

General Social Care Council
Annual Report and Accounts 2006-07



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Annual report and accounts 2006-07

Annual report presented to Parliament by the Secretary of State for Health in pursuance of paragraph 19 (1) of Schedule 1 to the Care Standards Act 2000 and Accounts presented to Parliament by the Secretary of State for Health on behalf of the Comptroller and Auditor General in pursuance of paragraph 18 (4) of Schedule 1 to the Care Standards Act 2000.

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Director's report

Director's report

The Chief Executive of the General Social Care Council (GSCC) presents her account for the year ended 31 March 2007, prepared in accordance with an accounts direction given by the Secretary of State for Health with the approval of the Treasury, in pursuance of paragraph 18(1) Schedule 1 to the Care Standards Act 2000.

Introduction

The General Social Care Council (GSCC) was established in October 2001 under the Care Standards Act 2000 as a non-departmental public body accountable to the Department of Health (DH) and to Parliament. We are the social care workforce regulator for England and are responsible for ensuring the highest standards of care are delivered through:

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

The Care Standards Act 2000 empowers the Secretary of State under Section 67(4) (a) to “..make grants and pay travelling and other allowances to persons resident in England and Wales in order to secure their training in the work of social care workers”. These grants are called bursaries. Under 67(4) (b) the Secretary of State is empowered to “..make grants to organisations providing training in the work of social care workers”. These two functions were delegated to the GSCC.

As a non-departmental public body, the GSCC is classed as an arms length body (ALB) and was subject to the ALB review announced by the Secretary of State for Health. The ALB review, *Reconfiguring the Department of Health’s Arms Length Bodies*, concluded that the number of such bodies should be reduced from 42 to 20. The

outcomes of the review for the GSCC were that it would continue its operations as a regulator and would transfer its bursary function to the NHS Business Services Agency (NHSBSA), subject to legislation.

The transfer of administration of the bursaries service was completed, as planned, on 31 March 2007. In anticipation, DH wrote to the Chief Executive on 22 March 2007 revoking the delegation in respect of the Secretary of State’s functions under section 67(4)(a) of the Act. However, the delegation to the GSCC in respect of the Secretary of State’s implied ancillary powers under section 67(4)(a) “to prepare application forms in respect of grants, travelling and other allowances, for persons resident in England and Wales in order to secure training in the work of social care workers, is to continue until 30 April 2007 at which time these powers will also be revoked.”

Mission

Our mission:

We exist to:

- act as a guardian of standards in social care practice and as a champion of a committed workforce;
- maintain the highest standards of conduct from social care workers, and compliance with a code of practice;
- promote the highest standards of training for social care workers;
- keep the best interests of service users and the wider public at the heart of the organisation; and
- work in an open, accessible and inclusive way.

The GSCC is committed to following the Better Regulation Commission's principles of good regulation. As a regulator we aim to be:

- proportionate;
- accountable;
- consistent;
- transparent; and
- targeted.

The Annual Report and Accounts 2006-07 outlines the developments and performance of the General Social Care Council between the period of 1 April 2006 and 31 March 2007. This document has been produced in accordance with the guidelines set by the Secretary of State for annual reporting as required for all Government non-departmental public bodies. A designed Annual Review publication will be published later in 2007 to report further on the GSCC's achievements of the 2006-2007 year.

Aims and objectives

Aims and objectives

The GSCC has been working to achieve the strategic aims and objectives, agreed with the Department of Health, set out in the Corporate Plan 2006-07 to 2008-09. The GSCC has five main strategic aims:

Aim 1: develop and maintain a comprehensive and up-to-date register of social care workers.

Aim 2: develop and enforce professional standards of conduct and practice in order to improve services and public protection.

Aim 3: ensure high quality training for social workers.

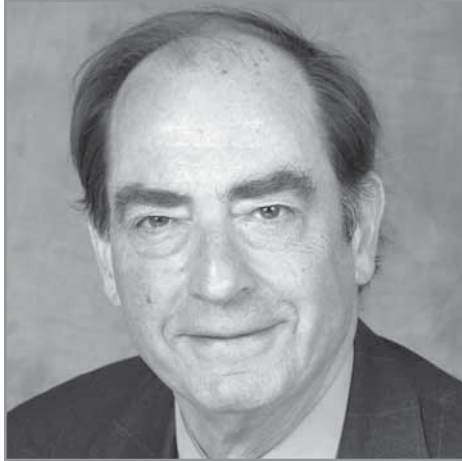
Aim 4: promote awareness of and respect for social care workers and act as a champion of a committed workforce.

Aim 5: achieve beneficial organisational change whilst continuing to deliver our remit.

“I would like to pay tribute to the professional and efficient way the GSCC have fulfilled their responsibilities so far and look forward to working closely with them on this next stage of our joint commitment to raising the status of the entire social care workforce.”

Ivan Lewis MP, Minister for Care Services, February 2007.

Chair's welcome



Chair's welcome: 'a professionalised workforce to be proud'

The beginning of the year marked three years of the Social Care Register, and three years of professionalism and quality.

I am proud to say regulation is firmly embedded in the social work sector as the workforce, employers, service users and the public now know the standards of professionalism and high quality service delivery they should expect from every Registered Social Worker.

These expectations are reflected in the well-established national codes of practice, which continue to have a central focus in the delivery of high quality care. In October 2006 a new 'easy read' format of the codes was launched to meet the specialist needs of service users.

The Government's commitment in February 2007 to open the Social Care Register to domiciliary care workers and their managers next was a welcome step in improving the quality of social care delivered across the sector. The announcement comes following feedback from our sector-wide consultation, which demonstrated considerable support for registration of both domiciliary care workers and residential care workers. Up to 250,000 workers will be included in this next phase and we have spent the year preparing ourselves for the important task of taking registration of new groups forward.

The year has been one of continued challenge and learning for the GSCC as our conduct committees make important decisions about the conduct of registered social workers. We have held 10 hearings and removed two, suspended one and admonished seven registrants. Our conduct procedures provide clarity and consistency to social care workers, employers, service users and the public so they are reassured that only those workers committed to high standards are practicing.

I was proud to see the role of social workers as ‘lead professionals’ recognised in the Looked-after Children’s Green Paper. Social workers provide a unique contribution to the lives of looked-after children by working closely with other professionals to ensure positive outcomes for their interest and well-being. The review the GSCC is taking forward on the roles and tasks of social workers, set out in the Options for Excellence report, builds on this paper and will clarify their distinctive responsibilities as professionals.

I welcome the principles outlined in the Government White Paper on regulation of health professionals in achieving a unified approach to good regulation. Many of the proposals will have an impact on the work of the GSCC, including developing a single definition of good character.

I thank our staff for the continued dedication and commitment they’ve shown in working to achieve the GSCC’s mission. Our contribution to the social care agenda is helping to give social care a new platform of recognition. We continue to put the interests, needs and well-being of the 1.5 million people who use social care services at the heart of all our work.

A handwritten signature in blue ink that reads "Rodney Brooke". The signature is written in a cursive, flowing style.

Rodney Brooke
Chair, GSCC

Chief Executive's review



Chief Executive's review

In 2006-07 the Social Care Register reached a landmark of 90,000 registered social work professionals; trained, committed and accountable for high standards of practice.

Social work professionals are giving service users and the public reassurance by standing up to be counted, abiding by the codes of practice and demonstrating professional pride. Registration is above all ensuring quality services are delivered and public protection is maintained. This year we have seen the first cohort of registrants apply for renewal of registration, and as part of this, social workers have shown ways of advancing their skills and knowledge to meet the requirements of post-registration training and learning.

I am delighted to see the final two specialisms of the post-qualifying framework launched: *social work with adults* and *social work with mental health services*. This completes the full five specialisms delivered as part of the framework this year. Early start courses for the framework began in September 2006 and we will see all courses being offered by September 2007. Post-qualifying courses give social workers a range of developmental opportunities; enabling them to specialise and advance their learning to suit their individual needs.

Social work continues to be seen as an attractive and recognised profession.

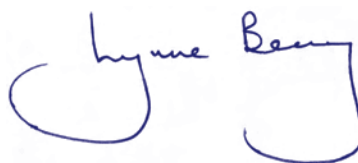
We now have over 15,000 student social workers on our register. In September 2006 we saw 1,333 students become the first to graduate from the undergraduate degree in social work. This is an exciting achievement for those graduates who have achieved a recognised degree and now enter a recognised profession. They start their careers on the same footing as doctors, nurses, lawyers and other regulated professionals.

May 2006 marked the close of our consultation with the sector on the requirements of domiciliary and residential care workers to join the register. We worked closely with employers, stakeholders, social care workers and service users to gather views on what the requirements of registration should be for these groups. I am pleased to say that, following the Government's announcement in February 2007, we will begin registering domiciliary care workers and their managers as the next priority. This will mark the beginning of a new era for social care: one that completely enshrines regulation.

The achievements of the GSCC over this past year would not have been possible without the hard work, commitment and dedication of our staff. As recognition of this I was delighted that the GSCC was formally recognised as an 'Investor in People' (IiP) in December 2006.

We have new and continued challenges ahead of us. We held our first conduct hearing in April 2006 and have held 10

to date. The difficult decisions conduct hearings require us to make are just one of those challenges but are crucial in ensuring only those workers who are committed to high standards remain in social care. They are challenges we embrace in our mission to build professionalism and quality across the social care sector. The registration of domiciliary care workers and their managers to the Social Care Register will improve the status of those workers whose contribution to the lives of service users is nothing short of remarkable. We want to recognise this contribution, and improve the lives of services users as a result.



Lynne Berry
Chief Executive, GSCC

Aim 1: to develop and maintain a comprehensive and up-to-date register of social care workers

Registration and improving quality

Over 90,000 people have joined the Social Care Register and can be proud to call themselves registered professionals. These include UK-qualified, internationally qualified and student social workers. Registered Social Workers and student social workers agree to sign up to abide by the standards set in the codes of practice, and are accountable to the GSCC for their actions. On 1 April 2005, the title 'social worker' was protected and it became a legal requirement for social workers to register with the General Social Care Council in order to practice.

Our registration team works to maintain the Social Care Register so it is comprehensive, up-to-date and only those people who are suitable and have met the defined criteria, are registered. The registration enquiries service is on hand to answer enquiries from applicants, registrants, employers and the public. During the year the team handled more than 17,000 email and 40,000 telephone enquires.

Registration is a matter of public protection and members of the public can check a social worker is registered on the GSCC website www.gsc.org.uk or by contacting the enquiries team.

Registration

- is a legal requirement for all social workers effective from 1 April 2005;
- is a thorough and rigorous process requiring checks on qualification, character and health for each applicant;
- benefits service users and the public by ensuring that only those workers who have met GSCC standards can practice;
- benefits the workforce by giving professional status and recognition; and
- benefits employers by enhancing recruitment and retention.

An independent Registration Committee assesses for inclusion on the Social Care Register those social work applications which are not straightforward. If applicants are refused registration, they have the right of appeal to the Care Standards Tribunal.

This past year we have seen the first group of registrants apply for renewal of registration, and have processed more than 500 applications for renewal. As part of this, registrants must demonstrate they have met the 15 days or 90 hours for post-registration training and learning (PRTL); an important part of the requirements of registration that focuses on continually improving skills and developing social workers as professionals. In May 2006 the GSCC launched detailed guidance to support social workers in meeting the PRTL requirement, providing case study examples that demonstrate the flexibility of finding different ways to train and learn.

The Social Care Register includes 6,000 social workers who trained in 72 overseas countries. Our International Recognition Service works to ensure overseas workers

demonstrate that their qualifications meet GSCC equivalency criteria to practice in the UK.

Since the opening of the register to students in September 2005, the GSCC has registered over 15,000 students. We have put continued effort into communicating with higher education institutions (HEIs) by supporting staff and students to better understand the registration process and help ensure applications are received in a timely fashion so students can begin their courses. A review of the student registration process is taking place in early 2007.

We are committed to improving our approach to registration and in 2006 we commissioned independent research to gain an in-depth understanding of people's experience of the registration process. The research, published in October, outlined that the GSCC had done well but there were areas for improvement. We are taking this feedback into account in our preparatory work for the registration of next groups during 2007.

Performance

- 92,855 registration applications received and processed by 1 April 2007.
- 91,530 fully registered social workers and social work students by 1 April 2007.
- Enquiries helpline handled in excess of 41,940 calls and 17,091 emails.
- 586 applications for renewal of registration reviewed and processed.
- 14,934 students fully registered by 1 April 2007.
- 6,477 annual payment letters issued by March 2007.

