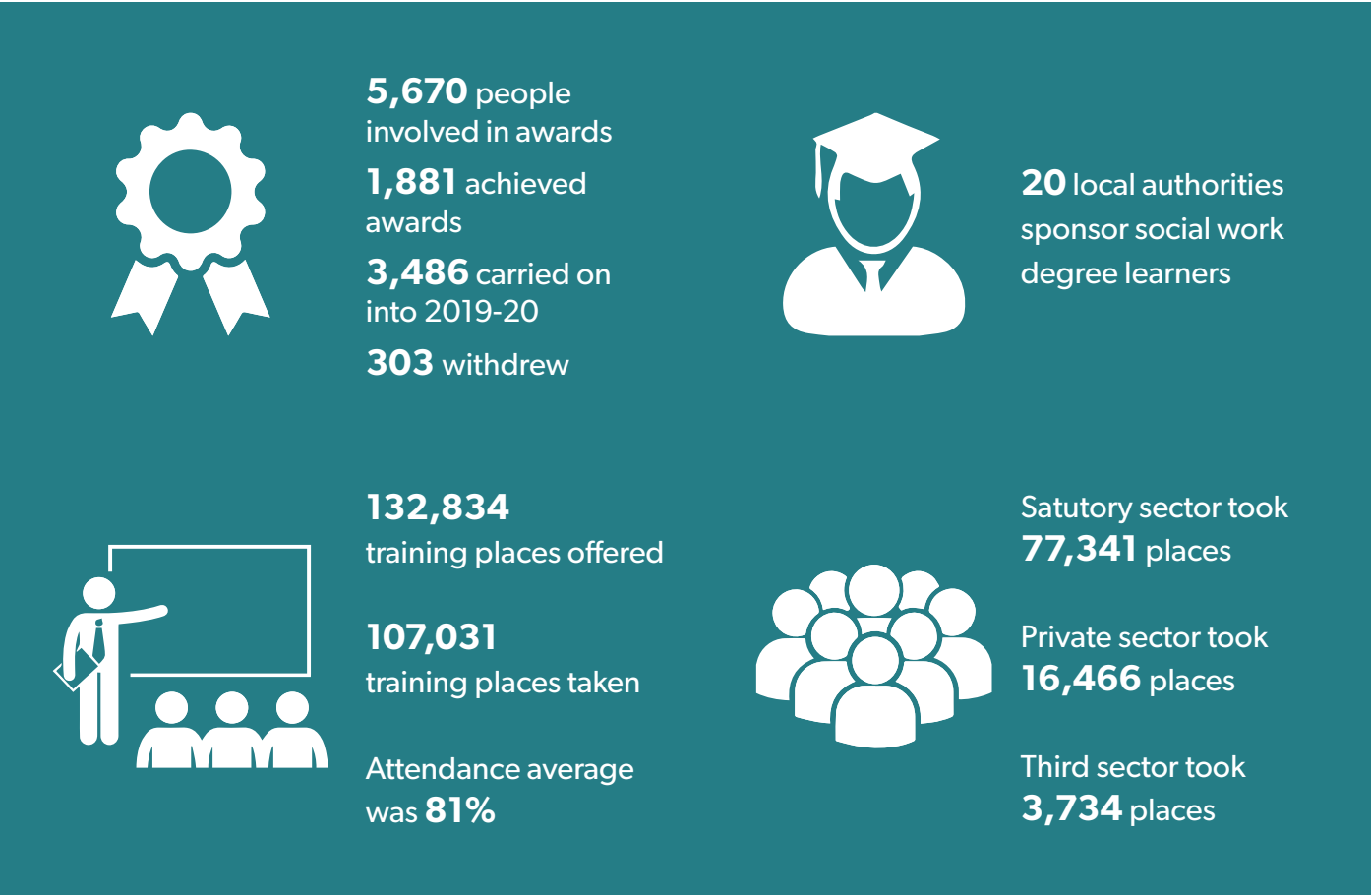
Work Welsh

We continue to support the workforce in developing their Welsh language skills, knowledge and understanding of bilingualism to help them provide high-quality care to people in their language of choice. During the year, we worked in partnership with the National Centre for Learning Welsh on a programme to help social care workers learn and use Welsh in their day-to-day work by supporting more than 170 learners to undertake Welsh language courses, either face to face or online. We will be evaluating the impact of this programme at the start of 2019-2020.

Investing in the workforce

We invested £10.9 million in supporting the social care workforce, so they have the right knowledge, skills, understanding and approach to provide good care and support.

This included £7.13 million paid to local authorities through the Social Care Wales Workforce Development Grant (SCWWDP), which was match funded by £3.06 million local authority funding. The local authorities also invested another £2.69 million in workforce development and training.



Leading and supporting improvement

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

Improvement framework

Recognising improvement is everyone’s business, and requires us and our partners to work differently. During the year we pulled together our *Improvement framework*, which shows how we will achieve our aim of leading and supporting improvement in social care in Wales.

All our improvement work is undertaken in partnership. In some areas we take a national lead to support service improvement, in others we take a supportive, influencing or collaborative role. All are equally important.

Care and Support at Home

In our third year of leading the implementation of the *Care and Support at Home Strategic Plan*, we have been working hard to develop and maintain our partnerships. This is because the plan identifies a range of actions, and links with more than 20 relevant work programmes that impact on care and support at home. We nurtured shared learning, and supported progress and improvement by providing opportunities for stakeholders to share their successes, challenges and learning through the groups that oversee and support this work.

The three sub-groups focusing on commissioning, workforce and the support provided by carers and communities have continued to meet, and the chairs meet regularly to ensure an aligned and consistent approach that remains credible and focused.

Dementia

We are an active member of the national group that oversees the National Dementia Action Plan for Wales. We have been working with Welsh Government, Public Health Wales, Alzheimer’s Society and other partners to drive forward the learning and development actions. During the year, we were tasked with establishing a sub-group to focus on the workforce. One of the first pieces of work we will take forward in 2019-20 is understanding what dementia training is being provided across health and social care in Wales, so that we can build on and align existing resources.

Supporting the shift to outcome-focused social work

In partnership with Achieving Sustainable Change (ASC) Ltd, we offered skills development support to social services and their partners. Putting individuals and families at the heart of our care and support services needs a culture shift not just by front line workers too, but from their organisations and particularly senior leaders. This is a long-term programme of work to support the change which is at the heart of the Social Services and Well-being Wales Act. A formal evaluation of the programme is currently being carried out and will be published early in the new financial year.

Researching the experience of children and young people in secure accommodation

We carried out a piece of work to help us better understand children’s voices and experiences and help inform and shape policy and practice development in Wales. We worked and engaged with a number of organisations, most importantly with young people who have lived in secure accommodation. There are some strong messages about their experiences that will reach policy and decision-makers at Welsh Government.

Social care research and development strategy for Wales

Following the launch of the *Social care research and development strategy for Wales 2018-2023* at the end of 2017-18, this year we worked with our partners to develop and put in place a plan for its implementation.

Our role is to lead the Strategy Implementation Group, which includes partners from Health and Care Research Wales and the Wales School for Social Care Research. Together we have produced an *Implementation plan* to help us put the research and development strategy into place.

Over the year, we have focused on developing and strengthening our strategic partnership arrangements with Health and Care Research Wales and the Wales School for Social Care Research. In addition, through new initiatives we forged new relationships around research with Welsh Government, local authorities and regional partnership boards, and academics in Welsh universities.

National Social Care Data Set

Our National Social Care Data Set, which aims to bring social care data together in one place to provide a view of how the social care sector is performing was published during the year. In 2018-19 we established an advisory group, bringing together partners from social care to help us plan and develop the data set. We worked closely with Data Cymru and the Care Inspectorate Wales to make data about a number of regulated care and support services in Wales by local authority available.

