



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



Ariennir gan
Lywodraeth Cymru
Funded by
Welsh Government

Annual Report and Accounts 2021 – 2022

Regulation and Inspection of Social Care (Wales) Act 2016

Annual Report and Accounts of Social Care Wales prepared pursuant to Schedule 2, Part 6 Paragraph 16 (1-3) of the Regulation and Inspection of Social Care (Wales) Act 2016, for the year ended 31 March 2022 together with the Report of the Auditor General for Wales thereon and laid before Senedd Cymru pursuant to the Regulation and Inspection of Social Care (Wales) Act Schedule 2, Part 6 Paragraph 16 (4)

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Performance report

Overview

Statement from the Accounting Officer

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

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

We have continued, despite the challenges of the period, to embed the framework to transform care and support in Wales, as set out in the Social Services and Well-being (Wales) and Regulation and Inspection of Social Care (Wales) Acts. We have worked hard with others to develop and plan the future development of social care and early years, through “A Healthier Wales” and the Welsh Government’s “10-year Childcare, Play and Early Years” workforce plan, as well as evolving partnerships across Wales.

We continue to build on our national leadership role and our relationships with the social care and early years workforce, employers and strategic leaders across Wales to improve practice, increase workforce resilience and make sure the care profession is as highly valued as it should be. Working with others is central to how we operate, and partnership has been at the heart of the delivery of our business plan in 2021-22. We are committed to working with partners to positively influence the social care and early years services to improve outcomes for children, adults, families and unpaid carers who rely on care and support. The majority of our work is produced in partnership across public, private and third sector organisations throughout Wales.

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

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

Sue Evans

Chief Executive and Accounting Officer

Date: 27 July 2022

Role of Social Care Wales – Who we are



Our vision and purpose

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

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

Key issues and risks that we face

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

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

- the ongoing impact of Covid on the social care and early years sector alongside the continued growth in demand for social care
- remaining in a period of financial constraint for public services
- the ambitious policy landscape.

Performance analysis

Our annual Business Plan for 2021-22 set out our strategic objectives, along with our high-level activities and achievement measures. Throughout the year, we provided quarterly reports about the progress we made against our strategic objectives to our Executive Management Team, and these are scrutinised by our Board and the Welsh Government.

Whilst many of our existing activities delivered effectively and at pace in year, we took a decision to slow down some activities and carry them forward into our business delivery for 2022-23 to make sure that the outcomes are truly co-produced with the sector. This was in recognition that continued impact on the ability within the sector to participate in the level of engagement required.

Providing public confidence

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

Registration

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

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

35,261 people were on our Register (as of March 2022)

Temporary changes to registration

During the year we temporarily extended the period of registration for social care workers in Wales from three years to four years. We also made temporary changes to the continuing professional development (CPD) requirement for workers. The temporary changes mean that:

- the period of registration for all social care workers who were registered with us as of 31 March 2021 (except social work students) is being extended from three to four years
- the amount of CPD workers have to complete during their registration period (90 hours) is not increasing and will stay the same for the four-year period
- any worker who worked through the pandemic will automatically achieve 50 per cent of their CPD requirement for re-registration – these workers will only have to complete an additional 45 hours of CPD to reach the 90 hours required.

These changes reflect the challenges faced by social care workers during the pandemic. They also respond to the very difficult circumstances currently facing the social care sector and in particular, the challenges posed by staff recruitment and retention. We want to make sure social care workers, managers and social workers can focus on the work they do, without worrying about their registration at this time. We also want to make sure everyone who is registered with us has the time they need to complete their qualifications or CPD.

Improving our registration process

We currently have more than 35,000 workers on the Register of Social Care Workers. This number is set to increase significantly as all adult care home workers must register with us by October 2022. This will mean that most of the social care workforce in Wales will be regulated.