Codes of practice

The national codes of practice were launched in September 2002 after extensive consultation with the social care sector. They set out the standards of conduct all social care workers and their employers must meet. As part of joining the register, social workers must agree to adhere to the codes of practice. The GSCC can take action against a social worker whose conduct has fallen below the standards set out in the codes. More than 2.5 million codes have been distributed throughout the social care sector. The codes are available in seven accessible formats and 30 languages, and this year we launched a new 'easy read' version.

The two codes of practice, for employers and social care workers, work in parallel with each other. Employers have a responsibility to follow the employer's code to support social care workers and enable them to do their jobs. We continue to work closely with the Commission for Social Care Inspection (CSCI) to make sure the codes of practice are being used by employers and the workforce in day-to-day social care practice.

Performance

- More than 2.5 million codes of practice requested and distributed to social care workers and their employers since the GSCC began.
- Over 150,000 codes of practice distributed between April 2006 and March 2007.
- Codes are available in 30 languages, Braille, audio, sign language, large print, makaton, pictorial and easy read formats.

Domiciliary and residential social care workers – the next phase

Registration is beginning to take shape for the wider workforce. Extending registration to new groups will improve the status and standing of social care. It will give increased recognition to social care workers so they feel proud to practice as a social care worker. It will improve the perception of social care as an excellent sector to work in; recognising that through regulation social care workers commit to offer high quality services. Most importantly it will give trust and confidence to service users and the public that their social care worker is trained and has met the same standards of conduct as other regulated professionals.

Following the Government's announcement in February 2006 that domiciliary and residential workers working with adults and children would be the next priority to register, the GSCC launched a sector-wide consultation from February to May 2006 on the requirements of registration for these groups.

As part of the consultation, regional events were held throughout England with stakeholders, employers and service users. The consultation received over 2,500 responses. It covered issues including:

- training and entry requirements;
- registration fee;
- length of registration period;
- requirements for renewal of registration; and
- compulsion to register.

A report of recommendations based on the outcomes of the consultation was submitted to Ministers in Summer 2006.

Much of the GSCC's work last year has been preparation for the registration of these groups. As part of this, the GSCC has been working with stakeholders and social care employers to establish optimal arrangements to provide support with registering their workers when the time comes.

At the GSCC's annual conference in February 2007, Ivan Lewis MP, the Minister for Care Services, announced that the Social Care Register would be opened next to domiciliary care workers and their managers. The GSCC will be working closely with Government, employers and the social care sector to begin the registration of this group.

Aim 2: develop and enforce professional standards of conduct and practice in order to improve services and public protection

Conduct – accountability in action

Maintaining a register of qualified registered social workers and student social workers committed to high standards is crucial to achieving a professional workforce and ensuring public protection. Therefore we take fair and decisive action against those social workers whose standards of conduct fall below those set in the codes of practice. Members of the public can make complaints about the conduct of a Registered Social Worker and the GSCC will investigate, taking action if necessary.

Our conduct referrals team handles potential complaints and makes preliminary enquiries as to whether to take the investigation further. Between April 2006 and March 2007, the GSCC received 815 referrals from employers, service users, their registrants and members of the public on the conduct of registrants. Complaints needing further investigation and that call into question the registrant's actions are referred to the Preliminary Proceedings Committee (PPC). This committee will decide if the case should be taken to a conduct hearing and if an Interim Suspension Order (ISO) be issued while further investigation of the complaint is taking place. Interim Suspension Orders suspend a social worker from practicing and are issued when there is an immediate risk to the well-being of service users. Interim Suspension Orders are a matter of public

interest and when they are issued a notice is posted on the GSCC website. Last year 16 ISOs were issued.

Our independent conduct committees take decisions at conduct hearings on whether a social worker should remain on the register. Our conduct process strives to balance the need for public protection and the registrant's right to a fair hearing. If misconduct is found to exist the conduct committee can:

- admonish the registrant: a caution on the registrant's record for a set period;
- suspend the registrant: temporary removal from the Social Care Register for a set period; or
- remove the registrant: complete removal from the Social Care Register, which would prevent the individual working as a social worker.

The committee may also decide that no action should be taken and close the case.

In April 2006 our first conduct hearing was held in Newcastle resulting in the suspension of the registrant. During the annual reporting year we have held 10 conduct hearings: with seven admonishments, one suspension and two removals from the register. Appeals to hearing decisions can be made to the independent Care Standards Tribunal (CST) within 28 days of receiving the notice of decision. If an individual's appeal is upheld by the CST, the conduct committee's decision could be overturned. In 2006-07, five appeals were made to the CST following conduct decisions. Three of these have been dismissed, one has been withdrawn, and one remains in progress.

The nature of the misconduct discussed at conduct hearings has received widespread media attention and our Communications and Conduct teams have worked together to respond fairly and accurately to the public interest.

Our conduct work will continue to grow, develop and present new challenges. They are challenges we face with determination, as thorough conduct processes are the key to ensuring high standards of professionalism are retained in social work.

Performance

- 282 applications refused registration;
- 815 referrals received;
- 23 granted conditions on registration;
- 16 Interim Suspension Orders (ISOs) issued;
- Five appeals to the Care Standards Tribunal;
- 10 conduct hearings held;
- Seven admonishments;
- One suspension; and
- Two removals from the register.

Aim 3: ensure high quality training for social workers

Professionalism in social work begins with high quality education and training. This Summer marked the first cohort of students to graduate from the undergraduate social work degree programmes launched in 2003. The social work degree is now offered by 78 GSCC-accredited institutions in England. In September, Minister for Education, Beverley Hughes, hosted an event to present degree certificates to a small number of social work graduates, honouring their achievement.

The number of people applying to social work courses is on the increase as figures for 2005-06 show a 16 per cent increase in student enrolments; an improvement on the 12 per cent increase in 2004-05. This is demonstration that social work is being seen as a worthwhile career choice; giving the sector confidence that a new generation of professionals will be qualified to meet service user needs. The availability of quality practice placements is central to students gaining the practical experience they need to qualify as social workers. In 2006-07 the GSCC paid higher education institutions (HEIs) £20 million to support service agencies in the delivery of practice learning opportunities for student social workers.

Early start courses for the post-qualifying framework began in September 2006; the full range of courses will be on offer during 2007. The framework encourages social workers to build on their existing knowledge and skills by taking courses in specialist areas such as children and families and mental health. The specialisms

are offered at three different levels: specialist, higher specialist and advanced. This past year we published the final two specialisms within the framework: social work with adults and social work with mental health services. Post-qualifying courses are an example of how the requirements for post-registration training and learning (PRTL) can be achieved, and demonstrate a social worker's own commitment to their personal development.

The GSCC's 2006-07 report on the quality assurance of social work education highlighted a number of themes for further improvement including equality and diversity, workforce development and partnership, stakeholder involvement, and inter-professional learning. Many course providers are developing strategies to widen access to different groups to ensure they reflect the diversity of communities to which social workers deliver services. The GSCC is leading on two major projects to address issues identified in the report, including access to social work courses, recruitment, progression and achievement in social work education. The projects strive to help improve the quantity and quality of the workforce.

Performance

- Two new universities were accredited to offer social work degree courses, 17 additional social work degree courses were approved at universities which were already accredited during the year, making a total of 226 courses offered at 68 accredited universities and 10 related teaching institutions.
- 47 universities have been approved to offer post-qualifying social work courses.

Five of these have begun delivering courses, the rest are due to start in the 2007-08 academic year.

- Just over £20 million paid to higher education institutions (HEIs) to support service agencies in offering practice learning placements for social work students. Enabling students to experience a total of 751,139 placement days during their training.
- Additional £1m paid to HEIs to support the development of courses under the new post-qualifying framework.
- Two remaining specialist standards and requirements for the new post-qualifying framework published; completing the full set of standards offered.

Financial support for social work students

In the 2006-07 academic year we paid, on behalf of the Department of Health, over £50 million to 10,600 students to support them in fulfilling their social work degree programmes. The GSCC-administered bursary has been an incentive to students applying for social work courses.

The bursary is available to students studying non-graduate, undergraduate and part-time postgraduate social work courses. Students must meet set eligibility criteria and can receive a grant of up to £2,900. The postgraduate bursary is available to students studying full-time postgraduate courses who have met eligibility and residency criteria, and is part income-assessed.

In November 2006, as part of the review of arms length bodies, the Department of Health (DH) decided to transfer the administration of the bursaries service

to the NHS Business Services Authority (NHSBSA). The review concluded that all health and social care student bursaries should be administered by one single body, the NHSBSA. The transfer took place as planned, with the NHSBSA taking over the responsibility from 1 April 2007. The GSCC worked closely with the DH, NHSBSA, higher education institutions and most importantly, students, to ensure a smooth and efficient transfer of the service.

While preparation for the transfer was getting underway, bursaries staff continued to offer a quality service to students, ensuring payments were processed accurately and on time. In particular they have managed the communication of changes to the reimbursement of practice placement travel costs, which came into effect in Autumn 2006.

Performance

- More than £50 million was paid to support social work students in academic year 2006-07.
- Social work bursaries supported over 10,600 students for the academic year 2006-07.

Aim 4: promote awareness of and respect for social care workers and act as a champion of a committed workforce

Through its role as a regulator, the GSCC sets standards for social care workers and has a role, in partnership with other social care bodies and Government for explaining publicly the role and value of the services that social care workers provide. This involves engaging in the development and presentation of policy in relation to the social care workforce and in presenting the standards expected of them to a range of audiences including those who use social care services.

Performance

- Corporate Communications handled more than 172 media enquiries and 32 media releases.
- GSCC officers attended 29 national events and undertook 26 formal speaking engagements.
- More than 100 parliamentarians and stakeholders attended the House of Lords reception in November 2006.
- A major consultation on the next groups to register was carried out between February and May 2006. Over 2,500 responses were received.
- Over 400 social care stakeholders attended the GSCC's fifth annual conference, including 150 Registered Social Workers.
- There was an average of 76,361 visits to the GSCC website each month.
- The information service handled more than 9,500 enquiries.

Aim 5: achieve beneficial organisational change whilst continuing to deliver our remit

Our people – dedication and commitment

The continued success of the GSCC can be attributed not least to the considerable hard work, dedication, commitment and enthusiasm of our staff. This year our efforts have been formally recognised as the GSCC was awarded the Investors in People (IIP) status in December 2006. Our Human Resources team, together with a group of 'IIP Champions' led the work towards achieving the status. The IIP assessor's report highlighted the GSCC's hugely committed staff who believe in what the GSCC does and go well beyond the extra mile to deliver a professional and important service; an achievement of which we are incredibly proud. The report outlined a number of areas for future development and as part of our commitment to maintaining the status, work will be taken forward during 2007-08 to address these.

The GSCC is committed to the training and development of our staff. The GSCC offers a study support programme to achieve professional qualifications and continuous professional development is an integral part of our employee appraisal system. In 2006 the roll out of the leadership programme began; focussing on giving our managers the right skills and knowledge to be strong leaders and manage teams effectively across the GSCC.

As part of the Lyons and Gershon reviews on improving business efficiency, the GSCC has implemented a programme of

managing the possible changes that will impact on the organisation over the coming years. We strive to maintain continuous communication and engagement with our staff on issues that will affect the future direction of the GSCC. The Change Management Programme will take this forward during 2007.

Equality and diversity

Being an inclusive organisation where individual differences are respected and valued is at the heart of the GSCC's work. In order to make this a reality we make sure service users, their families and carers and staff, are treated with dignity and on the basis of their merits, abilities and needs. We believe everyone must have a fair opportunity to fulfil their potential without suffering discrimination or disadvantage.

The GSCC's approach to equality and diversity goes beyond achieving legal compliance. We constantly seek to identify barriers to equality through listening to, and acting upon what our people, service users, registrants and students are saying about us.

Our work with service users helps us to identify and take account of the needs and views of the different groups we reach. They are a valued part of our Consultation and Service User Involvement Strategy and we have developed detailed guidance on how we engage to make sure good outcomes for both our staff and service users, including guidance on reward.

The GSCC is a listed body under the Disability Discrimination Act (amended) 2005, and has put in place a Disability

Equality Scheme, following consultation with disabled people, setting out how it will deliver its general and specific duties. The GSCC has a policy relating to the employment of disabled people, setting out the arrangements for the engagement and support of the employment of people with impairments. The organisation has also adopted a positive action recruitment practice where disabled people who meet the minimum requirements of a role are guaranteed an interview.