In March 2019, we republished local authority expenditure data from StatsWales in the dataset. We continued to develop the data set, adding health diagnosis information for dementia, mental health and learning disabilities from the Qualities and Outcomes Framework data. We also developed a prototype of how the data set could potentially be developed to improve its functionality. We will continue to develop the data set with partners in 2019-20 to help us understand what other statistics are needed and what analysis of current statistics should be carried out.

In addition, we worked with Welsh Government, the Institute of Public Care and Data Cymru to transfer Daffodil Cymru to us. Daffodil Cymru is an online tool that sets out potential demand for care and support services based on the future population projections of people living with a range of health conditions.



Accountability report
Corporate governance report

Directors report

History and statutory background

The Care Council for Wales was renamed Social Care Wales in 2017 in accordance with the Regulation and Inspection Act(Wales) 2016 and this Annual Report and Accounts will be the second prepared as Social Care Wales.

The Annual Report and Accounts has been prepared under Schedule 1, 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 2019 there were thirteen members including the Chair who have been appointed by the Minister for Public Health and Social Services with one member leaving prior to the 31st March 2019.

Members serving 1 April 2018 to 31 March 2019

- Members**
Arwel Ellis Owen (Chair)
Abigail Harris
Aled Roberts (term ended 28 March 2019)
Carl Cooper
Damian Bridgeman
Donna Hutton
Emma Britton
Grace Quantock
Joanne Kember
Jane Moore
Kate Hawkins
Peter Max
Rhian Watcyn Jones
Simon Burch

The Chair’s term will end on the 31 July 2019. All other existing members were in place as at the 1 April 2018 and will serve a term of four years with their term due to end on the 31 March 2021.

In addition Andrew Bellamy was an independent member of the Audit and Risk Committee throughout the financial year with his term ending on the 31st March 2019.

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 a co-opted independent member. Meetings are attended by representatives of internal and external audit and Executive Management Team.

In 2018-19 we self reported one personal data breach to the Information Commissioner. We reported no data breaches to the Information Commissioner in 2017-18.

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

Under Schedule 2, Part 6 Paragraph Section 18(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: 24 July 2019

Governance statement

This governance statement sets out:

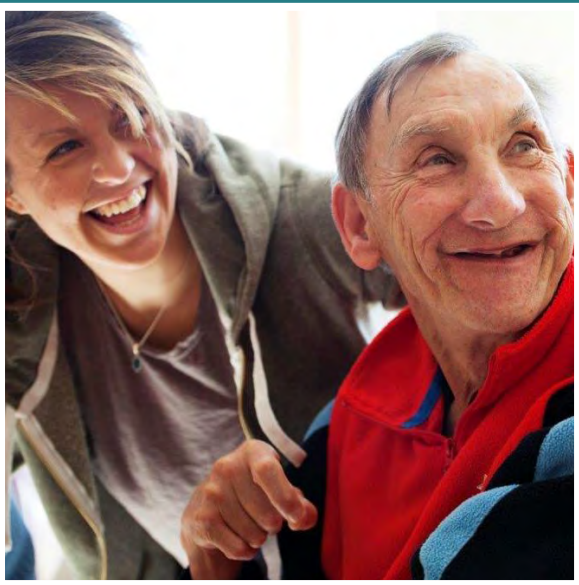
- the basis by which we were established
- the way in which we are governed and managed
- how as the Accounting Officer, I am accountable for what I do.

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

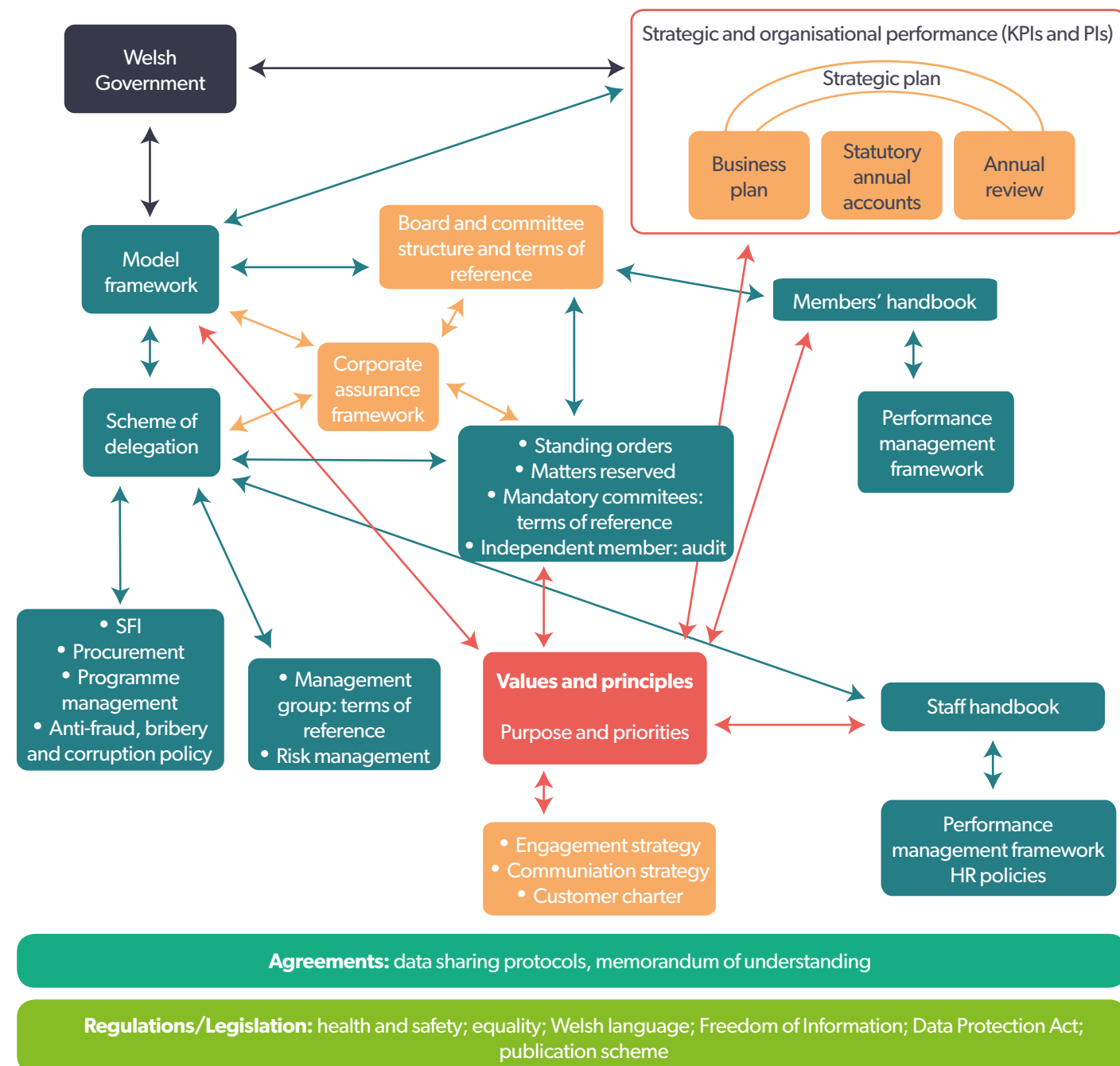
We were set up under the Regulation and Inspection of Social Care (Wales) Act 2016 in April 2017 “to continue the work previously undertaken by Care Council for Wales regulating and developing the social care workforce, while also taking on a new responsibility to lead improvement across the sector.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

Our annual business plan sets out in more detail the activities we identified to support these aims during 2018-2019. Our performance is monitored and scrutinised by our Board and Welsh Government throughout the year on a quarterly basis.