As the social care workforce continues to grow, we know how important it is to make our registration process simpler, to make it as easy as possible for people to work in the social care sector. During February and March 2022 we consulted on some proposals including a new way to register and reducing the time to register and continuous professional development for social care workers.

We want to continue to make sure our registration system is fit for the future, and the responses to this consultation have been extremely informative in shaping a new approach. The results of the consultation will inform our approach which we will set out in 2022-23.

Fitness to practice

A central part of our regulatory function is ensuring that those providing social care are competent and safe to practise. This requires an effective and efficient Fitness to Practise (FtP) process. Throughout 2021-22 we implemented recommendations following our review, in the previous year, to make sure that our current FtP processes are both efficient and timely. The review also looked for new and different ways of carrying out our functions to maximise resources and measure our efficiency.

In total we removed 45 people from the Register, ensuring they could no longer work in our sector.

313 (0.9% of Register) the number of registered persons about whom we received allegations that called into question their fitness to practise and suitability to remain on the Register

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

56 final hearings were held

45 removed from the Register

Of those removed, their registered roles were:

29% (13) - residential child care workers

2% (1) - residential child care manager

13% (6) - adult care home managers

4% (2) - social workers

7% (3) - domiciliary care managers

45% (20) - domiciliary care workers

Promote recognition of the workforce

All care workers in Wales were offered an updated recognition card that identifies them as key workers and gives them access to money-saving offers. The care worker card is the next version of a similar card launched last year to help support care workers as they faced huge personal and professional challenges from the pandemic.

In response to feedback from users of the first card, we arranged for cardholders to benefit from a cashback card, as well as a wide range of retail offers, through dedicated discounts provider, Discounts for Carers. Cardholders also have access to preferential shopping arrangements at certain supermarkets where those still apply. They were also updated on resources, such as mobile applications, that can be used to help them maintain their physical and mental well-being. The new card offers the benefits to social care and childcare, play and early years workers in Wales, whether or not they are registered with Social Care Wales.

Launching the 2022 Accolades

In September 2021 we launched the 2022 Accolades, the awards that recognise, celebrate and share notable work in social work, social care and childcare, play and early years in Wales. The awards are open to any paid worker or volunteer in social work, social care or childcare, play and early years in Wales who make a positive difference to people's lives through the care and support they provide. The 2022 Accolades gives an opportunity to showcase the excellent work that's been happening across Wales, and recognising, celebrating and sharing that practice. The accolades were held on 21 April 2022.

Care Stars 2021

Care Stars 2021 was created to shine a light on the social care and early years workers who have made a truly positive difference to people's lives during the past 15 months when the whole country struggled with the challenges of the pandemic. In June 2021, employers, colleagues and members of the public were invited to nominate the paid care workers they felt deserved to be recognised for their work over the past 15 months.

As a result, 120 care workers from across Wales were nominated. A panel of judges, made up of Social Care Wales Board members and representatives from partner organisations, then whittled them down to the 12 Care Stars they thought deserved widespread recognition for the inspirational work they had done. They included a care assistant who went above and beyond at a care home, a support worker who used arts and crafts to enhance people's lives, and a residential child care worker who moved in with vulnerable children during lockdown.

Working with you to be effective

Strategy and governance

Following a consultation on our future priorities during 2020-21 our Board approved our new Strategic Plan for 2022-2027. The Plan sets out our priorities and proposals for what we want to achieve, where we suggest we focus our energies and how we want to work with people over the next five years to realise our vision.

Considerable work has been done to ensure that our financial resources reflect our ambitions to support reforms to improve delivery and increase the sustainability of services across the social care and early years sector. We continue to evolve as an organisation and 2021-22 has been a year of consolidation to make sure we have effective and efficient services for our customers. We have recruited 40 new employees to develop existing workstreams and take forward new areas of work, and we have reformed and invested in some of our processes and infrastructure to improve efficiency of services.