The GSCC's Single Equalities Scheme (SET) is designed to meet both the spirit and letter of current equalities legislation and anticipate future developments. Our existing Race Equality Scheme is under review and is being incorporated into our new approach. At the same time the disability section of the SET, published in December 2006 has been subjected to consultation and will inform our action planning and equality impact assessment processes.

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

An equal pay audit took place during 2006-07 following completion of the pay and grading review in January 2006 in line with the new duties relating to gender equality that will be placed on the GSCC under the

Equality Act 2006. The equal pay audit also considered the GSCC pay structure with regard to the Employment Equality (Age) Regulations 2006. The GSCC is reviewing redundancy arrangements and other service related benefits and we are taking forward proposals to ensure compliance with these regulations. As an admitted body to the Local Government Pension Scheme (LGPS), the pension arrangements for staff are compliant with the new regulations following amendment to the LGPS regulations.

This past financial year has laid solid foundations for driving organisational development and change through a continuing cycle of research, innovation, monitoring and evaluation with service users at its heart.

Performance

- Investors in People (IIP) status awarded in December 2006.
- Corporate training plan and leadership development programme delivered.
- New performance management process implemented with performance related pay awards based on assessment on competence and delivery.
- Equality and diversity strategy project launched, equality and diversity steering group formed, equality and diversity scheme developed and implemented.
- Over 200 staff attended a staff development day with 84 per cent rating the day as good or excellent overall.
- Thirteen staff received study support during the year (2006-07) and six qualified after completing their studies.

The wider social care environment

The wider social care environment

Since our establishment in 2001, we have become recognised as a key player in the social care sector, and have contributed to issues on the improvement of social care delivery and regulation.

We work in close partnership with our partner councils in Scotland, Wales and Northern Ireland to agree synergy in the way we regulate the workforce; as well as with our stakeholder organisations including the Social Care Institute for Excellence (SCIE), Commission for Social Care Inspection (CSCI), Skills for Care and the Children's Workforce Development Council (CWDC).

The Options for Excellence report on workforce issues, launched in October 2006 by Ministers at the Department of Health and Department for Education and Skills (DfES), led to the GSCC being asked to lead a review of the roles and tasks of social workers, in conjunction with other stakeholder bodies. The review will define the unique roles, responsibilities and value of social workers with the intention of defining social work as a profession that puts service users at the heart of service delivery. The project aims to give social workers confidence to meet the continuing challenges they face, and improve public support for the profession. The early stages of the review began in January 2007 and will lead to a public consultation on the draft roles and tasks, to be launched in Spring 2007.

The GSCC has contributed to the debate on regulation more widely. In 2006 we submitted a response to the Government consultation on the future of healthcare professional regulation (Foster and Donaldson reports) leading to the White Paper published in February 2007. GSCC Chief Executive Lynne Berry is a member of the Better Regulation Commission, providing advice to Government on its approach to regulation.

We continue to work closely with other regulatory bodies and in Autumn 2006 developed a statement of interprofessional values that underpin work with children, together with the General Teaching Council for England (GTCE) and the Nursing Midwifery Council (NMC). The statement will be launched in Spring 2007 with the intention of creating wider debate amongst children's professionals.

In November 2006 we held our annual parliamentary reception in the House of Lords and in February 2007 our annual conference took place. Both events were successful and attended by the Minister for Care Services Ivan Lewis MP, parliamentarians and a range of other stakeholders and social care workers.

The interests of service users continue to lie at the heart of all our work. We value their contribution and strive, as part of our service user strategy, to engage with service users at every opportunity, ensuring their interests are taken into account in the work we do.

Our Executive Management Team

Our Executive Management Team

Lynne Berry RSW



The General Social Care Council is led by Chief Executive Lynne Berry. Lynne is also a member of the Better Regulation Commission. Lynne joined the General

Social Care Council in September 2001 from the Equal Opportunities Commission. Previously she was Executive Director of the Charity Commission and Chief Executive of the Family Welfare Association. Her earlier career has spanned central and local government, higher education, management development and training, community development and social work. She was responsible for work on complaints procedures for users of social services both as a member of the Social Services Inspectorate and at the National Institute for Social Work. She has been a board member of many voluntary organisations and charities. She was Vice-Chair of the Commission on the Future of the Voluntary Sector in England and Chair of the Joseph Rowntree Foundation report on Governance in the Voluntary Sector. Her services to the social care sector were recognised by being awarded an OBE in the Queen's Birthday honours list in 2006.

Mike Wardle



The Deputy Chief Executive and Director of Strategy is Mike Wardle, formerly the Director of Standards and Regulation at the GSCC. Mike is responsible for

helping to set the strategic direction for the GSCC through policy development, business planning, building relationships with stakeholders, and business development and assurance. Mike also deputises for the Chief Executive. Before joining the General Social Care Council, Mike worked in the Department for Education and Skills in a variety of roles in education policy and administration. This included time spent working as part of the management team of the Further Education Funding Council and as Principal Private Secretary to Education Secretaries David Blunkett and Estelle Morris.

Heather Wing RSW



The Director of Regulation is Heather Wing. Heather is responsible for registration and conduct procedures. She is also responsible for social work

education and training within the organisation. Heather, who has worked for 39 years within the social care sector (20 of which have been in regulation), joined us from the Commission for Social Care Inspection, where she was Head of Business Continuity and Performance. Before that,

Our Executive Management Team

Heather worked as National Director of Adult Services for the National Care Standards Commission and Head of Inspection and Registration in Surrey. Heather is a qualified social worker and is registered with the GSCC. She also has a further education teaching certificate as well as various management qualifications including an MBA. Her services to the sector were recognised by being awarded an OBE in the Millennium honours list.

Mark Oakes



The Director of Corporate Communication was Mark Oakes from April 2002 to December 2006. Mark was in charge of corporate communication

including strategy, internal communications, media, marketing, public relations, consultation, events, publishing, branding and freedom of information. Mark was Head of Communications at Surrey County Council where he was heavily involved with organisational change including the council's innovative People First programme. He was previously Head of Corporate Communications at Essex County Council. He has also worked at the Local Government Association, the Association of County Councils, the Association of District Councils and Westminster City Council and is a former journalist. He is a past chairman of the National Society of County and Unitary Public Relations Officers (now LGcommunications) and is a member of the Canada-UK Chamber of Commerce.

Chris Pottinger



The Director of Corporate Resources is Chris Pottinger. Chris is in charge of the main support services for the General Social Care Council including finance, human

resources, IT and the office administration. He is also the lead within the GSCC on internal audit, risk management and business continuity, and provides the financial and technical advice on the procurement of the major IT project which will support the Social Care Register. He is responsible for bursaries for social work students. Formerly Head of Resources at the London Borough of Lewisham, Chris has a strong track record in delivering IT improvements. In the 1990s Chris was financial adviser to the House of Commons Health Committee working on the application and implications of the Community Care Act, and was a member of a variety of national advisory bodies on matters relating to social services finance. He has previously worked at the London Borough of Richmond-Upon-Thames, Epsom and Ewell Borough Council, the London Borough of Sutton and the Royal Borough of Kingston-upon-Thames.

Council members

Council members

Council members are appointed by the NHS Appointments Commission on behalf of the Secretary of State for Health. The Council, made up of 12 members, meets six times a year in public.

The GSCC has a majority of lay members who do not have a background in the delivery of social care services. Other members have experience across the spectrum of social care from the public, private or voluntary sectors. Both lay and non-lay members of Council have a variety of experience of using social care services. By law, the Chair must be a lay member. The Council determines the strategic direction of the GSCC.

Lay members

Chair:



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

Trust and the Dolphin Square Charitable Foundation, and a member of the Council of the Tavistock Institute. His career has been in local government, including Chief Executive jobs at West Yorkshire County Council, Westminster City Council and the Association of Metropolitan Authorities. He was formerly Chair of the Bradford District Health Authority and the National Electricity Consumers' Council, a member of the Ethics

Standards Board for Accountants and a trustee of the Community Development Foundation. He has written extensively on public sector policy, management and ethics.

Tanzeem Ahmed



Tanzeem Ahmed is currently employed as the Director of Olmec, which provides capacity building for organisations and communities. Tanzeem is also currently a

consultant for the Charities Aid Foundation, a Monitoring Officer for the Bridge House Estates Trust Fund and a Neighbourhood Renewal Advisor working for the Neighbourhood Renewal Unit. She has over 13 years experience of working in the voluntary sector. She has served on committees of several voluntary sector agencies and is currently Treasurer of the South Asian Social Researchers' Forum. She has vast experience as a researcher and consultant in areas of mental health, health, housing, regeneration and organisational capacity building with a particular focus on black minority ethnic communities.

Dr Christine Barton MBE



Dr Christine Barton MBE has had a career as a teacher and lecturer. However, she now has personal experience of receiving social care and has become passionate about

achieving rights and equality of opportunity

Council members

for disabled people. She works both locally and nationally to improve choice and control for disadvantaged people. She is Chair of Inclusive Living Sheffield Ltd, an organisation of disabled people, a member of the Sheffield First (Local Strategic Partnership) Inclusive and Cosmopolitan City Partnership Board, and a director of the Accessible Property Register Ltd, an advertising website. She works as a freelance disability equality consultant and trainer.

Dr Malcolm Clarke



Dr Malcolm Clarke is an organisational development and quality consultant and social researcher working mainly but not exclusively in the public and voluntary

sectors. Some of his most recent work has been on several major projects for the Princess Royal Trust for Carers looking at the needs of carers. He is a member of the Information Tribunal which hears appeals under the Freedom of Information Act, and a Non-Executive Director of his local Primary Care Trust. He is an assessor for Investors in People and a former Senior Assessor for Excellence North West, a body concerned with organisational excellence. He was formerly an NHS Chief Executive and Deputy Director of Housing in Manchester. Dr Clarke has a keen interest in football and is national Chair of the Football Supporters Federation.

Melanie Henwood



Melanie Henwood is a self-employed independent health and social care consultant. She is a specialist adviser to the Health Select Committee, an adviser

on older people's issues to the Joseph Rowntree Foundation, and a member of the advisory board on social care to the MS Society. Ms Henwood has held Visiting Fellowships with the London School of Economics, the University of Leeds and the University of New South Wales. Melanie has more than 25 years experience in research and analysis, focusing particularly on community care and services for older people and their carers. Before establishing her own consultancy in 1991, she held research posts at the King's Fund, the Family Policy Studies Centre, and the University of Bath.

Ann James CBE



Ann James CBE is an international policy adviser and consultant specialising in work across health, social care, criminal justice and the voluntary sector and author of

seminal texts in public service improvement. She is a qualified social worker, teacher and probation officer and was Chair of Family Service Units for five years. Previously Ann was a Fellow at the King's Fund and Founder/Director of the Social Services Management Unit at the University of

Council members

Birmingham. She was a commissioner with the Commission for Health Improvement (the NHS Inspectorate) and is currently working with both the Department of Health and the Department for International Development. Ann has a strong interest in involving service users and carers in improving service quality.

Harry Marsh MBE



Harry Marsh MBE is an independent consultant in the voluntary and trust sectors specialising in children, families and disability. He is a trustee and Vice Chair of the

National Children's Bureau and also a member and former Chair of the Council for Disabled Children. He was appointed to the Board of the Children and Families Court Advisory and Support Service (CAFCASS) in 2004 and is lead member on diversity and a member of the CAFCASS Audit Committee. From 1988 to 2000 Harry served as Chief Executive of Contact a Family, a national charity supporting parents caring for disabled children, and prior to that was Assistant Director at Family Service Units. He was Vice-Chair of the General Social Care Council between 2001-2003 and has chaired our Audit Committee since 2002.

Non-lay members

Vice-Chair: June Thoburn CBE LittD



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

founding Director of the Centre for Research on the Child and Family. She has worked as a social worker and social work manager in England and Canada. Her research has led to internationally recognised publications on family support, child protection, foster care and adoption. June continues to undertake research and to lecture on child and family social work and on research-led practice. She is a member of the national steering group of the Making Research Count collaboration and a trustee of Break (a voluntary organisation providing services for children and adults with severe learning, behavioural and emotional difficulties), Norfolk and Norwich Families' House, and ParentlinePlus.