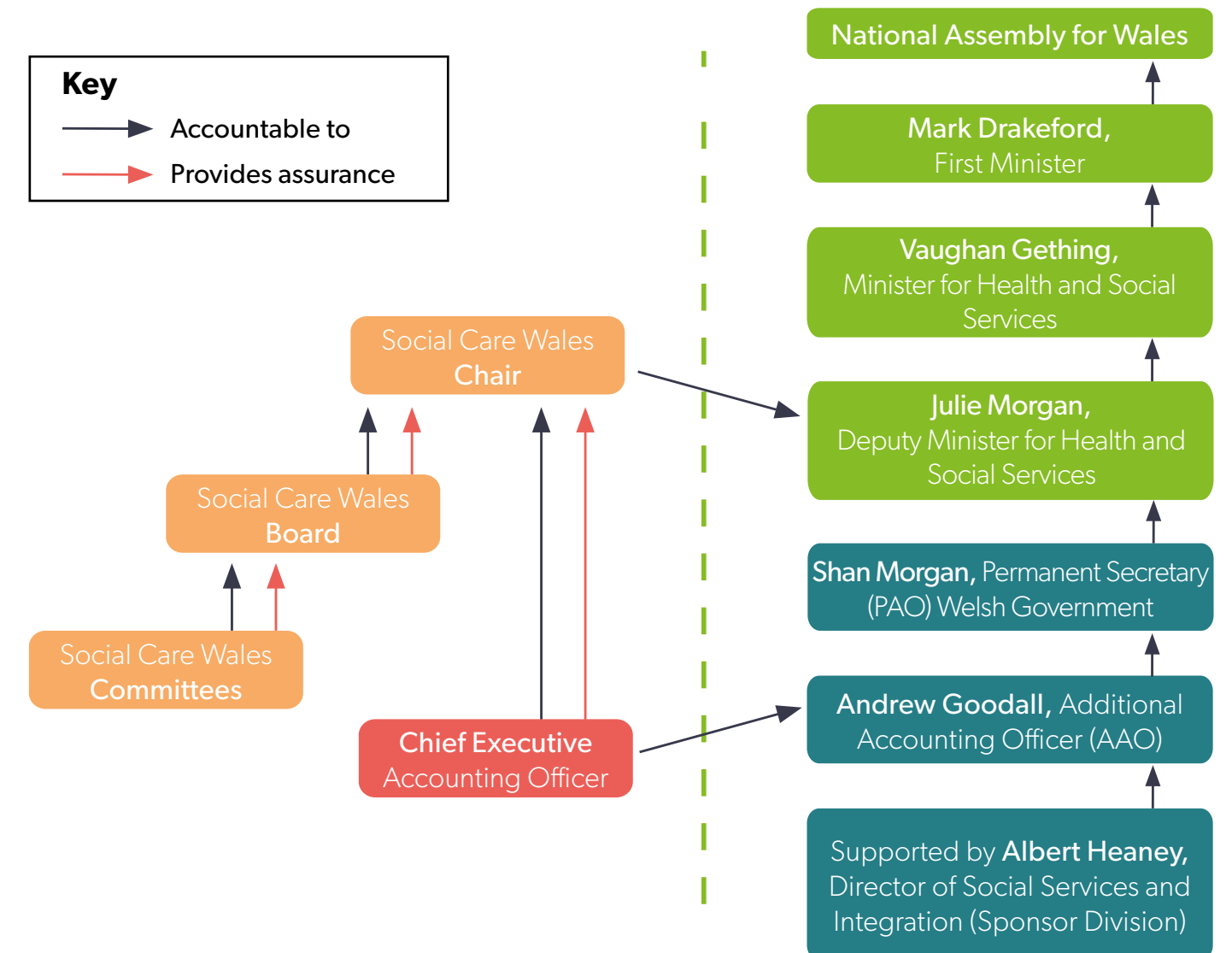
Our governance and accountability structure

This is our governance framework:



Accountability

As a WGSB, we are accountable to the taxpayer and must make sure our work achieves value for money. Below, we have mapped out the accountability structure of our Board and for me as Chief Executive in my role as accounting officer.



During the year, these are the steps we took to ensure our accountability:

- Our Executive Management Team met with representatives from our sponsorship division at Welsh Government every three months to go through our business plan performance and our budget spend to date
- Regular meetings with our Chair and the Director of Social Services and Integration
- The chair and I attend our annual meeting with

the then Minister for Children, Older People and
Social Care

- Our board had its annual meeting with the Minister for Children, Older People and Social Care in October 2018

In December 2018, Julie Morgan was appointed Deputy Minister for Health and Social Services, replacing Huw Irranca-Davies, the Minister for Children, Older People and Social Care. Arrangements have been made for me to meet with our new Minister as soon as possible.

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, steered and approved by the Board and its sub-committees.

This diagram illustrates our Board and committee structure as at 31 March 2019:

Board

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

Improvement Committee

Advises the Board on:

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

Audit and Risk Committee

Advises the Board on:

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

Regulation and Standards Committee

Advises the Board on:

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

Remuneration and Well-being Committee

Advises the Board on:

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

Board development and engagement

Following on from their first year as Board members, we held a series of seminars during 2018-19 to further develop their knowledge and skills. During the year, Board members attended workshops and briefing sessions on:

- good governance in the public sector (Brian Whalley, Civil Service College)
- supporting the Future Generations Commissioner’s office in developing a scrutiny framework (Helen Morgan, Future Generation Commissioner’s Office)
- Welsh language awareness (Siwan Tomos, laith.org)
- the social model of disability and equality legislation (Miranda Evans, Disability Wales)
- GDPR and cyber security (Naomi Korn Associates)
- our first 18 months, reflection and next steps (facilitated by David Hain with contributions from Haydn Llewellyn, Education Workforce Council and Association of Directors of Social Services Cymru)

In addition, we held engagement sessions in Rhondda Cynon Taf (RCT) in October 2018 and in Conwy in January 2019. This gave our Board members an opportunity to meet our local authority and third sector partners, as well as practitioners and individuals who use social care and support.

The RCT event showcased projects developed using Regional Facilitation Grants provided by us and partnership working. While the Conwy event was developed in collaboration with Conwy County Borough Council and the North Wales Regional Partnership Board, and focused on the drivers, challenges and innovative ways of overcoming the challenges facing social care.

Board and committee effectiveness

As we are a learning organisation, we regularly reflect on the effectiveness of our policies, processes and meetings. During December 2018 and January 2019, all committee members were asked to complete a wide-ranging questionnaire to inform actions for continuous improvement. The survey questions related to:

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

The response rate to the survey for each committee was positive, ranging between 71 per cent and 85 per cent. The results were collated and presented to the committees for discussion in their spring meetings, and they will inform our development plan for the next financial year.

A similar questionnaire will be sent to members to reflect on the effectiveness of the Board in the early part of the new financial year.

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

We also seek feedback from Board members on a one-to-one basis during their annual appraisals with the Chair. Any actions are then fed through to either the Board Secretary or me.

Members’ attendance at Board and committees

Board members are paid the equivalent of two days’ work a month. In addition to our 13 publicly appointed members, Andrew Bellamy is an independent member with a financial background who supports the Audit and Risk Committee.

The Standing Orders for the Board set out the expected attendance level for Board members at meetings at 60 per cent. This table shows members’ attendance at Board and committee meetings during 2018-19.