Digital by choice

During the year we have further progressed our commitment to being a 'digital by choice' organisation. We developed our Digital Strategy and our approach to Digital training and learning for the social care and early years sector. These set out a roadmap for what this means for the forward direction of the organisation, our users and services we offer to our customers. Several discovery reports were prepared to assist in developing our strategic thinking. In developing our online services we want to make sure they align with our growing audiences and meet each of their needs in terms of content, accessibility and experience. In maturing our approach we will aim for our users to select 'digital by choice' whilst still continuing to support those who need to access our service by alternative methods.

Strategic Equality Plan

We consulted on our draft equality objectives in order to help us develop our five-year Strategic equality plan for 2022 to 2027. The consultation was part of our commitment to becoming an organisation that actively seeks to improve the lives of people with protected characteristics by tackling discrimination, promoting equality and diversity and creating a more inclusive society. We recognise our role is to be a leader in these areas in social care and early years, and to work with others in the sector to create real and meaningful change.

Staff well-being

As a public service organisation, we are committed to demonstrating the Welsh public service values in the way we work with the sector and the way we work within the organisation. Staff wellbeing has been the core principle in managing business continuity and business operations whilst working remotely. We achieved an engagement score of 90% in our annual people survey this year with a response rate of 86%.

With full staff consultation we developed a new Hybrid Working Policy during the year to make sure we can continue to operate effectively and efficiently whilst adapting to current and future working requirements.

Current workforce

As at 31 March 2022

163
staff

Recruited
40
new employees

9%
staff turnover
(target to remain below 15%)

4.77%
overall sickness absence rate

1.78%
sickness absence excluding long term sickness
(target to remain below 3%)



Engagement and communication

In developing our 5 year Strategic Plan we wanted to set out how we would approach marketing and communications with our customers and stakeholders. In October 2021 we agreed the key principles of our approach. Since then, work has focused on developing the detail underpinning the strategy. This has included identifying audiences, messages, channels, services and touchpoints with our digital work. This work ties in closely with the outcomes agreed as part of our new five-year strategic plan. To help inform the marketing and communications strategy it also incorporates some of the key findings from the most recent Wales Omnibus Survey, which showed high levels of public support and confidence for the social care and early years workforce. The findings helped inform the content and direction of the marketing and communications strategy.



1,539,613
website page views



6,914
followers on Twitter

Developing the workforce

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

Support and promote the sector as a career

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

We developed a WeCare Wales job portal in response to the pandemic to enhance the ease at which employers can advertise their job vacancies and people can see the vacancies available within their area. Further development of the portal has been ongoing throughout the year with a campaign focused on advertising the jobs Portal with TV, radio and cinema adverts. The campaigns' focus in February concentrated on raising awareness of apprenticeships across social care and early years.

300,000+ visitors WeCare Wales website

6,200+ jobs posted on the jobs portal

30,000+ engagements on Social media

50+ films with **2.2 million+** views of films

ITV Wales, S4C, Sky, All4 coverage

Introduction to Social Care

Following the success of a pilot programme trialled in partnership with Local Authorities in 2020-21 we have rolled out a new online training programme for anyone interested in a career in social care. The three-day "Introduction to Social Care" programme gives anyone in Wales, who's interested in working in social care, an overview of what working in the sector is like and help them decide if a career in care may be right for them. The course looks at what social care is and the different roles available in the sector, along with an introduction to relevant topics such as safeguarding, health and safety, the use of Personal Protective Equipment (PPE), the importance of language choice and communicating with people who use care and support.

The programme aims to support staff retention in social care by giving people interested in working in the sector an idea of the work they would be doing before they start a new role. It also aims to challenge misunderstanding about social care and help people find out what it really means to work in the sector. An additional programme will be available for young people aged between 15 and 19 years old. Young people can contact their local careers advisor for more details.