Helen Baker



Helen Baker is a Registered Social Worker and has worked in both the statutory and voluntary sectors, across social care, health and education. She has chaired the

Oxfordshire Community Health and the Oxfordshire Learning Disability NHS Trusts and is currently Chair of Advance Housing

Council members

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

Terry Butler CBE



Terry Butler CBE is an Independent Advisor in public services and social care. He is a Registered Social Worker and was Hampshire County Council's Director of Social Services until August 2005. He joined Hampshire in 1988 from East Sussex County Council, where he was Deputy Director of Social Services, having previously worked for several social services departments in London and the Midlands. Nationally, he has acted as a Government adviser and was seconded to the Department of Health to help implement the community care reforms in the early 1990s. He is currently the adviser on social care to the National Patient Safety Agency, a member of the Information Tribunal, Vice-President of the Relatives and Residents Association, and a Non-Executive Director of the South Central Strategic Health Authority.

Arthur Keefe



Arthur Keefe was until recently, Chair of Skills for Care (formerly Topss England), the care sector strategic workforce development body. He was Chair of the Bristol North

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

Bill McClimont



Bill McClimont has worked in the independent sector of health and social care for 15 years. He is a board member/ trustee of Skills for Care, member of the

CRB health and social care sub-group and of the Department of Health HR Steering Group for Social Care. For several years, Bill was Chair of the UK Home Care Association and of the nursing and social care division at the Recruitment and Employment Confederation. He continues to work as a Vice-President for United Kingdom Homecare Association (UKHCA).

Compliments and complaints

The GSCC welcomes comments and complaints so that we can learn from them and continually improve the services we provide. Complaints are viewed in a positive light and we strive to investigate any complaint quickly, fairly and thoroughly. Whenever necessary, appropriate action is taken to ensure that the problem does not occur again.

In the period between 1 April 2006 and 31 March 2007 the GSCC received 161 complaints. Of the 161 complaints, 39 were upheld and 45 were partly upheld.

- 56 complaints related to registration (out of 10,199 applications);
- 66 complaints related to bursaries (out of 11,322 applications);
- 33 complaints related to conduct (out of 412 referrals); and
- six complaints related to other services.

A total of 22 compliments were received between 1 April 2006 and 31 March 2007, of which three were for registration, three for bursaries, six for conduct and 10 for other services.

Freedom of information (FOI) and data protection

In the period between 1 April 2006 and 31 March 2007 the GSCC received 22 requests under the freedom of information publication scheme, and 44 requests under data protection.

Financial position

For ease of cross referencing to the primary Financial Statements and the Notes to the Accounts presented later in the Annual Accounts section of the report, references have been included where appropriate and are shown in []. The cross references relating to the Financial Statements are:

- [BS] for Balance Sheet as at 31 March 2007;
- [CFS] for Cash Flow Statement for the period ended 31 March 2007; and
- [OCS] for Operating Cost Statement for the year ended 31 March 2007.

The cross references used in relation to information shown in the Notes to the Accounts are identified by reference to the Note number, for example [N4] for the information on student bursaries.

Equivalent figures for the 2005-06 financial year are shown in brackets, for example (£61.3 million).

Financing and income

The GSCC is funded predominantly by its sponsoring department, with various grants in aid [CFS] totalling £91.6 million in 2006-07 (£61.3 million), of which £75.3 million related to student bursary payments and education support grants, £13.6 million related to operating expenses, and £2.7 million related to capital funding.

The GSCC also received income [N8] totalling £4.4 million (£4.9 million), of which £2.9 million was from registration fees, £1.4 million was recharges to other

bodies and £0.1 million was non-operating income. The drop in the income from devolved social care authorities reflects the Care Council for Wales taking over the administration of bursary payments to Welsh students from the academic year 2006-07. The elements remaining under this heading relate to the recharges to the other UK Care Councils towards the development and ongoing support of the UK social care regulation programme (OSCAR) and towards the costs of providing the external assessment and verification of social work courses. Non-operating income increased from £0.02 million in 2005-06 to £0.12 million in 2006-07. The increase was due to income from the Department of Health relating to the Options for Excellence project.

Income from registration increased from £2.3 million in 2005-06 to £2.6 million in 2006-07. As anticipated, from 2006-07, fee income relating to the Social Care Register began to stabilise relative to 2005-06. This is because the number of new registrations fell relative to previous years but the number of annual payments rose providing an approximate compensating small net increase in fees.

Registration of students became compulsory for those who started their degree course in 2005-06. Registration was not compulsory for students who had entered into their course before 2005-06. This accounts for the substantial increase in fee income from £0.11 million in 2005-06 to £0.15 million 2006-07.

The Government announced in 2005-06 that it was its intention to open the Social Care Register to new groups of workers

and provided the GSCC with a specific earmarked grant in aid to facilitate the preparatory work. In February 2006 the Government announced its intention that the GSCC should register residential and domiciliary social care workers and their managers from January 2008 and set a fee rate of £20 per application. The GSCC has a target of registering 10,000 domiciliary workers in the final quarter of 2007-08.

Expenditure

The GSCC's expenditure [OCS] in 2006-07 was £89.9 million (£73.2 million), of which £47.8 million related to student bursaries, £22.6 million to education and support grants, £19.2 million to management and administration expenditure, including staff costs and £0.3 million to the cost of capital charge. After taking into account income of £4.4 million, the GSCC had a net operating cost of £85.5 million (£68.3 million). The following paragraphs provide a more detailed breakdown of these areas of expenditure.

Bursaries

During 2006-07 expenditure on bursaries [N4] totalled £47.8 million of which £47.5 million related to English students. This compares to £37.3 million total expenditure in 2005-06 of which £35.8 million related to English students. The rise in payments reflects the increase in student numbers receiving payment in the year as the applications for bursary were almost entirely from students attending the three-year social work degree course rather than the two-year Diploma in Social Work.

£10.1 million of payments that would normally have been paid in the Summer term 2007 and charged in 2006-07 were paid in March 2007 and shown in 2006-07 Accounts as prepayments [N10]. This course of action was agreed by Department of Health in order to mitigate any potential problems that could occur with the transfer of the administration of the bursaries service from GSCC to the NHS Business Services Authority from 1 April 2007.

A further action necessary to ensure the GSCC had sufficient funds within its overall control figure from DH to meet these early payments was for the GSCC to not make payments to higher education institutes (HEIs) in relation to tuition fees due for the 2006-07 academic year. This non-payment is recorded in the accounts through a creditor provision of £4.9 million for two thirds of the value of the actual invoices received by 31 March 2007 but not paid [N11], and by a further £2.9 million accrued expenditure [N11] for two thirds of the estimated value of invoices that were due but had not been received by 31 March 2007. A figure of two thirds is applied as there are two of the three terms of the academic year 2006-07 in the financial year 2006-07.

The transfer was delivered as part of the Department of Health's review of its Arms Length Bodies, and the service is administered by the NHS Business Services Authority (NHSBSA) with effect from 1 April 2007.

Education support grants

In 2006-07 expenditure on education support grants [N3] showed only a small change as it increased to £22.6 million from £21.7 million in 2005-06.

Management and administration expenditure

Management and administration costs [N5] increased from £13.8 million in 2005-06 to £19.2 million in 2006-07. For 2006-07 the GSCC was granted extra operating funding of £3.524 million. This was 'ring fenced' to fund the increased costs of the Conduct Service (£1.8 million), to support the expansion of the Social Care Register to cover next groups of social care workers (£1 million), and (£0.724 million) to meet the GSCC's proportion of the costs of the new ICT registration system (OSCAR).

The largest increases resulting from these business drivers are most prominent in the following areas:

- Staff costs [N6b] where there was an increase of £1.2 million (17 per cent). The average number of staff [N4a] increased from 237 to 254. The average annual salaries cost of the permanent staff increased by 3.6 per cent from £25,160 to £26,070.
- Staff travel and subsistence, staff recruitment, development and training, communications [N5] increased by 27 per cent from £1.01 million to £1.28 million.
- Conduct costs [N5] refers to the costs of administering and supporting conduct committees and cases taken to court,

and increased from £0.08 million to £0.28 million; an increase of 350 per cent.

- Other office services [N5] increased from £0.77 million to £1.51 million almost entirely due to incurring the management, hosting and support costs of the new ICT registration system for the first time.
- Other fees and charges [N5] includes the costs of legal fees and has increased by 285 per cent from £0.72 million to £1.97 million, reflecting the costs of employing legal advice and support.
- Premises costs [N5] increased by 40 per cent from £0.56 million to £0.79 million largely reflecting the expansion of office space in Myson House in Rugby necessary to accommodate the actual and planned growth in staff.

Depreciation and amortisation [N5 and N9] are non-cash items in the Accounts. They increased from £0.4 million to £1.53 million as the GSCC began to write down the value of the OSCAR investment.

Investment

During the year the Council spent £2.74 million (£2.95 million) on fixed asset purchases [N9 and CFS]. Of this, £2.5 million (£2.65 million) was capitalised for the development of the social care regulation system, OSCAR, and £0.24 million (£0.3 million) on IT refresh, office services and software licences. The social care regulation 'intangible' asset at 31 March 2007 accounted for £6.8 million [N9] of GSCC's fixed asset base of £8.1 million [BS]. It had been anticipated that the expenditure on OSCAR would have been

nearer to £3.15 million in 2006-07, but it is now planned the balance of expenditure on the programme will be incurred in 2007-08 when the system is scheduled to be fully operational, replacing the CARE system. The investment by the four UK Care Councils in a replacement IT solution is a key driver in providing an effective and efficient computer system that will also support the planned expansion of the register from April 2007 including the introduction of the next groups of registrants.

Comparisons with Department of Health control figures

The Department of Health provides the GSCC with individual grant-in-aid allocations and has agreed the GSCC can retain income from fees, recharges and contributions from the other UK Care Councils to meet its expenditure. The aggregate funding available to the GSCC for operating costs in 2006-07 was £17.239 million. The equivalent aggregate expenditure, excluding non-cash items such as depreciation and amortisation was £17.116 million, an underspend of £0.123 million (0.7 per cent).

Risk and uncertainty

A comprehensive statement on the GSCC's internal control forms part of these Accounts. The statement covers the scope of responsibility of the GSCC's Accounting Officer, the purpose of the system of internal control, the GSCC's capacity to handle risk, the GSCC's risk and control framework, a review of the effectiveness of internal control in the year, and any significant internal control problems that have occurred.

Auditors

The GSCC is audited by the Comptroller and Auditor General. As the Accounting Officer, I am satisfied that there is no relevant audit information of which the auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the GSCC's auditors are aware of this information.

The GSCC employs AHL limited to provide internal audit services.

Payment of creditors

The GSCC complies with the Confederation of British Industry's (CBI's) Better Payment Practice Code. Unless the amounts charged are considered to be wrong, the GSCC's policy is to settle invoices within contractual periods, and in the absence of contractual provisions, within 30 days of the date of receipt of goods and services or receipt of a valid invoice, whichever is later.

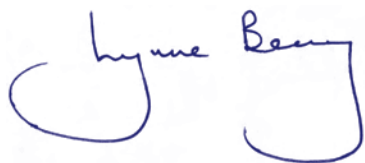
For invoices received between 1 April 2006 and 31 March 2007, 88 per cent (87 per cent in 2005-06) of invoices by number were paid in accordance with these terms. No claims were received from suppliers for statutory interest under the Late Payment of Commercial Debts (Interest) Act 1998.

Employee policies

The GSCC has adopted principles of openness and participation in its organisation and places a high level of importance on both informing and consulting staff. It does so by providing access to Council papers and management minutes, through oral and written briefings and by staff meetings. Information is only withheld where this can be shown to be justified or where a duty of confidence is owed to a third party, in accordance with the Data Protection Act.

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

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

A handwritten signature in blue ink that reads "Lynne Berry". The signature is written in a cursive style with a large initial 'L' and 'B'.

Lynne Berry
Chief Executive

Date: 27 June 2007

Contact us

Contact us

If you would like more information about the work of the GSCC, please contact:

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London, SE1 2HB
www.gsccl.org.uk

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Telephone number: 0845 070 0630

Minicom: 01788 532 48
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Conduct enquiries:

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Goldings House
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INVESTOR IN PEOPLE

Remuneration report

Remuneration report

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

Delegation from the Department of Health

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

Remuneration Committee

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

appointed by the Council. The Chair of the committee will be appointed by the Council and may be drawn from any member of the committee.