Name	Attendance at Board % (5 meetings)	Overall meeting attendance (inc. Committees)	Audit and Risk (out of 4)	Improvement (out of 4)	Regulation and Standards (out of 4)	Remuneration and Well-being (out of 3)
Arwel Ellis Owen	100%	17 of 20 = 85%	3	3	3	3
Abigail Harris	80%	8 of 9 = 89%		4		
Aled Roberts	100%	12 of 13 = 92%		4	3	
Andrew Bellamy (independent member)	n/a	4 of 4 = 100%	4			
Carl Cooper	100%	11 of 12 = 92%	3			3
Damian Bridgeman	60%	7 of 9 = 78%		4		
Donna Hutton	100%	9 of 12 = 75%			3	1
Emma Britton	100%	8 of 9 = 89%	3			
Grace Quantock	100%	9 of 9 = 100%			4	
Jane Moore	80%	11 of 12 = 92%		4		3
Joanne Kember	100%	12 of 12 = 100%			4	3
Kate Hawkins	80%	8 of 9 = 89%	4			
Peter Max	100%	9 of 9 = 100%		4		
Rhian Watcyn Jones	100%	9 of 9 = 100%	4			
Simon Burch	100%	8 of 9 = 89%			3	

Effectiveness of our governance framework

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

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

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

Internal audit

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

During 2018-19, seven internal audits were carried out on our policies and procedures for:

Area	Assurance level	Definitions of assurance level
Corporate governance	Substantial	There is a reasonable framework of governance, risk management and control, which should make sure that objectives are achieved
Risk management		
GDPR		
Financial systems – banking and cash management, budgetary control and fixed assets		
IT general controls	Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control
Workforce regulation – fitness to practise, registration and hearings		
Financial systems – general ledger and tendering and procurement		

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

External audit

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

Risk management

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

Our strategic risk register is reviewed every quarter by our Executive Management Team and is subsequently scrutinised by the Audit and Risk Committee. Our main strategic risks during 2018-2019 related to:

Risk title	Inherent	June	August	November	February
If information sharing between regulators regarding the registered workforce is not effective there will be a loss of confidence.	Medium	Low	Low	Low	Low
If the sector is not engaged in the work of Social Care Wales then we will be unable to deliver our aims and activities as we cannot achieve these in isolation.	High	Medium	Medium	Medium	Medium
If we do not understand the issues and reality of the sector then we will destabilise an already fragile sector and our products will not be fit for purpose.	Medium	Low	Low		
If we are not clear on the positive difference that we will make on the care sector and the wider Welsh public service then we will lose credibility.	Medium	Low	Low	Low	Low
If Welsh Government remove the funding for Level 2 apprenticeships, then it will reduce the amount of funding to support the achievement of qualifications in the sector. This will have a specific impact for the domiciliary care workforce achieving the proposed Level 2 qualification for registration.	High	Medium	Medium	Medium	Medium
If the qualifications are not fit for purpose then they will not meet the requirements for high quality care and support in the social care and early years sector.	High	Medium	Medium	Medium	Medium
If the upgrade of the Scwonline IT system is unsuccessful there will be a loss of confidence in our ability to maintain an accurate register and ensure Registrants are suitably fit to practise as social care workers.	High	Medium	Medium		
If we do not recruit the Chair of the Board and the Registrar then we will have knowledge gaps at key strategic posts of the organisation.	Medium			Medium	Medium
If we have no increase in Grant In Aid by Welsh Government then we need to consider the sustainability of our existing remit.	High			High	High

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

Information governance

Information governance refers to the effective controls we have in place to manage:

- the collection, management and use of personal information we create, receive or obtain
- the life cycle of our records and information from their creation or receipt to their disposal or transfer
- information security.

Since 13 November 2001, we have been registered as a data controller with the Information Commissioner's Office (ICO).

In 2018-19, we focused on making sure we complied with the General Data Protection Regulations (GDPR) which came into effect in May 2018. To do this, we:

- carried out an information audit, which will be reviewed in the next financial year
- mapped how data is collected, stored and shared – both internally and externally
- agreed information sharing protocols with the Police and Care Inspectorate Wales
- reviewed our existing IT systems used to store and process personal data to make sure they comply with GDPR
- appointed a Data Protection Officer to advise on data protection policy and best practice
- provided awareness training to our employees, with 83 per cent having completed it to date.

We will continue to make sure our future IT systems comply with data protection legislation. We also installed e-learning software to provide training to staff who have yet to receive GDPR training and new starters throughout the year.

Information security

We are accredited with ISO27001. This means our information security management systems are based on best practice. It provides us with a systematic approach to help us protect and manage the information we receive to carry out our work through effective risk management.

The ISO27001 provides us with an approach to manage security incidents. During 2018-19, we recorded 19 information security incidents – 6 logical and 13 physical. Of the 19 incidents:

- two were instigated by a third party and we were notified as part of good practice
- five related to server or software issues and inappropriate record filing
- one was the result of an encrypted laptop being stolen from an employee's car.

The remaining incidents were also recorded as data breaches, most were categorised as minor and of low risk to the rights and freedoms of the data subjects involved as appropriate action was taken. We have self-reported one personal data breach to the ICO and changed our practice following an internal investigation. The ICO did not recommend any additional requirements.

Looking forward, we are working through a GDPR and Data Protection Act 2018 compliance framework and will be putting a number of new processes in place in the next financial year to make sure our information governance continues to be robust. In particular, we will be focusing on how we integrate Data Protection Impact Assessments in our policy, project and system developments.

Whistleblowing

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.

We reported no whistleblowing disclosures to BEIS and Protect.org (formerly Public Concern at Work) between 1 April 2017 and 31 March 2018. We will submit our report for the 2018-19 financial year to BEIS by October 2019.

Sue Evans
Chief Executive and Accounting Officer

Date: 24 July 2019

Remuneration and staff report

Pay policy statement

This is Social Care Wales’s pay policy statement for the period 1 April 2018 to 31 March 2019.

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

Chief Executive Officer

The Chief Executive Officer and Accounting Officer for Social Care Wales is Sue Evans who was in receipt of a salary of £113,333 per annum in 2018-19. The gross salary cost of the Chief Executive in the period 2018-19 was £156,257 (2017-2018 - £151,429) which includes Employers National Insurance and Employers Pension costs.

The Board

The Board comprises of 14 Board Members led by a lay Chair Arwel Ellis Owen. 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 £250 per day and committed to two days a month.

Social Care Wales Staff

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

These arrangements include a salary scale with incremental salary progression during the early years of employment.

The pay award is subject to discussion with Staff Partnership 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)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Chair Arwel Ellis Owen	25-30	25-30	N/A	N/A	25-30	25-30
Chief Executive Sue Evans	110-115	110-115	31,700	31,600	145-150	140-145
Director of Regulation and Intelligence/ (Deputy Chief Executive) Gerald Evans (left 31 March 19)	75-80	75-80	9,700	22,500	85-90	95-100
Director of Corporate Services & Strategy Joanne Oak	70-75	70-75	21,000	51,800	95-100	120-125
Director of Improvement and Development Sarah McCarty	55-60	70-75	21,200	22,200	80-85	90-95

*Included in Salary where applicable are any taxable travel and subsistence allowances in accordance with our Travel and Subsistence scheme.