**"I learned so much about the social care sector, the different roles available, practical skills and knowledge of the legislation. It's really inspired me and helped me secure an offer of employment already."
(Participant in pilot programme)**

Online safeguarding training

Launched as part of National Safeguarding Week 2021, the safeguarding e-learning module is mainly aimed at those working in the public and voluntary sectors. This includes those looking to work in social care, early years and childcare, as well as in health, the emergency services and local councils. The module will give learners a practical understanding of safeguarding and has been developed by Social Care Wales in line with the Wales Safeguarding Procedures, launched in 2019.

Safeguarding training is mandatory for most staff working in social care and early years and childcare, as well as other roles in the public and voluntary sectors. The pandemic has underlined the importance of increasing options for workers and potential recruits to undertake online training, giving them greater flexibility for when and where they can learn.

We have been working with partners to develop a series of e-learning packages on different topics. In the case of the safeguarding training, it has been developed with the Wales Safeguarding Procedures Board and representatives from a wide range of statutory and third sector agencies.

Workforce plans

In response to specific actions outlined in 'A Healthier Wales – Our Workforce Strategy for Health and Social Care', October 2020; In partnership with Health Education Improvement Wales (HEIW) we have worked with the sector to develop Direct Care, mental health and social work workforce plans. The workforce plans were developed following a programme of engagement that started with a range of interviews with key stakeholders and partners. Their input and feedback supported us in shaping the content of an initial documents and formed the basis of an extensive period of engagement. This was with the workforce across statutory, private and voluntary providers, partner agencies, professional bodies, trade unions, employers, workforce leads and commissioners, who all helped to shape the content of the workforce plans.

The intention of the plans are to focus primarily on building and nurturing excellent professional practice. Whilst also recognising that this needs to include supporting all workers to feel cared for, to work in a compassionate and inclusive culture, and to feel valued for their contribution. The plans will be published early in 2022-23.

Investing in the workforce

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

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

In addition, there is a regional facilitation grant that does not attract match funding, in 2021-22 this was **£1,172,000**.

SCWWDP Review

The over-arching aim was to undertake a comprehensive review of the SCWWDP grant, providing recommendations for how the workforce investment could be most effectively utilised for the sector from 2022. The review also considered the priorities of the grant and approaches to the application and monitoring processes, as well as how the grant and the regional facilitation grant could be best aligned to the themes of the health and social care workforce strategy, including identifying any gaps between current SCWWDP priorities and the workforce strategy recommendations. The review also took account of the impact of Covid, other ongoing workforce initiatives and trends apparent in the SCWWDP monitoring and reporting.

Leading and supporting improvement

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

National Social Care Data Portal

Social Care Wales launched the National Social Care Data Portal in 2018, which sought to bring together a range of aggregate data about social care into a single publicly accessible web-portal. In 2021 we reviewed the current data portal to determine if it provided what our users needed, to recommend improvements, and ensure that the platform was technically fit for purpose. From October we have been working on a two-phase approach to a new product which would be undertaken, that the continuity portal would be created to improve functionality, widen usability, and start to offer more insights into existing data; and the discovery portal will allow users to interact with data in novel and intuitive ways to discover more insights and understanding from the data and work to address some of the data gaps identified by the sector. The continuity portal is being finalised ready for launch in early June.

Research and evidence

We carried out research and engaged with people working in social care to find out about the barriers and enablers to using research and evidence. In response, we developed an evidence offer, which outlines our approach which will be delivered over the next three years.

We worked with partners to learn about community management and launched an Evidence Community which will go live on a digital platform this summer. The community offers a space for networking, collaboration and sharing, bringing people working in and researching social care together, with Social Care Wales playing an enabling and convening role.

Welsh Government's Performance and Improvement Framework requires local authorities to demonstrate how they incorporate research, data and evidence into the design and delivery of social care. We are working with partners to develop a model for research skills and capability building, providing the workforce with learning and development opportunities suitable for social care.