Chief Executive's remuneration

The Chief Executive received remuneration of £163,287 for 2006-07 (2005-06 £123,600), which included a performance-related bonus of £13,720. Performance for the purpose of calculating the performance related bonus is measured by appraisal against agreed objectives. The Chief Executive is an ordinary member of the Local Government Superannuation Scheme, to which GSCC is an admitted body. The Chief Executive has a notice period of 12 weeks.

Staff's remuneration

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

Remuneration report

The GSCC's remuneration structure includes pay progression that is dependent on the outcome of an individual employee's performance in the preceding year. Each member of staff will agree with their line manager their individual performance targets for the year ahead. These performance targets will ultimately contribute to delivering elements of the Business Plan that has been agreed by the Department of Health. Assessment of actual performance is undertaken and recorded following face-to-face meetings during the year, with a final assessment being completed at the end of the planning/financial year. Prior to the introduction of the performance-related pay scheme, the pay remit 2005-06 was based on a cost of living increase with good performance being rewarded by a further increase based on the ratio of 1:4 to the cost of living increase. For example, an employee who met the performance criteria in 2004-05 was awarded in 2005-06 a basic 3 per cent cost of living increase and a supplement to their base salary of a further 3/4 per cent.

Negotiations with Amicus the trades union were successfully completed in February 2006 to the introduction of a new reward, grading and performance scheme (RGPS) with an effective date of 1 January 2006. Awards under this new performance-related pay scheme came into effect from 1 June 2006. The performance appraisal previously in place has been built on, with the addition of an assessment of an employee's skills and behaviours. The new RGPS retains a flat rate cost of living increase, as before, but the reward for meeting or exceeding the previously agreed performance targets is related to incremental progressions on the pay scale, up to the maximum point on the scale.

The general contract of employment for GSCC staff is not time limited. However, DH's Review of Arms Length Bodies concluded ALBs, including the GSCC, should relocate all or part of their functions from London and the South East. Also, in 2005-06 the DH imposed a temporary recruitment freeze. As a result of these changes, the GSCC's Executive Management Team introduced a control mechanism in 2005-06 that required all requests for recruitment to be scrutinised both as to the place of employment and to the period of employment, with a general guide that any recruitment to posts in the London offices would be time limited to two years maximum. The notice periods of staff are four weeks, eight weeks or 12 weeks depending on their grade. Another result of these changes is that the GSCC has continued to employ far more agency and temporary staff than would be usual and desirable.

The majority of the GSCC's employees are eligible for membership of the Local Government Pension Scheme (LGPS) via an admission agreement with Essex County Council Pension Fund. The scheme is a multi-employer defined benefit scheme. The GSCC has implemented Financial Reporting Standard 17, retirement benefits in full. Note 16 to the Annual Accounts provides full details.

Information on the remuneration of staff is covered in Note 6 to the Annual Accounts.

Remuneration report

Senior managers' remuneration

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

Senior managers at the GSCC have the standard terms and conditions of employment. As such, all senior managers

have open-ended contracts until they reach the normal retirement age of 60 for women and 65 for men. All senior managers have notice periods of 12 weeks. There is no provision made in the accounts for early retirement.

A compensation payment was awarded to a former director at the GSCC as mentioned in table 1 below.

No payments have been made to third parties for services of a senior manager.

Table 1:
Remuneration of Chief Executive and Senior Managers

Staff name and date of appointment	Remuneration year ended 31/03/06	Real increase / (decrease) in accrued pension and lump sum over year £000s	Total accrued pension at 31/3/07 and related lump sum £000s	CETV* at 31/3/06 (nearest £000s)	CETV at 31/3/07 (nearest £000s)	Real increase / (decrease) in transfer value over year net of adjustment for market conditions (nearest £000s)
	£000	£000	£000	£000	£000	£000
Lynne Berry (1/10/01)	160-165	(12.5 - 15) plus (37.5 - 40) lump sum	40 - 45 plus 125 - 130 lump sum	503	744	218
Mike Wardle (1/03/02)	100-105	2.5 - 5 plus 10 - 12.5 lump sum	30 - 35 plus 90 - 95 lump sum	316	375	41
Chris Pottinger (1/04/02)	90-95	(2.5 - 5) plus (12.5 - 15) lump sum	45 - 50 plus 135 - 140 lump sum	705	832	91
Mark Oakes** (1/04/02)	105-110	0 - 2.5 plus 2.5 - 5 lump sum	15 - 20 plus 50 - 60 lump sum	248	284	21
Heather Wing+ (4/10/04)	90-95					

+ Heather Wing is not a member of the Essex pension scheme
None of the above received benefits in kind.
* CETV - cash equivalent transfer values

** Mark Oakes left the GSCC on 31 December 2006. Remuneration includes payment in lieu of notice £21,552 and an ex gratia payment of £20,000.
Remuneration for Lynne Berry includes a bonus payment (as defined in GSCC's grading structure) of £13,720.

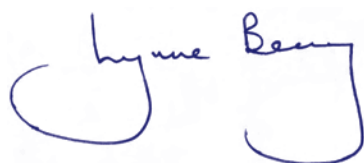
Remuneration for Mike Wardle includes a bonus payment (as defined in GSCC's grading structure) of £4,766.

Remuneration report

Remuneration of GSCC Council Members

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

Council Chairman, Vice Chair and Chairs of Committees	Remuneration 2006/07	Remuneration 2005/06
	£000	£000
T Ahmed	5-10	5-10
HM Baker	5-10	5-10
C Barton	5-10	5-10
RG Brooke	20-25	20-25
NJT Butler	5-10	0-5
MJ Clarke	5-10	5-10
M Henwood	5-10	5-10
A James	5-10	5-10
A Keefe	5-10	5-10
H Marsh	5-10	5-10
W McClimont	5-10	5-10
J Thoburn	5-10	5-10



Lynne Berry
Chief Executive

Date: 27 June 2007

Statement of the GSCC's and Chief Executive's responsibilities

Statement of the GSCC's and Chief Executive's responsibilities

Under Section 18 of Schedule 1 to the Care Standards Act 2000, the General Social Care Council is required to prepare a statement of accounts for each financial year in the form and on the basis directed by the Secretary of State for Health, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the GSCC's state of affairs at the year-end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the GSCC is required to:

- observe the accounts direction issued by the Secretary of State with the consent of the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and to disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Council will continue in operation.

The Accounting Officer for the Department of Health has appointed the Chief Executive as the Accounting Officer for the GSCC. The Chief Executive's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which they are answerable and for the keeping of proper records, are set out in the non-departmental public bodies' Accounting Officer Memorandum issued by the Treasury and published in "Government Accounting".

Statement on internal control

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of GSCC's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

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

The GSCC Management Statement and Financial Memorandum was agreed in September 2002 by the Parliamentary Under Secretary of State for Community Care. This Management Statement and Financial Memorandum sets out the broad framework within which the GSCC will operate, including how the GSCC is to be held to account for its performance. The document covers responsibilities and accountability; planning, budgeting and control; and external accountability.

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

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

The Chair and the Chief Executive (Accounting Officer) are committed to meeting annually with Ministers in order to agree these plans, to discuss the risks to the plans and the resources needed. In addition, further formal meetings (usually two a year) are held in order to discuss progress and highlight any new risks and their mitigation.

The Management Statement also sets out the arrangements for sponsorship by the Department of Health (DH). Formal quarterly meetings are held with officials as part of the planning and monitoring processes. In addition, there is frequent contact with officials from both the DH and other Departments with which the GSCC works closely in order to ensure that the GSCC's operations reflect changed priorities and objectives in relation to the social care workforce. Officials from the Department of Health and the Department for Education and Skills attend Council meetings and receive papers for the Audit, Risk Management and Quality Assurance Committee of Council (Audit Committee).

As the Chief Executive (Accounting Officer) I am fully responsible for the day-to-day management of the GSCC and am accountable to Parliament and to the Principal Accounting Officer of the Department of Health for the efficient management and overall performance of the GSCC.

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

Statement on internal control

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of GSCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the GSCC for the year ended 31 March 2007 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

3. Capacity to handle risk

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

I provide leadership on risk management at the organisational level by chairing the GSCC's Executive Management Team (EMT) at which all major strategic management, implementation and resource decisions are taken. I personally appoint the GSCC's

internal audit providers. I attend Audit, Risk Management and Quality Assurance Committee and Council meetings, and have ultimate responsibility for all reports that are submitted to them. I have ensured that the Council has in place a risk management policy and procedures; and that programmes and projects undertaken by the GSCC include both an assessment of initial risk and ongoing risk management.

The GSCC has a Council consisting of a Chair and up to 24 members, the majority of which shall be lay persons. Council members are appointed by the Appointments Commission on behalf of the Secretary of State for a period not exceeding four years, the appointment may be extended by, or the member re-appointed for, up to four years. The number of actual Members has remained at 12 since 2005, and throughout 2006-07. Council members have corporate responsibility for ensuring that the GSCC complies with any statutory or administrative requirements for the use of public funds. The principal responsibilities of Council members include ensuring that high standards of corporate governance are observed at all times. Council members have access to reports to the Audit Committee. The Council receives minutes of all committee meetings.

The Chair of the GSCC is appointed by the Appointments Commission for a period not exceeding three years. The appointment may be extended by, or the Chair re-appointed for, up to three years. The Chair is required to be a lay person. The Chair has a special responsibility for providing effective strategic leadership including encouraging high standards of propriety and promoting the efficient and effective

Statement on internal control

use of staff and other resources throughout the GSCC. The Chair is an ex-officio member of all committees with the exception of the Audit, Risk Management and Quality Assurance Committee.

The Audit Committee's terms of reference include:

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

In particular, the Audit Committee provides advice on:

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

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

of the directorates, which normally meets four times a year. The seniority of the membership is set at a level to ensure that any actions and deliverables assigned as a result of the RMWG meetings can be carried out without further negotiation or delay. Members of the RMWG act as advocates of risk management to the organisation.

Statement on internal control

4. The risk and control framework

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

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

- i *ensure that all aspects of the risk management process are reviewed at least once a year”* - compliance by the GSCC is delivered through the Executive Management Team (EMT) holding an annual risk management meeting at which they receive the Annual Risk Statement from the Director of Corporate Resources. The statement is reported to Council in May and is subject to further detailed scrutiny by the Audit, Risk Management and Quality Assurance Committee, before the production of the final Statement on Internal Control to be included in the Annual Accounts. In 2005-06 the GSCC undertook a thorough review of the Risk Management Framework. The amended framework was originally submitted to EMT at their Annual Risk Meeting on 27 April 2006. Actions arising from these discussions were incorporated into the draft framework, which was re-circulated to EMT and the Risk Management Working Group on 1 September 2006. A separate Framework for Managing the Risk of Fraud was drafted and circulated to EMT and the Risk Management Working Group on 25 August 2006. The Audit, Risk Management and Quality Assurance
- Committee received the Risk Management Framework and the Framework for Managing the Risk of Fraud at their meeting on 17 October 2006, and were content with its contents. Following this, the Risk Management Framework was launched within the organisation on 21 December 2006, and the Framework for Managing the Risk of Fraud was made available to the organisation on 28 February 2007;
- ii *ensure that risks themselves are subjected to review with appropriate frequency (with appropriate provision for management’s own review of risks and for independent review/audit)”* – compliance by the GSCC is delivered through continuous scrutiny during the year by the Internal Controls Officer; regular review of risks by all operational managers and their teams; the RMWG reviewing both Strategic and Corporate Risk Registers at their quarterly meetings; EMT and Council receiving the Strategic Risk Register at least twice a year; Audit, Risk Management and Quality Assurance Committee receiving risk management reports at least twice a year; and the control of project and programme risk through risk and issues logs maintained throughout the lifetime of the projects and programmes;
- iii *make provision for alerting the appropriate level of management to new risks or to changes in already identified risks so that the change can be appropriately addressed”* – compliance by the GSCC is delivered through the regular review and appraisal in the year by the Internal Controls Officer and the RMWG. The amended Risk Management Framework includes an escalation process.

Statement on internal control

Risks are formally identified through a number of mechanisms. First, as part of the annual business planning process, managers are required to identify any risks to the achievement of their business plan objectives. Second, as part of all programme and project management, managers are required to identify risks to the delivery of the programme or project as part of the initial business case which is submitted to EMT for approval. Projects are managed through an internal framework, based on PRINCE 2. Programmes are managed in accordance with “Managing Successful Programmes”, an Office of Government Commerce publication.