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 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 2019 £,000	Real increase in pension at 31 March 2019 £'000	Total accrued lump sum at 31 March 2019 £,000	Real increase/ (decrease) in lump sum at 31 March 2019 £,000	CETV at 31 March 2019 £'000	CETV at 31 March 2018 £'000	Real increase/ decrease in CETV in 2018-19 £'000
Chair Arwel Ellis Owen	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chief Executive Sue Evans	15-20	0-2.5	-	-	324	260	57
Director of Regulation and Intelligence/ (Deputy Chief Executive) Gerald Evans (to 31 March 19)	20-25	0-2.5	10-15	(2.5)-0	387	332	46
Director of Corporate Services & Strategy Joanne Oak	15-20	0-2.5	-	-	176	136	36
Director of Improvement and Development Sarah McCarty	20-25	0-2.5	15-20	(2.5)-0	211	166	41

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

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

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

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

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

Fair Play disclosure

Median Remuneration	2018-19	2017-18
Highest Earner’s Total Remuneration (£’000)	110-115	110-115
Median Total Remuneration	£30,943	£30,406
Ratio	3.6	3.7
Range of total remuneration	£18,673 - £113,333	£18,307 - £111,111

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

The banded remuneration of the highest paid director in Social Care Wales in the financial year 2018-19 was £110,000-£115,000 (2017-18: £110,000-£115,000). This was 3.6 times (2017-18: 3.7 times) the median remuneration of the workforce, which was £30,943 (2017-18: £30,406).

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 £18,673 to £113,333 (2017-18: £18,307 to £111,111).

Staff report

Staff Costs	2018-19	2018-19	2018-19	2018-19	2018-19	2017-18
	Total Costs	Permanent Employed Staff	Temporary Staff and Secondees	Chair and Board members	Panel Members	Total costs
	£’000	£’000	£’000	£’000	£’000	£000
Salaries and Wages	4,038	3,763	75	108	92	3,329
Social Security Costs	385	382	-	3	0	323
Other pension Costs	1,061	1,061	-	-	-	901
Apprenticeship Levy	5	5	-	-	-	1
Sub Total	5,489	5,211	75	111	92	4,554
Less recoveries in respect of outward secondments	-	-	-	-	-	-
Total net costs	5,489	5,211	75	111	92	4,554

Consistent with guidance, employment costs include payments made in respect of contract staff. The total cost of salaries excluding Other Pension Costs was £4,428k (£5,489k-£1,061k) in 2018-19 in comparison to £3,653k (£4,554k-£901k) in 2017-18.

Other pension costs are the service costs (current and past) of the scheme and in 2018-19 totalled a cost of £1,061k. The £1,061k consists of actual Employer contributions made of £981k which

was made up of employer contributions based on payroll of £867k and lump sum deficit payments of £114k. The residual difference of £80k (£100k in 2017-18) is the increased charge which is required to increase the actual contributions paid with the service cost required to be charged under International Accounting Standard (IAS 26).The increased charge in 2018-19 relates entirely to current service charges. In 2017-18 the £901k consisted of employer contributions of £801k but increased by £100k as noted above.

Staff numbers - WTE	2018-19	2018-19	2018-19	2017-18 (restated)
	Total Number	Permanent Number	Other Number	Total Number
Chief Executive and Directors	4	4	-	4
Regulation and Intelligence	45	45	-	36
Improvement and Workforce Development	31	30	1	26
Corporate Services	31	30	1	29
Totals	111	109	2	95

The table above represents the average number of whole-time equivalent persons employed during the year. The 2017-18 total number has been restated to reflect that three members of staff who were previously stated as part of the Regulation and Intelligence Directorate are now classified as members of the Corporate Services Directorate.

Staff composition

As at the 31st March 2019 of the workforce of 126, 90 (71%) were women and 36 (29%) were men. In comparison as at the 31st March 2018 of the workforce of 111, 80 (72%) were women and 31 (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 three were women (75%) and there was one man (25%) which was the same as at 31st March 2018.

Staff Composition by job family is as follows:

Staff composition by job family	Female	Male	Grand total	F	M
Executive Team	3	1	4	75%	25%
Senior Leadership Team	3	3	6	50%	50%
Management Team	22	11	33	67%	33%
Technical and Development Team	25	12	37	68%	32%
Support Team	37	9	46	80%	20%
Totals	90	36	126	71%	29%

Sickness absence data

The level of staff sickness during 2018-19 was 3.73% (2017-18: 3.60%) which is based on 1,045 days lost out of 28,023 days. The 2017-18 figure has been restated as it was previously reported excluding any long term sickness.

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. Our Remuneration Committee this year considered our Equal Pay and Gender Pay gap reports which show that:

- There is no evidence of pay discrimination on

- the grounds of any protected characteristics.
- At March 2019 our Gender Pay Gap is 15.58%(median). This is a slight improvement from January 2018 when it was 16.46%. The National average (UK) currently is 18.4%.
 - We will continue to monitor and report annually.

Although we are not required by law to undertake a gender pay gap report, we believe it is still good practice to do so.

Employee voice

During 2018-19 our Staff Partnership Council has had a crucial role to play in collecting and feeding back the views of staff on significant issues and key policies. This has been achieved through regular staff forums, meeting with teams individually and producing feedback documents to HR and the Executive Management Team.

Support and wellbeing

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

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

- access for all our staff to a 24-hour, 7 day a week telephone counselling service
- face to face counselling
- online resources.

During the year 10 employees utilised the telephone counselling service (these are unique callers, not repeat callers), while 12 employees accessed face to face sessions.

The majority of issues reported were classed as personal, though there were three work related

issues reported.

In 2019-20 we will continue to actively promote the service through a variety of forums and communications.

Flexibility and Benefits

- **3** flexible working applications were submitted and approved this year. None were refused.
- **22%** of our workforce work part time (less than 36 hours a week) and an additional **6%** who work full time have compressed working patterns over a reduced number of days.
- **2** new entries to the childcare voucher scheme, now 24 members in total. The scheme has now closed to new entrants.
- **6** travel to work loans issued
- **16** Corporate eyecare vouchers were issued

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 2018-19 these Consultancy costs amounted to £16k (2017-18: £0k).

Off-payroll engagements

In 2018-19 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 2018-19 as was the case in 2017-18.

Accountability and Audit

Regularity of expenditure

All expenditure in 2018-19 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 2018-19 was £430k (2017-18: £283k). As agreed by Welsh Government the fees received does not cover the full cost of registration and the excess cost is therefore funded by Grant in Aid. Following a formal consultation (Transforming Care in the 21st Century) undertaken on the regulation of the care and support workforce, fee levels were increased from 1st April 2018. The increased fee still does not cover the full cost of registration and the excess cost continues to be funded by Grant in Aid.

Remote contingent liabilities

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

Long term expenditure trends

With the registration of new groups over the next four years there will be gradual increase in expenditure. The income to fund this increased expenditure will be funded from the increased and additional fees from registrants. In addition, Welsh Government have made a commitment of an additional £1.3 million in Grant In Aid.

Sue Evans
Chief Executive and Accounting Officer

Date: 24 July 2019



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

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of Social Care Wales for the year ended 31 March 2019 under the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers Equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs) as adopted by the European Union/ United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of Social Care Wales affairs as at 31 March 2019 and of its net expenditure, for the year then ended; and
- have been properly prepared in accordance with Welsh Ministers directions issued under Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Accounting Officer is responsible for the other information in the annual report and financial statements. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

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

Opinion on regularity

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

Report on other requirements

Opinion on other matters

In my opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with Welsh Ministers directions made under the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2.

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

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Performance Report has been prepared in accordance with Regulation and Inspection of Social Care (Wales) Act 2016.

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 or the Governance Statement.

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

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

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Responsibilities for regularity

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

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

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.

Adrian Crompton
Auditor General for Wales

24 July 2019

Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

	Note	2018-19 £000	2017-18 £000
Expenditure			
Staff Costs	14	5,489	4,554
Programme expenditure			
Training support and other grants	4(i)	11,292	11,626
Non grant programme expenditure	4(ii)	2,263	1,660
Administration costs	5	1,332	1,156
Depreciation and Amortisation	1(ix)	241	198
Pension Interest Charge	14	-	10
		20,617	19,204
Income			
Income from Activities			
Registration Fee Income	1(iii)	430	283
Other Income			
Apprenticeship Certification	1(iv)	142	102
Work Welsh		250	-
Sundry Income		28	1
		850	386
Net Expenditure		19,767	18,818
Interest receivable	3(i)	4	2
Interest surrenderable to the Welsh Government	3(ii)	(4)	(2)
Net Expenditure after interest		19,767	18,818
Other Comprehensive Expenditure			
Actuarial remeasurement	15	(1,210)	(350)
Total Comprehensive Expenditure for the year ended 31 March 2019		18,557	18,468

The notes on pages 47 to 64 form part of these accounts.

Statement of Financial Position as at 31 March 2019				
	Note	2019 £000	2018 £000	
Non-current assets:				
Pension Asset	15	490	-	
Property,plant and equipment	6	224	140	
Intangible Assets	7	383	485	
Total Non-Current Assets		1,097	625	
Current Assets:				
Trade and other receivables	9	351	364	
Cash and cash equivalents	10	295	527	
Total Current Assets		646	891	
Total Assets		1,743	1,516	
Current Liabilities				
Trade and other payables	11	(492)	(366)	
Total Current Liabilities		(492)	(366)	
Total assets less current liabilities		1,251	1,150	
Non-current liabilities				
Pension Liabilities	15	-	(640)	
Total non-current liabilities		-	(640)	
Assets less liabilities		1,251	510	
Reserves				
General Reserve		761	1,150	
Pension Reserve		490	(640)	
Total		1,251	510	

Notes on pages 47 to 64 form part of these accounts

The financial statements on pages 43 to 44 were approved by the Board of Social Care Wales on the 18 July 2019 and were signed on its behalf by:

Sue Evans
Chief Executive and Accounting Officer

Date: 24 July 2019

Statement of Cash Flows for the year ended 31 March 2019			
	Note	2018-19 £000	2017-18 £000
Cash flows from Operating Activities			
Net expenditure after interest		(19,767)	(18,818)
Adjustment for Depreciation and Amortisation		241	198
Adjustment for Pension finance Costs(net)		80	110
Decrease/(Increase) in trade and other receivables		13	(47)
Increase/(Decrease) in trade and other payables		126	(38)
Net cash (outflow) from operating activities		(19,307)	(18,595)
Cash flows from Investing Activities			
Purchase of property, plant and equipment	6	(169)	(26)
Purchase of intangible assets	7	(54)	(372)
Net financing		(223)	(398)
Cash flows from Financing Activities			
Welsh Government funding (including Capital)		19,298	18,885
Net financing		19,298	18,885
Net (Decrease) in cash and cash equivalents in the period		(232)	(108)
Cash and cash equivalents at the beginning of the period	10	527	635
Cash and cash equivalents at the end of the period	10	295	527

The notes on pages 47 to 64 form part of these accounts.

Statement of Changes in Taxpayers Equity For the year ended 31 March 2019	Pension Reserve £000	General Reserve £000	Total £000
Balance as at 1 April 2017	(880)	973	93
Changes in Taxpayers' Equity 2017-18			
Welsh Government Funding	-	18,885	18,885
Transfer between reserves-Capital	240	(240)	-
Comprehensive Expenditure for the year	-	(18,468)	(18,468)
Balance at 31 March 2018	(640)	1,150	510
Changes in Taxpayers' Equity 2018-19			
Welsh Government Funding	-	19,298	19,298
Transfer between reserves-Capital	1,130	(1,130)	-
Comprehensive Expenditure for the year	-	(18,557)	(18,557)
Balance at 31 March 2019	490	761	1,251

The notes on pages 47 to 64 form part of these accounts.

Notes to the Accounts for the year ended 31 March 2019

1 Statement of accounting Policies

These accounts have been prepared in accordance with the 2018-19 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 ongoing 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 2018-19 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.

All these elements of expenditure are recognised as a liability on the receipt of the relevant grant claims. This is on the basis that once the grant has been approved, Social Care Wales is unable to avoid this cost, as after eligibility has been proven there are no conditions in relation to the grant that are within the control of Social Care Wales that limit the amount payable.

Practice Learning Opportunity Funding (PLOF) is provided to Local Authorities as a contribution towards the costs of securing Practice Learning Opportunities for students undertaking approved Social Work courses in Wales. The grant is accounted for as a liability and the expenditure recognised in the Statement of Comprehensive Expenditure once the grant application has been successful. This is on the basis that at this point Social Care Wales cannot avoid paying this liability and there are no conditions in relation to the grant

that would limit the amount payable.

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

From 1 April 2017, Social Care Wales was given the responsibility for the administration of **the Social Care Wales Development programme (SCWDP)** grant. The grant is provided to support Local Authorities to train and develop their own staff. Funding available from Social Care Wales through SCWDP in 2018/19 provides 70% of the cost of the programme currently £7,135,740. The remaining 30% is to be funded by Local Authorities. The conditions attached to the grant are that the grant must be spent on eligible expenditure and must be spent within the financial year. Therefore, the liability for the grant is recognised once the grant offer letter has been provided. This is on the basis that at this point there are no conditions that remain within the control of Social Care Wales that limit the eligible costs being incurred.

Other grants includes:

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

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

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

During 2018-19 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 2019 totalled £44k (£27k: 31 March 2018) and this sum is included in Trade receivables and other current assets at note 9. It is the policy of Social Care Wales to seek full repayment of these funds.

1(vii) Property, plant and equipment

Property, plant and equipment of an individual or group value of £1,000 or more are capitalised. Property, plant and equipment have been valued at historic cost at the 31 March 2019, as in the opinion of Social Care Wales any revaluation adjustments are not material.

1(viii) Intangible Assets

Information Technology and Licence purchases of an individual value of £1,000 or more are capitalised. Information Technology and Licence costs have been valued at historic cost at the 31 March 2019, as in the opinion of Social Care Wales any revaluation adjustments are not material.

1(ix) Depreciation and Amortisation

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

Depreciation and amortisation is calculated monthly and begins in the month following the month of purchase. As such, purchases made in March 2019 will not begin to depreciate/amortise until the 2019-20 financial year. The exception to this rule is accommodation refurbishment costs where the depreciation charge is calculated on a daily basis.

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

1(x) Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Expenditure on leases of property is charged to the Statement of Comprehensive Net Expenditure on the basis of costs incurred in the year. Operating lease rentals of equipment are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term.

IFRS 16 which was issued in January 2016 and was effective for most companies from January 2019 has not yet been adopted by the FReM. It requires that all leases with a lease term of more than 12 months be recognised as assets and liabilities in financial

statements. It is anticipated that this will be adopted within the FReM from 2020-21.

1(xi) Value Added Tax

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

1(xii) Pension Costs

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

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

1(xiii) Provisions and Contingent Liabilities and Contingent Assets

Provisions

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

Contingent Liabilities

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

Contingent Assets

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

2 Analysis of Net Expenditure by Segment

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

3			
Welsh Government Funding	2018-19	2017-18	
	£000	£000	
Grant in Aid received from the Welsh Government	19,298	18,885	
Amount credited to General Reserve	19,298	18,885	

As outlined in Note 1(ii) the total grants of £19,298k (2017-18: £18,885k) are now credited to the General Reserve on receipt.

3(i) Non-retainable income	2018-19	2017-18
Interest on deposit account	4	2
Total non-retainable income	4	2

3(ii) Reconciliation of cash received from non-retainable income with amounts repaid to the Welsh Government	2018-19	2017-18
Cash Received (income exceeding Welsh Government threshold).	4	2
Total income repayable	4	2
Cash repayment	4	2
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 £535k. The interest received of £4k was paid to Welsh Government. The fee income received in the year in cash terms totalled £445k (2017-18: £268k).