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

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

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

In the Statement on Internal Control for the accounting period 2005-06, I provided an update on progress in that year on actions from 2004-05 and I outlined my plans for the coming year 2006-07. As a number of the plans for 2005-06 continued into 2006-07 I have provided below a brief commentary on the progress against each of these plans:

Activities continued from 2005-06

- Review and update the Risk Management Policy and Strategy;
The new Risk Management Framework was agreed by EMT following the recommendation of the Audit, Risk Management and Quality Assurance Committee, who received it on 17 October 2006. The framework was launched to the organisation on 21 December 2006.
- Undertake a series of activities to further embed risk management throughout the organisation;
The rollout of the Risk Management Framework to the organisation has been followed by meetings of the Internal Controls Officer with the management teams from each directorate. The meetings provided a comprehensive explanation of the changes, specifically those relating to the practical requirements for which they are responsible. Progress has been monitored between January and March, and will continue in 2007-08. Further training will be constructed for 2007-08 relating to findings arising from this initial exercise.

Statement on internal control

- Undertake a capacity planning exercise for the conduct service to meet the expected increase in demand and to undertake a capacity planning exercise for the registration service;
Outline bids for the estimated additional resources for both registration and conduct services was included in the Business Plan 2006-07. Funding notification from DH received 31 March 2006 confirmed release of the full funding for both of these bids. A programme for Implementing Registration and Conduct was set up in 2005-06. Detailed growth bids for registration and conduct services, together with other GSCC enhancement and development bids across the GSCC were agreed by EMT in June 2006. The programme continued until January 2007. Two projects remained in the year to take forward next groups registration and OSCAR implementation. As anticipated, the service and resource demands of conduct grew materially in the year, with the first conduct cases being held. The situation was closely monitored with updates being provided to DH at the regular quarterly review meeting. A review of the costs of legal services was commissioned from the newly appointed Head of Legal Services and was reported to EMT on 20 March 07. The financial impact of the resource demands for conduct and the potential implications of a decision by the Government on registration of next groups of the workforce were built into the draft Business Plan 2006-07 submitted to DH in December 2006.
- Continue to review the implications and minimise risks to services arising from the DH review of Arms Length Bodies (ALBs).
A Change Management Programme Board (CMPB) was established early in 2006-07 to oversee the delivery of a series of workstreams including the changes resulting from the DH – ALB review. The Board meets on a monthly basis at which it receives updates and consider the Risk and Issues Registers.
- To commission a review of Corporate Governance.
An audit was undertaken in July 2006, as part of the Internal Audit Plan 2006-07, which focused on the procedures in place across the GSCC for corporate governance to ensure that the associated risks are being effectively managed. The report concluded that reasonable assurance could be given that ‘the policies and procedures in place are sufficient to provide a basis for complying with best practice... the governance procedures in place [are] adequate and effective to ensure that accountability is clearly defined... role and responsibilities of the Council and its advisory committees [are] clear...the Council’s composition [is] satisfactory...processes in place for the Council to discuss all pertinent issues and carry out its duties [are] adequate and reasonably effective.’ There were no priority 1 recommendations or significant issues which arose. Recommendations were made regarding the review and publication of the Registers of Interest. These have been taken on board and steps taken to ensure that they are carried out from 2007-08.

Statement on internal control

Activities commenced in 2006-07

- Implementation of Business Continuity Plans;

On 5 September 2006 EMT agreed that the Emergency and Business Continuity Plans should be rolled out to the organisation in their current state. Following this, a meeting of the Business Continuity Working Group was held on 29 November 2006, in which plans for launch to the organisation were discussed and agreed. The plans were launched on 13 December 2006. Further to this, summary plans have been distributed to staff, and meetings have been held with the management teams of each directorate to ensure that responsibilities are fully understood and filtered down to all staff. Work has been taking place on the Cascade Briefing System (CBS), including the construction of a new database to hold and restrict access to confidential staff emergency contact details. The CBS will be rolled out to the organisation in June 2007, and the Business Continuity Plans will subsequently be tested. Further work will be carried out during 2007-08 on the construction of Business Resumption Plans.

- Application of a self assessment tool for the Audit Committee;

The NAO representatives who attend Audit, Risk Management and Quality Assurance Committee agreed at the October 2006 meeting to help support this initiative. It was also agreed the exercise itself should wait until after the HM Treasury had issued its revised Audit Committee Handbook. The Chair of the Audit, Risk Management and Quality

Assurance Committee and the Director of Corporate Resources attended an HM Treasury workshop on 30 October 2006, to discuss the draft revision of the Audit Committee Handbook. It has been agreed that the June 2007 meeting of the Audit, Risk Management and Quality Assurance Committee should be extended to include an Audit Committee self-assessment.

- Review of anti fraud arrangements and requirements;
A separate Framework for Managing the Risk of Fraud was drafted by the Director of Corporate Resources and circulated to EMT and the Risk Management Working Group on 25 August 2006. An audit of the draft framework was carried out by the internal auditors in September 2006. This reported the framework to offer reasonable assurance over the GSCC's proposed mechanisms for the identification and control of potential fraud risk areas. The Audit, Risk Management and Quality Assurance Committee received the draft Framework for Managing the Risk of Fraud at their meeting on 17 October 2006, and were content with its contents. It was subsequently agreed by EMT that the framework should be rolled out to the organisation. The framework was made available on the intranet, and officially launched to the organisation in March 2007.

A review was completed of the policies and processes for the arrangements for the handling of applications to the Social Care Register where international qualification fraud is suspected. This work was undertaken as part of the Registration and Conduct Programme,

Statement on internal control

overseen by the Director of Regulation and was approved by the Project Board in April 2007.

For the coming year 2007-08

I plan to complete the programme of initiatives reported in the previous paragraphs and to work to deliver:

- construction and implementation of Business Resumption Plans (final phase of Business Continuity Plans);
- further embedding within the organisation a consistent application of a concept of risk appetite, and its use within the Risk Management Framework
- produce a finance guide that will bring together the three tiers of financial rules and guidance including virements and delegations;
- review the Governance arrangements to reflect the changing relationship between the GSCC and its sponsors, and
- conduct self assessment of the Audit Committee.

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

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the GSCC who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit, Risk Management and Quality Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Council

Council received the Director of Corporate Resources Annual Risk Statement for the year 2006-07 on 21 May 2007. The report covered external relations, committees and working groups, high-risk service objectives and programmes, ongoing deliverables and next steps.

The Chair of the Audit, Risk Management and Quality Assurance Committee endorsed the Statement as a very comprehensive and accurate review of the past financial year.

Members [of the Council] noted the Annual Risk Statement 2006-07 and agreed that it presented a full, fair and balanced view of how risk was being managed and addressed within the GSCC.

Statement on internal control

In addition to the Annual Risk Statement, the Council maintains and reviews the effectiveness of the system of internal control during the year by receiving the minutes of the Audit, Risk Management and Quality Assurance Committee meetings. Reports to Council include a section on issues. Reports also identify risks and mitigating action, where appropriate.

Audit, Risk Management and Quality Assurance Committee

The terms of reference of the Audit Committee require it to meet regularly and not less than three times per year. All meetings took place as planned during the year 2006-07; 26 June 2006, 17 October 2006, and 9 February 2007. The National Audit Office and the internal audit provider may request that the Audit Committee meets additionally, if they consider that to be necessary. At the June 2006 meeting of Audit Committee, it was agreed that the internal audit provider should meet with committee members separately (without GSCC officers present) immediately after each June committee meeting. As agreed, at the end of the June 2006 meeting, the officers and observers withdrew from the meeting and the members of the Audit, Risk Management and Quality Assurance Committee proceeded to a private meeting with the representatives of the internal audit providers (AHL Ltd) and the external auditors (NAO).

Work plans for the year were constructed, and complied with, to ensure that all the responsibilities in the terms of reference on which the committee was to provide advice were covered during the year:

- audit, including internal and external audit reports;
- final accounts, including the NAO Memorandum of Findings;
- budget management and control;
- corporate governance, including financial instructions and procedures;
- risk management; and
- quality assurances.

Executive Management Team

I chair the GSCC's Executive Management Team (EMT). This group is made up of the Chief Executive and the Directors, and meets on a weekly basis. EMT considers all strategic and policy issues affecting the GSCC's delivery of its aims and objectives. EMT has responsibility for the financial, performance and risk management of the organisation. With regards to risk management, EMT considers the risk implications of all proposals that are brought before it for consideration and decision. The Council's Risk Management Policy includes the provision of an Annual Risk Statement. The statement is presented by the Director of Corporate Resources, as chair of the Risk Management Working Group, to the Annual Risk Meeting of the Executive Management Team (27 April 2006). The report is then presented to the Council (15 May 2006) and to the Audit, Risk Management and Quality Assurance Committee (26 June 2006).

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

Statement on internal control

Risk Management Working Group

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

The RMWG received copies of all completed internal audit reports. The remit of the RMWG is from overarching strategic controls to day-to-day operational systems.

The Risk Management Working Group (RMWG) met on two occasions during the year, being December 2006 and March 2007. There are four meetings planned during 2007-08, in May 2007, September 2007, December 2007 and February 2008.

National Audit Office (NAO)

The Comptroller and Auditor General (C&AG) issued an unqualified opinion on the Accounts on 30 June 2006.

The Memorandum of Audit Findings for the Accounts 2005-06, with the responses of the Director of Corporate Resources, was presented to Audit Committee on 17 October 2006.

There have been no specific audits undertaken by the NAO during 2006-07.

Representatives of the NAO attend the Audit Committee meetings. They receive all agendas and minutes.

Internal audit

AHL Limited operate to the standards defined in the Government Internal Audit Standards (GIAS) and produce an annual risk based audit strategy that is referred by me to the Audit, Risk Management and Quality Assurance Committee.

The contract for the provision of internal audit services comes up for renewal in 2007-08. EMT received an annual review of internal audit at their Annual Risk Meeting on 1 May 2007. EMT agreed to extend the contract with AHL Limited, authorising the Director of Corporate Resources to carry out discussions to this effect.

The Department of Health assesses the effectiveness of the GSCC's internal audit arrangements by scrutiny of the audit plans and reports prepared by the GSCC's internal audit contractor on future and past activity. Once these plans and reports have been approved by me, as the Accounting Officer, they are forwarded to the Head of Internal Audit at DH in compliance with the Management Statement. The audit strategy for 2006-07 to 2008-09 was approved by EMT and was then considered by the Audit Committee at its meeting in June 2006.

Internal audit conduct reviews spanning the entire organisation, reviewing the effectiveness of internal control mechanisms for managing risk. All but two of the audits planned for the year 2006-07 have been undertaken, though in some cases, and understandably, the audit reports had yet to be received or signed off by 31 March 2007. The audits conducted during 2006-07 were:

- Procurement;
- Management Accounting and Reporting;

Statement on internal control

- Corporate governance;
- Fraud risk management;
- Business systems - Change Management Programme;
- Regional Inspection Team;
- Social Care Register – collection of income;
- Social Care Register – renewals;
- Conduct processes – committees;
- Education and training – PQ framework;
- Risk review;
- Risk Management Framework;
- Key financial controls;
- IT – eStrategy.

Ten of the audits received ‘reasonable assurance’ and three received ‘limited assurance’, and the final report on IT – eStrategy is outstanding.

The two audits in the original audit plan 2006-07 that were not undertaken were;

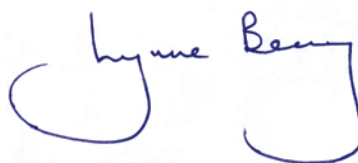
- the HR Organisational Development Programme. This audit was removed from the plan as the area under scrutiny had the same programme management structure and processes as the Business Systems – Change Management Programme, and therefore to audit one would effectively be a review of the other;
- the Intranet Benefits Realisation. This audit was removed from the plan as the implementation of the new intranet had been delayed, and it had only gone live within the GSCC in June 2006. This audit was therefore deferred to 2007-08, by which time it would be embedded within the organisation.

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

Representatives of AHL Ltd attend the Audit Committee meetings. They receive all agendas and minutes

6. Significant internal control problems

I consider there were no significant internal audit control problems in 2006-07.



Lynne Berry
Chief Executive

Date: 27 June 2007

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that have audited the financial statements of the General Social Care Council for the year ended 31 March 2007 under the Care Standards Act 2000. These comprise the Operating Cost Statement, the Balance Sheet, the Cashflow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having being audited.