4 Programme Costs

4(i)			
Training Support and other grants	2018-19	2017-18	
	£000	£000	
Social Work Bursary Scheme Payments	2,250	2,409	
Practice Learning Opportunity Funding	1,181	1,184	
People using Servicees and Carers in Social Work Training	66	66	
Continuing Professional Education & Learning	300	300	
Social Care Wales Development Programme	7,136	7,149	
	10,933	11,108	
Other Grants			
Grants to Regions	236	385	
Research - Social Care Institute for Excellence	123	133	
	11,292	11,626	

The reduction in Training support and other grants expenditure is a result of lower student numbers taking up places. The reduction in the Grants to Regions is due to a lower level of funding for additional activities compared to last year.

4(ii)			
Non grant programme expenditure	2018-19	2017-18	
	£000	£000	
Improvement and Workforce Development	1,355	769	
Work Welsh	198	-	
Training for The Act	-	221	
Regulation and Intelligence including Regulation of Social Work Training	710	670	
	2,263	1,660	

The significant increase in programme expenditure in relation to improvement and development expenditure represents additional funding received in Grant In Aid in 2018-19 to support the extended work programme.

5	2018-19	2017-18
Administration Costs	£000	£000
Chair, members, and staff expenses	163	118
Other staff costs	158	94
Rental under Operating leases- Accommodation	154	148
Other Premises costs	261	260
Workshops, seminars, promotions, publications	143	118
Equipment and software	268	262
Rental under Operating leases-Photocopiers & Franking Machines	22	23
Administration	56	45
External audit-Audit work	21	22
Other professional fees	86	66
	1,332	1,156

The increase in Other staff costs relates to recruitment and development costs associated to the increase in staff due to the expansion of the Register.

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

	year ended 31 March 2018				
	Accommodation Refurbishment	Furniture and Fittings	Information Technology	Assets under construction	Totals
	£000	£000	£000	£000	£000
Cost					
At 1 April 2017	406	141	735	-	1,282
Additions in the period	-	-	26	-	26
Disposals in the period	-	-	(102)	-	(102)
At 31 March 2018	406	141	659	-	1,206
Depreciation					
At 1 April 2017	322	137	621	-	1,080
Charged in the year	45	1	42	-	88
Disposals in the period	-	-	(102)	-	(102)
At 31 March 2018	367	138	561	-	1,066
Net book value					
At 31 March 2018	39	3	98	-	140
At 1 April 2017	84	4	114	-	202

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

	year ended 31 March 2018			Totals £000
	Information Technology £000	Software Licences £000	Development Expenditure £000	
Cost				
At 1 April 2017	983	79	39	1,101
Additions in the period	11	3	358	372
Transfer from Development	-	-	-	-
At 31 March 2018	994	82	397	1,473
Amortisation				
At 1 April 2017	817	61	-	878
Charged in the year	101	9	-	110
Disposals in the period	-	-	-	-
At 31 March 2018	918	70	-	988
Net book value				
At 31 March 2018	76	12	397	485
At 1 April 2017	166	18	39	223

8 Financial Instruments

As the cash requirements of Social Care Wales 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 Social Care Wales's expected purchase and usage requirements and Social Care Wales is therefore exposed to little credit, liquidity or market risk.

9. Trade receivables and other current assets	At 31 March	
	2019 £000	2018 £000
Amounts falling due within one year		
Trade receivables		
Welsh Government	-	-
Local Authorities	33	-
Social Work Bursary Scheme Debtors	44	27
Other bodies	25	24
Other receivables		
Prepayments and accrued income	249	313
	351	364

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

10. Cash and cash equivalents	2018-19	2017-18
	£000	£000
Balance at 1 April	527	635
Net change in cash and cash equivalent balances	(232)	(108)
Balance at 31 March	295	527

The balances at the 1st April 2017, the 1st April 2018, and the 31st March 2019 were held at Commercial Banks and cash in hand.

11. Trade payables and other current liabilities	At 31 March	
	2019 £000	2018 £000
Amounts falling due within one year		
Trade payables		
Other Taxation and Social Security	8	10
Other payables		
Accruals and deferred income	484	356
	492	366

12 Capital Commitments

There were contracted capital commitments of £7k at 31 March 2019 not otherwise included in these financial statements (£29k at 31 March 2018).

13. Commitments under Operating leases	as at 31 March	
	2019	2018
	£000	£000
Obligations under operating leases comprise:		
Land and Buildings		
Not later than one year	271	115
Later than one year and not later than five years	1,023	14
Later than five years	1,231	-
	2,525	129
Other		
Not later than one year	23	23
Later than one year and not later than five years	42	65
Later than five years	-	-
	65	88

14. Staff costs	2018-19	2017-18
	£000	£000
Salaries and wages	4,038	3,329
Social Security costs	385	323
Other Pension Costs	1,061	901
Apprenticeship Levy	5	1
	5,489	4,554

Further details on staff costs and staff numbers can be found in the Remuneration and Staff Report on pages 35-36.

15 Retirement benefit obligations

(i) Present Staff and Pensioners

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

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

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

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

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

Funding / Governance Arrangements of the LGPS

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid out is set out in LGPS Regulations 2013 and the Fund’s Funding Strategy Statement. The last actuarial valuation was at 31 March 2016 and the contributions to be paid until 31 March 2020 resulting from that valuation are set out in the Fund’s Rates and Adjustment Certificate. The Fund Administering Authority, Rhondda Cynon Taf County Borough Council is responsible for the governance of the Fund.

Assets

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

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

Risks associated with the Fund in relation to accounting

Asset Volatility

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

Changes in Bond Yield

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

Inflation Risk

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

Life Expectancy

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

Exiting Employers

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

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2020 are estimated to £1.07m. The date of the last full actuarial valuation of Social Care Wales LGPS funded benefits was 31 March 2016 and the duration of liabilities is 23.4 years.

Key Assumptions	31-Mar-19 (% pa)	31-Mar-18 (% pa)	31-Mar-17 (% pa)
Discount Rate	2.5	2.6	2.6
RPI Inflation	3.2	3.1	3.1
CPI inflation	2.1	2.0	2.0
Pension Increases	2.1	2.0	2.0
Pension accounts revaluation rate	2.1	2.0	2.0
Salary Increases	3.4	3.3	3.3

Mortality Assumption

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2016 valuation, and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

Assumed life expectancy at age 65	31-Mar-19	31-Mar-18
Males		
Member aged 65 at accounting date	22.2	22.9
Member aged 45 at accounting date	23.9	25.1
Females		
Member aged 65 at accounting date	24.1	25.0
Member aged 45 at accounting date	25.9	27.3

Asset Allocation	Value at 31 March 2019			Value at 31 March 2018
	Quoted	Unquoted	Total	
Equities	64.5%	0.0%	64.5%	74.8%
Property	6.9%	0.0%	6.9%	5.4%
Government Bonds	13.5%	0.0%	13.5%	8.5%
Corporate Bonds	11.6%	0.0%	11.6%	9.4%
Cash	3.5%	0.0%	3.5%	1.9%
Other	0.0%	0.0%	0.0%	0.0%
Total	100.0%	0.0%	100.0%	100.0%

Reconciliation of Funded Status to the Statement of Financial Position	Value at 31 March 2019	Value at 31 March 2018
	(£M)	(£M)
Fair value of Assets	21.00	18.15
Present value of funded defined benefit obligation	20.51	18.79
Funded Status	0.49	(0.64)
Unrecognised asset	0.00	0.00
Asset/(Liability) recognised on the SOFP	0.49	(0.64)

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

Active Members	62%
Deferred Pensioners	22%
Pensioners	16%

Amounts recognised in Comprehensive Net Expenditure	Year ending March 2019 (£M)	Year ending 31 March 2018 (£M)
Operating Cost		
Current service cost ⁽¹⁾	1.06	0.90
Past service cost (incl. curtailments)	0.00	0.00
Settlement cost	0.00	0.00
Financing Cost		
Interest on net defined benefit liability	0.00	0.01
Pension cost recognised in Net Expenditure	1.06	0.91
Remeasurements in Other Comprehensive Expenditure		
Return on plan assets (in excess of) that recognised in net interest	(1.35)	(0.40)
Actuarial (gains)/losses due to change in financial assumptions	0.94	0.00
Actuarial (gains)/losses due to change in demographic assumptions	(0.83)	0.00
Actuarial (gains)/losses due to liability experience	0.03	0.05
Adjustment in respect of paragraph 64	0.00	0.00
Total Amount recognised in Other Comprehensive Expenditure	(1.21)	(0.35)
Total Amount recognised in Total Comprehensive Expenditure	(0.15)	0.56
⁽¹⁾ Allowance for administration expenses included in current service cost (£M)	0.02	0.01

Changes to the present value of the defined benefit obligation	Year ending March 2019 (£M)	Year ending 31 March 2018 (£M)
Opening defined benefit obligation	18.79	17.20
Current service cost	1.06	0.90
Interest Expense on Defined Benefit Obligation	0.49	0.45
Contributions by participants	0.25	0.21
Actuarial (gains)/losses due to changes in financial assumptions	0.94	0.00
Actuarial (gains)/losses due to changes in demographic assumptions	(0.83)	0.00
Actuarial (gains) due to liability experience	0.03	0.05
Net benefits paid out	(0.22)	(0.02)
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	20.51	18.79

Changes to the Fair Value of Assets during the Year	Year ending March 2019 (£M)	Year ending 31 March 2018 (£M)
Opening fair value of assets	18.15	16.32
Interest income on assets	0.49	0.44
Remeasurement gains on assets	1.35	0.40
Contributions by the Employer	0.98	0.80
Contributions by the Participants	0.25	0.21
Net benefits paid out	(0.22)	(0.02)
Net increase in assets from disposals & acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing fair value of assets	21.00	18.15

Actual Return on Assets	Year ending March 2019 (£M)	Year ending 31 March 2018 (£M)
Interest income on assets	0.49	0.44
Remeasurement gains on assets	1.35	0.40
Actual return on assets	1.84	0.84

Estimated pension expense in future periods

Funded Benefits

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

Analysis of amount charged in other comprehensive expenditure on the provision of services next year	Year ending 31 March 2020 (£M)
Current service cost	1.10
Interest on net defined benefit liability	(0.03)
Total estimated pension expense	1.07

Allowance for administration expenses included in the Current Service Cost (£M) 0.02

Estimated pensionable payroll over the period (£M) 3.57

Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2019 and the projected service cost for the year ending 31 March 2020 is set out below.

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

Discount rate assumption			
Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	20.04	20.51	21.00
% change in present value of total obligation	-2.3%	-	2.4%
Projected service cost (£M)	1.07	1.10	1.13
Approximate % change in projected service cost	-3.1%	-	3.2%

Rate of general increase in salaries			
Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	20.64	20.51	20.38
% change in present value of total obligation	0.7%	-	-0.7%
Projected service cost (£M)	1.10	1.10	1.10
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)	20.86	20.51	20.17
% change in present value of total obligation	1.7%	-	-1.7%
Projected service cost (£M)	1.13	1.10	1.07
Approximate % change in projected service cost	3.2%	-	-3.1%

Post retirement mortality assumption*			
Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£M)	21.15	20.51	19.87
% change in present value of total obligation	3.1%	-	-3.1%
Projected service cost (£M)	1.14	1.10	1.06
Approximate % change in projected service cost	3.9%	-	-3.9%

16 Provisions and Contingent Liabilities disclosed under IAS 37

The lease agreements in relation 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.

In respect of our defined benefit scheme obligation, no allowance has been made in respect of the McCloud and Lloyds GMP judgements because, at this point in time, the amounts of the obligations will be an approximation as they cannot be estimated reliably. An approximation has been made by the actuaries with a potential liability of £400k. The approximation is based on a worst-case scenario (as defined by the Government Actuary Department) on an estimate of the Local Government Pension Scheme as a whole and does not take into account individual profiles such as members age.

In addition, in respect of the McCloud case, the case will be handed back to an employment tribunal for a detailed decision on what individual funds should do to remedy the affected employees. At this time there is no clarity on what form the remediation will take in respect of members who have been discriminated against as there is a range of potential solutions that may be applied. Therefore, the final situation in respect of employer's pension liabilities and financial impact is still not clear.

In respect of GMP Government has indicated that it is committed to compensate members who will reach State Pension Age after 2021 but is still consulting on a number of options for providing pension increases on GMP for those members.

Therefore, no provision for any potential liability has been made in these financial statements.

17 Contingent Asset

At 31 March 2019 there were £60k of registration fees outstanding. Under the Regulation and Inspection Act (Wales) 2016 we can only remove registrants for non payment of outstanding fees at renewal of registration which takes place three years after initial registration and then on a three year cycle. Based on experience to date it is only at the this renewal date we are able to substantiate that in relation to the majority of outstanding fees whether the registrant has not paid due to leaving the sector (and the outstanding fee will not be pursued) or if it is a genuine debt in relation to an ongoing registrant.

Therefore the registration fees of £60k outstanding are not treated as income in the Statement of Comprehensive Net Expenditure as we are not sure of the precise economic value of this amount as on an individual basis we will not know whether the income will materialise until the renewal date of each individual amount or amounts owed is reached.

18 Related Party Transactions

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

	2018-19	2017-18
Income	£19.298m	£18.885m
Expenditure	£0.024m	£0.026m
Debtor Balance as at 31 March	-	£0.006m
Creditor Balance as at 31 March	-	£0.001m

Social Care Wales Board Members and Staff

No employees including key management staff 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 staff is included in the Remuneration Report.

Our Chair is also a Council Member of the University of Wales and is the Chair of the Audit and Risk Committee of the University of Wales Trinity St David. The expenditure transactions with the University of Wales were £0 (2017-18:£918) and with the University of Wales Trinity St David £195,069 (£2017-18:£2,104). The £195,069 primarily related to contract payments to University of Wales Trinity St David for the delivery of Work Welsh courses for the Social Care Sector. There were no debtor or creditor balance at the end of the financial year however at the 31 March 2018 there was a creditor balance of £918 with the University of Wales and £288 with the University of Wales Trinity St David.

In addition, two members of our board were also members of the Regional Partnership Boards which received grant funding from Social Care Wales. The transactions were as follows:

Board Member	Role	Regional Partnership Board	Expenditure 2018–19	Expenditure 2017–18
Abigail Harris	Member	Cardiff & Vale Regional Partnership	37,036	56,036
Carl Cooper	Deputy Chair	Powys Regional Partnership Board	21,574	40,574

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

19 Third Party Assets

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

20 Events after the reporting period

There have been no events after the reporting period, which require adjustment to the 31 March 2019 financial statements.

21 Transfer of Functions

On the 1st April 2017, to bring together workforce regulation, workforce development and service improvement in one organisation, the service improvement functions of the Social Services Improvement Agency were transferred to Social Care Wales. No assets or liabilities were transferred but the Grant in Aid received from Welsh Government was increased to fund the additional expenditure including the transfer of three members of staff.



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