Respective responsibilities of the General Social Care Council, Chief Executive and auditor

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

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Care Standards Act 2000 and Treasury directions made thereunder. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises the Management Commentary and the Remuneration Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinions

Audit opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Care Standards Act 2000 and directions made thereunder by Treasury, of the state of the General Social Care Council's affairs as at 31 March 2007 and of the net operating cost for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Care Standards Act 2000 and Treasury directions made thereunder; and
- information given within the Annual Report, which comprises the Management Commentary and Remuneration Report, is consistent with the financial statements.

Audit opinion on regularity

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

Report

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria,
London SW1W 9SP
17 July 2007

Financial statements

Operating cost statement for the year ended 31 March 2007

Expenditure

	Note	2006/07	2005/06
		£'000s	£'000s
Programme expenditure			
- Education support grants	3	22,604	21,743
- Student bursaries	4	47,762	37,332
		<u>70,366</u>	<u>59,075</u>
Administration expenditure			
- Management and administration	5	19,196	13,757
- Cost of capital	7	331	315
- Return on pension scheme assets	16	18	53
		<u>19,545</u>	<u>14,125</u>
Gross operating costs		<u>89,911</u>	<u>73,200</u>
Operating income	8	(4,255)	(4,887)
Non-operating income	8	(116)	(17)
		<u>(4,371)</u>	<u>(4,904)</u>
Net operating cost		<u>85,540</u>	<u>68,296</u>

Statement of recognised gains and losses for the year ended 31 March 2007

	Note	Year ended 31/03/2007	Year ended 31/03/2006
		£'000s	£'000s
Unrealised surplus on the indexation of fixed assets	12	<u>22</u>	<u>85</u>
Adjustment to general reserve for prior year	12	<u>0</u>	<u>(3)</u>
Actuarial gain/ (losses)	16	<u>959</u>	<u>(279)</u>

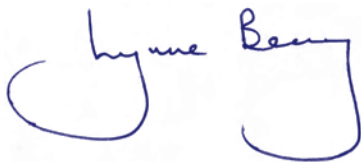
The notes on pages 56 to 72 form part of these accounts.

Financial statements

Operating cost statement for the year ended 31 March 2007 Balance sheet as at 31 March 2007

	Note	31/03/2007		31/03/2006	
		£'000s	£'000s	£'000s	£'000s
Fixed assets					
Tangible fixed assets	9	1,252		1,320	
Intangible fixed assets	9	6,844		5,559	
			<u>8,096</u>		<u>6,879</u>
Current assets					
Debtors	10	11,944		2,780	
Cash at bank and in hand	15	4,128		7,900	
			<u>16,072</u>		<u>10,680</u>
Creditors - amounts falling due within one year					
Creditors and accruals	11		<u>(9,082)</u>		<u>(9,177)</u>
Net current assets					
			<u>6,990</u>		<u>1,503</u>
Total assets less current liabilities					
			<u>15,086</u>		<u>8,382</u>
Net assets excluding pensions liability					
			<u>15,086</u>		<u>8,382</u>
Pensions liability					
	16		<u>(1,947)</u>		<u>(2,621)</u>
Net assets including pensions liability					
			<u>13,139</u>		<u>5,761</u>
Funds:					
General reserve	12		<u>13,139</u>		<u>5,761</u>

The notes on pages 56 to 72 form part of these accounts.



Lynne Berry
Chief Executive
Date: 27 June 2007

Operating cost statement for the year ended 31 March 2007 Cash flow statement for the year ended 31 March 2007

	Note	Period ended 31/03/2007	Year ended 31/03/2006
		£'000s	£'000s
Net cash outflow from operating activities	14	(92,637)	(53,140)
Capital expenditure and financial investment			
Payments to acquire fixed assets - tangible	9	(231)	(169)
Payments to acquire fixed assets - intangible	9	(2,510)	(2,782)
Proceeds from sale of fixed assets		0	0
		(2,741)	(2,951)
Financing			
Revenue:			
Bursaries		51,796	29,400
Education support grants		23,537	18,913
Operating		13,623	10,675
		88,956	58,988
Capital		2,650	2,350
Total grant financing		91,606	61,338
Increase/(decrease) in cash	15	(3,772)	5,247

The notes on pages 56 to 72 form part of these accounts.

Notes to financial statements for the year ending 31 March 2007

1 - Accounting policies

1.1 Accounting basis

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

The financial statements have been prepared on a going concern basis.

1.2 Format of accounts

The GSCC is required to draw up its accounts in a form determined by the Secretary of State for Health with the approval of the Treasury. The GSCC is required to prepare its accounts on an accruals basis and to present its published financial statements in a format as set out in the Accounts Direction.

1.3 Change of accounting policy

With effect from the 2006/07 reporting period the FReM requires non-departmental public bodies (NDPBs) to account for grants

and grants in aid received for revenue purposes as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs. This is a change of accounting policy from earlier periods when such items were recorded as income. The effect of this change on the certified 2005-06 accounts and the impact of the change on the results of the current year are shown below. Note there is no impact on the net asset position of the GSCC as a result of this change in policy.

Notes to financial statements for the year ending 31 March 2007

	At 31 March 2006 (as previously stated)	Impact of adopting the new policy	At 31 March 2006 (restated)
	£'000s	£'000s	£'000s
Retained deficit/net operating cost for 2005-06	(9,175)	(59,121)	(68,296)
General reserve	(1,118)	6,879	5,761
Government grant reserve	6,879	(6,879)	0

	At 31 March 2007 (without applying the new policy)	Impact of adopting the new policy	At 31 March 2007 (applying the new policy)
	£'000s	£'000s	£'000s
Retained surplus/net operating cost for 2006-07	5,167	(90,707)	(85,540)
General reserve	5,042	8,097	13,139
Government grant reserve	8,097	(8,097)	0

1.4 Fixed assets

1.4.1 Tangible fixed assets

Tangible fixed assets include building improvements, office equipment and furniture, computer equipment and the costs of acquiring computer software systems (including cost of implementation). All assets falling into these categories with a value of £5,000 or more have been capitalised. Also assets of similar types have been capitalised where the value of individual assets is less than £5,000, provided that the total value of all assets of that type exceeds £5,000. Fixed assets are valued at cost less depreciation.

1.4.2 Intangible fixed assets

Intangible fixed assets comprise purchased licences to use third party software systems (including cost of implementation). All assets falling into this category with a value

of £5,000 or more have been capitalised. Intangible assets are valued at cost less amortisation.

1.4.3 Development costs

Development expenditure is capitalised if it meets the criteria specified in the non-departmental public body and accounts guidance, which are adapted from SSAP13 to take account of the not-for-profit context. The GSCC is in the process of developing a four country social care regulation computer application, elements of which were operational at 31 March 2007.

Notes to financial statements for the year ending 31 March 2007

1.4.4 Depreciation

Depreciation is provided on all tangible fixed assets held at the year end on a straight line basis, at rates calculated to write off the cost over their estimated useful economic lives as follows:

Building improvements	10 years
Office equipment and furniture	10 years
Computer equipment	4 years
Computer software	5 - 10 years

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

1.4.5 Amortisation of intangible fixed assets

Amortisation is provided on software licences held at the year end on a straight line basis, at rates calculated to write off the cost over the shorter of the period of the licence or their estimated useful economic life as follows:

Computer software licences	2 - 10 years
----------------------------	--------------

One year of amortisation has been provided on the social care regulation programme as elements of the system were operational in the 2006-07 financial year. The useful economic life of the system is seven years.

1.5 Financing and income

The majority of the GSCC's funding is grant-in-aid provided by the Department of Health. The funds may be used to meet the general objectives of the GSCC at the discretion of the GSCC's Council, subject to total cash payments in each year not exceeding several cash limits imposed by the department. These cash limits cover

payments in respect of operating costs, training support grants, student bursaries and capital. All other income is credited to income in the year in which it is earned.

1.6 Expenditure

1.6.1 Management and administration

Management and administration costs relate to expenditure incurred in the management of the GSCC's activities, including quality-assurance work to ensure training is delivered to the appropriate standard, organisational administration and compliance with statutory requirements.

1.6.2 Education support grants

Education support grants comprise expenditure on social work degree grants, grants and practice learning/practice teaching grants. DipSW grants were paid until 2006 when they ceased. Grants payable are recorded as expenditure in the period that the underlying activity giving entitlement to the grant occurs.

1.6.3 Student bursaries

Student bursaries comprise expenditure on maintenance grants, tuition fees and travel and other expenses. Grants payable are recorded as expenditure in the period that the course giving entitlement to the grant occurs. The student bursaries service was transferred to the NHSBSA at the end of the 2006-07 financial year. GSCC also paid student bursaries on behalf of the Care Council for Wales (CCW) until 30 September 2006 when the service was transferred to CCW.

Notes to financial statements for the year ending 31 March 2007

1.7 Pensions

The majority of the GSCC's employees are eligible for membership of the Local Government Pension Scheme (LGPS) via an admission agreement with Essex County Council Pension Fund. The scheme is a multi-employer defined benefit scheme.

The assets of the LGPS are held and managed by the constituent administering authorities and therefore entirely independent of the GSCC's finances.

The GSCC has implemented financial reporting standard, FRS 17, retirement benefits in full. Note 16 provides full details.

Essex County Council advised the GSCC in September 06 that in the preparation of the 2005-06 FRS 17 disclosures, the figure for investment return was understated. This meant that the value of FRS 17 assets had been under stated and would reduce the pension liability in the balance sheet at 31 March 06. The figures for 2005-06 have therefore been revised to take account of this change.

1.8 Leases

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

1.9 Value Added Tax

The GSCC is not registered for Value Added Tax (VAT). All figures reported in these statements therefore include VAT.

1.10 Capital charge

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

Notes to financial statements for the year ending 31 March 2007

2. Reconciliation of net operating cost to grant-in-aid

		2006/07	2005/06
		£'000s	£'000s
Total net operating cost for the financial year	Operating cost statement	85,540	68,296
Grant-in-aid	Cash flow statement	88,956	58,988
Under / (over spend) against financing received from the Department of Health		3,416	(9,308)

The above 'over' and 'under spends' are primarily related to bursaries expenditure being charged on an accruals basis (i.e. when the term actually takes place) and grant in aid, which is accounted for on a cash basis. For a comparison of GSCC's operating expenditure against operating grant and income please see financial position in management commentary.

Reconciliation of gross capital expenditure to capital grant-in-aid

		2006/07	2005/06
		£'000s	£'000s
Gross capital expenditure	Cash flow statement	2,741	2,951
Net book value of assets disposed		(2)	(3)
Net capital resource outturn		2,739	2,948
Grant-in-aid	Cash flow statement	2,650	2,350
Under / (over spend) against Financing received from the Department of Health		(89)	(598)

In 2006-07, GSCC's gross capital expenditure above included £2.5 million on the development of the UK social care regulation system. In 2006-07 GSCC received contributions of £306,773 from the other UK Care Councils towards these costs, which is not reflected in the above table.

Notes to financial statements for the year ending 31 March 2007

3. Education support grants - programme expenditure

	Year ended 31/03/2007	Year ended 31/03/2006
	£'000	£'000
Social work degree grants	21,014	20,391
Other Grants *	1,590	1,352
Total	22,604	21,743

* Other grants comprises: grants to voluntary organisations £279,812 (2005-06 £288,676), PQ consortia £580,000 (2005-06 £580,000) and practice teaching programme £730,560 (2005-06 £472,200). In 2005-06 expenditure also included DipSW grants (£11,181).

4. Student bursaries - programme expenditure

			Year ended 31/03/07	Year ended 31/03/2006
	England £'000	Wales £'000	Total £'000	Total £'000
Maintenance grants	36,593	41	36,634	24,954
Tuition fees	7,467	94	7,561	10,366
Travel and disabled students' allowances	3,466	101	3,567	2,012
Total	47,526	236	47,762	37,332

GSCC paid student bursaries on behalf of the Care Council for Wales (CCW) until 30 September 2006 when the service was transferred to CCW. The bursaries service was transferred to NHSBSA as of 1 April 2007.

Notes to financial statements for the year ending 31 March 2007

5. Management and administration

	Year ended 31/03/2007	Year ended 31/03/2006
	Total £'000	Total £'000
Staff costs (Note 6b)	8,408	7,192
Other administration expenditure		
Staff travel and subsistence expenses	240	138
Staff development and training	304	262
Staff recruitment	190	148
Premises costs (excluding operating lease payments)	786	564
Rentals under operating leases:-		
Hire of plant and machinery	73	76
Other	1,151	1,129
Communications	550	465
Other office services	1,513	771
Assessors and verifiers costs	144	188
Publications and promotions	1,365	1,055
Courses and workshops	311	193
Cost of Council and committees	142	119
International Recognition Service	64	136
Conduct excluding legal fees	278	83
Audit fees	53	51
Other fees and charges	1,967	723
Write offs and losses	31	16
(Decrease) / increase in provision for doubtful debts	80	29
Depreciation and amortisation	1,531	404
Permanent diminution in value of fixed assets	14	12
Loss on disposal of fixed assets	1	3
Total management and administration	19,196	13,757

Note on audit fee - The NAO audit fee represents the cost for the audit of the financial statements carried out by the Comptroller and Auditor General.

This account does not include fees in respect of non-audit work. No such work was undertaken.

Notes to financial statements for the year ending 31 March 2007

6. Staff

6a. Number of staff

The average number of whole-time equivalent employees, including the Chief Executive during the year ended 31 March 2007 was as follows:-

	Year ended 31/03/2007	Year ended 31/03/2006
	No.	No.
Permanent	171	163
Agency	83	74
Total	254	237

The total cost of employing staff in 2006/07 was :-

	Year ended 31/03/2007	Year ended 31/03/2006
	£'000	£'000
Pay		
Salaries and wages	4,458	4,101
National insurance employers' contributions	384	351
Occupational pension scheme, employers' contributions	282	272
Pensions: deficiency payments	126	117
Current and past service costs*	267	(136)
Amounts payable in respect of agency/temporary staff	2,891	2,487
Total	8,408	7,192

* FRS 17 disclosure

Notes to financial statements for the year ending 31 March 2007

7. Notional costs

Notional cost of capital has been calculated in accordance with HM Treasury requirements at a rate of 3.5 per cent on the average value of the net assets during the year. The notional cost for 2006/07 is £330,736 (05/06 £315,178).

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

8. Income

	Year ended 31/03/2007	Year ended 31/03/2006
	£'000	£'000
Operating income		
Social care registration fees	2,551	2,265
Registration fees	315	327
Rentals from operating leases	475	400
Income from devolved social care authorities	914	1,895
	<u>4,255</u>	<u>4,887</u>
Non-operating income	116	17
Total	<u>4,371</u>	<u>4,904</u>

Non-operating income relates to £109,576 project funding from the Department of Health and £6,945 from issuing duplicate certificates for social workers' qualifications.

Notes to financial statements for the year ending 31 March 2007

9. Fixed assets

Tangible fixed assets

	Land and buildings	Furniture and fittings	Information technology	Total
	£'000	£'000	£'000	£'000
Cost or revaluation				
At 1 April 2006	1,326	693	369	2,388
Additions	113	51	67	231
Revaluation	29	14	(20)	23
Disposals		(2)	(72)	(74)
At 31 March 2007	1,468	756	344	2,568
Depreciation				
At 1 April 2006	567	275	226	1,068
Provided during the period	147	73	91	311
Revaluation	14	6	(11)	9
Disposals		(1)	(71)	(72)
At 31 March 07	728	353	235	1,316
Net book value				
At 31 March 2007	740	403	109	1,252
At 31 March 2006	759	418	143	1,320

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

Intangible fixed assets

	Software licences	Development expenditure	Total
	£'000	£'000	£'000
Cost or revaluation			
At 1 April 2006	385	5,410	5,795
Additions	9	2,501	2,510
Revaluation	(25)	0	(25)
Disposals	0	0	0
At 31 March 07	369	7,911	8,280
Amortisation			
At 1 April 06	236	0	236
Provided during the period	90	1,130	1,220
Revaluation	(20)	0	(20)
Disposals	0	0	0
At 31 March 07	306	1,130	1,436
Net book value			
At 31 March 2007	63	6,781	6,844
At 31 March 2006	149	5,410	5,559

Notes to financial statements for the year ending 31 March 2007

10. Debtors

	31/03/2007	31/03/2006
	£'000	£'000
General debtors	876	715
Student bursaries	435	328
Prepayments	10,633	1,737
Total	11,944	2,780

Intra-government balances	31/03/2007	31/03/2006
	£'000	£'000
Balances with central government bodies	212	290
Balances with bodies external to Government	11,732	2,490
Total	11,944	2,780

11. Creditors - amounts falling due within one year

	31/03/2007	31/03/2006
	£'000	£'000
General creditors	5,487	3,716
Tax and social security	127	115
Accrued expenditure and deferred Income	3,468	5,346
Total	9,082	9,177

Intra-government balances	31/03/2007	31/03/2006
	£'000	£'000
Balances with central government bodies	127	115
Balances with bodies external to government	8,955	9,062
Total	9,082	9,177

Notes to financial statements for the year ending 31 March 2007

12. Movement in general reserve

	31/03/2007	31/03/2006
	£'000	£'000
At 1 April 2006 general reserve	5,761	12,515
Adjustment to general reserve	0	83
Indexation of fixed assets	22	85
Adjustment to general reserve for capital charge	331	315
Actuarial gain / (loss)	959	(279)
Grant received in period	91,606	61,338
Net operating cost	(85,540)	(68,296)
Balance at end of period	13,139	5,761
Balance excluding pensions liability	15,086	8,382
Pension liability	(1,947)	(2,621)
Balance at end of period	13,139	5,761

13. Reconciliation of net movement in funds

	31/03/2007
	£'000
Total reserves at 1 April 06	5,761
Movement in reserves	6,419
Actuarial gain / (loss)	959
Total reserves at end of accounting period	13,139

14. Reconciliation of net operating cost to operating cashflow

	31/03/2007	31/03/2006
	£'000	£'000
Net operating cost	85,540	68,296
Depreciation and amortisation and capital charges	(1,862)	(701)
Loss on disposal of fixed assets	(1)	(3)
Permanent diminution in value of fixed assets	(14)	(30)
Increase/(decrease) in debtors (note 10)	9,164	(9,630)
(Increase)/decrease in creditors and accruals (note 11)	95	(4,878)
(Increase) reduction in pension liability	674	(196)
Adjustment to general reserve IRO actuarial gain/loss 2006/07	(959)	279
Adjustment to general reserve for prior year	0	3
Net cash outflow from operating activities	92,637	53,140

Notes to financial statements for the year ending 31 March 2007

15. Analysis of changes in cash during the period

	31/03/2007	31/03/2006
	£'000	£'000
Balance at start of year	7,900	2,653
Net cash inflow/(outflow)	(3,772)	5,247
Balance at end of year	4,128	7,900

16. Pension scheme

In line with Accounting Standards Board requirements, the GSCC has implemented Financial Reporting standard 17 retirement benefits in full. Essex County Council advised the GSCC in September 06 that in preparation of the 2005-06 FRS 17 disclosures, the figure for investment return was understated. This meant that the value of FRS17 assets had been under stated and would reduce the pension liability in the balance sheet at 31 March 06. The figures for 2005-06 have therefore been revised to take account of this change.

(i) Contribution rates

The majority of the GSCC's employees are eligible for membership of the Local Government Pension Scheme (LGPS) via an admission agreement with Essex county council pension fund. The scheme is a multi-employer defined benefit scheme. Contributions are paid by employees at a fixed rate of 6 per cent of gross salary. For the year-ending 31 March 2007, the GSCC contributed 131 per cent of employees' contributions.

(ii) Actuarial information

Triennial valuations of the Essex fund are carried out by qualified actuaries. The latest valuation as at 31 March 2004 showed a deficit of £1.916 million. For year-ending 31 March 2007, the GSCC contributed deficit payments to the Fund of £0.125m.

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

	At 31/03/2007	At 31/03/2006
Rate of increase in salaries	4.6%	4.4%
Rate of increase in pensions in payment	3.1%	2.9%
Discount rate	5.4%	4.9%
Rate of inflation	3.1%	2.9%

Notes to financial statements for the year ending 31 March 2007

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

	Long - term rate of return expected at 31/03/2007	Value at 31/03/2007	Long - term rate of return expected at 31/03/2006	Value at 31/03/2006
	%	£000s	%	£000s
Equities	7.5	7,324	7.0	6,552
Government bonds	4.7	1,046	4.3	967
Other bonds	5.4	666	4.9	521
Property	6.5	1,321	6.0	1078
Cash/liquidity	5.25	211	4.5	177
Market value of assets		10,568		9,295
Present value of scheme Liabilities		(12,515)		(11,916)
Deficit in the scheme		(1,947)		(2,621)

(iv) Movement in deficit during the year (FRS 17 disclosure)

	2006-07	2005-06
	£000s	£000s
Deficit in scheme at beginning of year	(2,621)	(2,425)
Current service cost	(675)	(555)
Employer contributions	408	392
Past service gain	0	299
Other finance income	(18)	(53)
Actuarial gain	959	(279)
Deficit in scheme at end of year	(1,947)	(2,621)

(v) Analysis of the amount charged to operating surplus (FRS 17 disclosure)

	2007	2006
Current service cost	675	555
Past service gain	0	(299)
Total operating charge	675	256

Notes to financial statements for the year ending 31 March 2007

(vi) Analysis of the amount credited to other finance costs

	2006	2005
Expected return on pension scheme assets	586	459
Interest on pension scheme liabilities	(604)	(512)
Net return	<u>(18)</u>	<u>(53)</u>

(vii) Analysis of amount recognised in statement of recognised gains and losses (SRGL) (FRS 17 disclosure)

	2007	2006
Actual return less expected return on pension scheme assets	114	1,377
Experience gains and losses arising on the scheme liabilities	0	(443)
Changes in assumptions underlying the present value of the scheme liabilities	845	(1,213)
Actuarial loss recognised in (SRGL)	<u>959</u>	<u>(279)</u>

(viii) History of experience gains and losses (FRS 17 disclosure)

	2007	2006
Difference between the expected and actual return on scheme assets (£000s):	114	1,377
Percentage of scheme assets (%)	1.1	14.8
Experience gains and losses on scheme liabilities: amount (£ 000s)	0	(443)
Percentage of the present value of the scheme liabilities (%)	0	3.7

Notes to financial statements for the year ending 31 March 2007

17. Financial commitments - operating leases

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

	Year ended 31/03/2007	Year ended 31/03/2006
	£'000	£'000
Land and buildings		
Leases which expire between 1 and 5 years	988	0
Leases which expire after 5 years	217	1,107
Sub-total	1,205	1,107
Other		
Leases which expire between 1 and 5 years	11	34
Leases which expire after 5 years	31	0
Sub-total	42	34
Total	1,247	1,141

The above figures exclude maintenance agreements for equipment and service charges for buildings. £326,051 of the buildings rent shown above is rechargeable.

18. Related party transactions

(i) The GSCC is a non-departmental public body of the Department of Health. The Department of Health is regarded as a related party. During the year, the GSCC received £91,606,000 as grant in aid from DH and £109,756 as non-operating income. GSCC has had a number of material transactions with other departments and bodies for which the Department of Health is considered to be the parent department viz:

Scottish Social Services Council: GSCC earned income of £307,511 through recharges for the UK Social Care Regulation Programme and for costs of providing the external assessment (of social work courses) service to the SSSC.

Care Council for Wales: GSCC earned income of £517,661 through: recharges of bursaries payments to Welsh students, costs of providing the bursaries service to CCW, recharges for the UK Social Care Regulation Programme and for costs of providing the external assessment (of social work courses) service to the CCW.

Northern Ireland Social Care Council: GSCC earned income of £89,169 through recharges for the UK Social Care Regulation Programme and for costs of providing the external assessment (of social work courses) service to the NISCC.

Notes to financial statements for the year ending 31 March 2007

None of the GSCC's board members, key managerial staff, or other related parties have undertaken any material transactions with the GSCC during the year.

19. Capital commitments

There were no capital financial commitments at 31 March 2007 that require disclosure.

20. Contingent assets and liabilities

There were no known contingent assets or liabilities as at 31 March 2007.

21. FRS13 financial instruments

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

(i) Interest rate risk

The GSCC is not exposed to interest rate risk.

(ii) Liquidity risk

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

(iii) Currency risk

The GSCC is not exposed to currency risk.

(iv) Credit risk

The GSCC is not exposed to significant credit risk.

22. Post-balance sheet events

The accounts were authorised for issue on 25 July by the accounting officer.

23. Losses and special payments

During the year, the GSCC wrote off 26 bursary debts deemed uncollectible with a value of £31,162. There was one asset lost during the year with a value of £334. An ex-gratia payment of £20,000 was made as a compensation payment to the former Director of Communications of the GSCC.

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