Outcomes focused practice

Maintain and develop All Wales Network of Mentors

For those who Mentor / champion the strengths based approach within their organisation we support them via an all Wales mentors' network. The network comes together on-line to share practice and learning. Membership consists of representatives from 19 local authorities and Credu Cymru (carers organisation). During 2021-22 the network has shared practice and discussion on following areas including outcomes focused case recording, running reflective practice groups, and safeguarding and strengths based practice. Those who attend the network have provided extremely positive feedback and welcome the opportunity to share and learn from others.

Resources to support leaders and managers of homecare providers

Following partnership working with domiciliary care managers and people who lead and influence practice in domiciliary care, we have developed the resource; *Understanding and using an outcomes approach: One-stop-shop for people who lead and influence practice in domiciliary care*. This resource covers topics that managers need to know about such as cultural change and conversations with partners, including commissioners and inspectors. It also includes ways to support staff teams through recruitment, supervision, learning and reflection to embed strengths based practice.

This resource supplements the guides we have already developed for domiciliary workers, which are used to support staff who are completing the All Wales induction Framework for Health and Social Care (AWIF).

National Management Development Framework

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

Our approach for 2022-23

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

We have set out the changes we want to see using national outcomes. We have described what it means for the sector during 2022-23, who we will work with during the year to do this work and what we will be doing during the year through the lens of our stakeholders:

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

Accountability Report

Corporate Governance Report

Directors Report

History and Statutory Background

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

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

Chief Executive and Accounting Officer

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

Social Care Wales Board Members

At 31 March 2022 there were fifteen members including the Chair who have been appointed by the Minister for Public Health and Social Services with two members terms ending on the 31 March 2022.

Members serving 1 April 2021 to 31 March 22

Members

Mick Giannasi - Chair (term ending 31 July 2023)
 Abigail Harris (term ending 31 March 2025)
 Carl Cooper (term ending 31 March 2025)
 Damian Bridgeman (term ending 31 March 2024)
 Donna Hutton (term ending 31 March 2024)
 Emma Britton (term ending 31 March 2025)
 Grace Quantock (term ending 31 March 2025)
 Joanne Kember (term ending 31 March 2025)
 Jane Moore (term ending 31 March 2024)
 Kate Hawkins (term ending 31 March 2022)
 Maria Battle (term ending 30 June 2023)
 Peter Max (term ending 31 March 2024)
 Rhian Watcyn Jones (term ending 31 March 2022)
 Simon Burch (term ending 31 March 2024)
 Trystan Pritchard (term ending 30 June 2023)

In addition, Daxia Varsani is an independent member of the Audit and Risk Committee and her term will end on the 30 April 2023.

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

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

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

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

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

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

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

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

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

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

Sue Evans

Chief Executive and Accounting Officer

Date: 27 July 2022

Governance statement

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

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

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

Our organisation

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

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

My governance statement is written in the context of the ongoing pandemic. Our business plan 2021-22 activities, like the previous year, has been focused on supporting the social care and early years during this unprecedented time to make sure we make a positive and lasting contribution to the quality of services in Wales.

The continuing impact of Covid meant that during 2021-22 our focus was on:

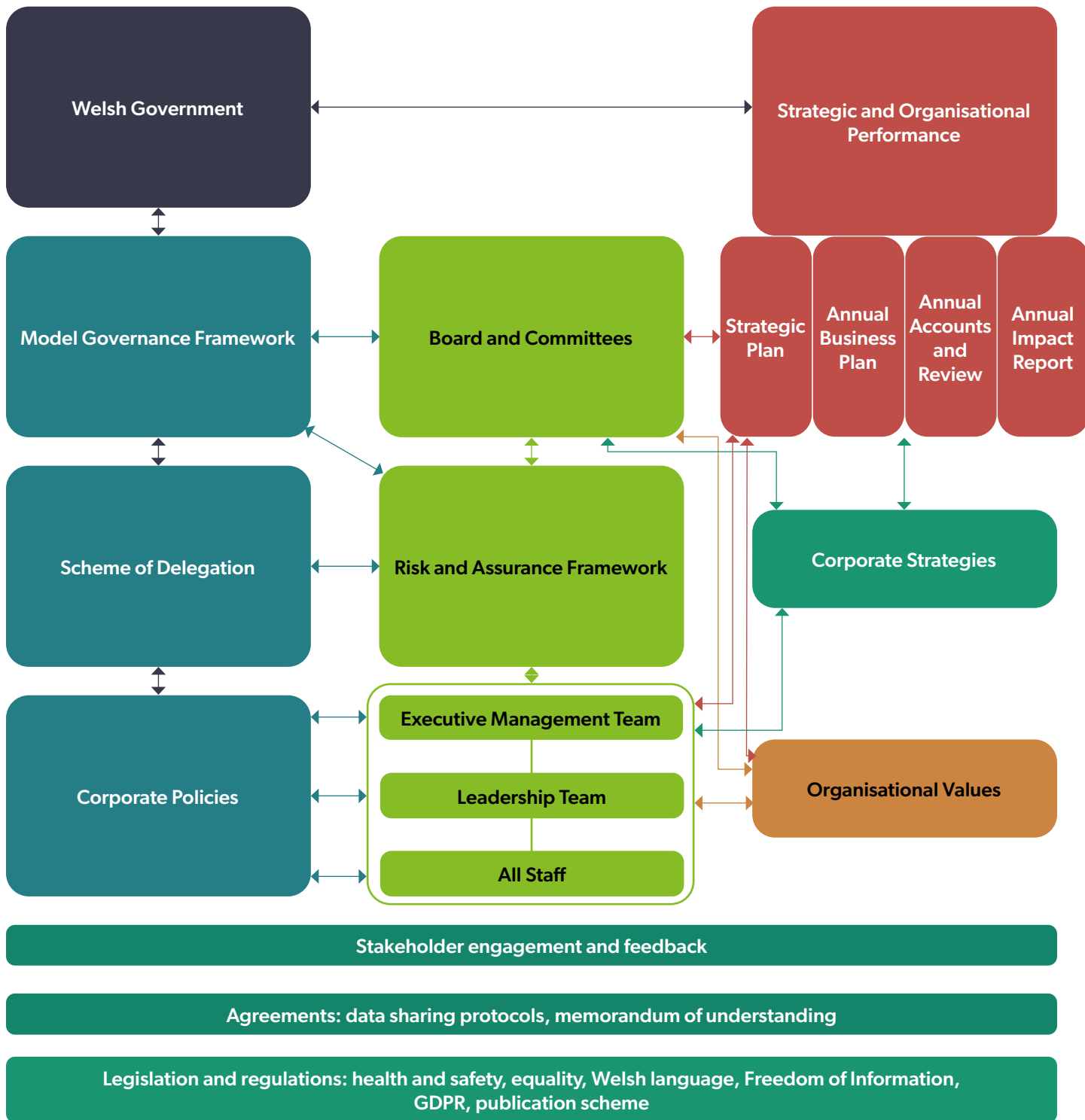
1. delivering our core and statutory functions: adapted as required in light of Covid, including changes to our regulatory system so that it was appropriate for the sector during the emergency.
2. Covid rapid response initiatives: the things we are doing as an immediate response to the sectors needs now
3. supporting recovery and sustainability following Covid: supporting the sector and our organisation to be equipped for sustainable recovery.

Covid also impacted on the way in which we operated as a business during the year with all staff continuing to work remotely. Our annual business plan sets out in more detail the activities we identified to support the sector and our organisation during 2021-22, in light of Covid. Our performance was monitored and scrutinised by our Board and Welsh Government throughout the year, including through formal quarterly meetings.

Our governance and accountability framework

In accordance with the 'International Framework: Good governance in the public sector' governance 'comprises the arrangements¹ put in place to ensure that the intended outcomes for stakeholders are defined and achieved'.

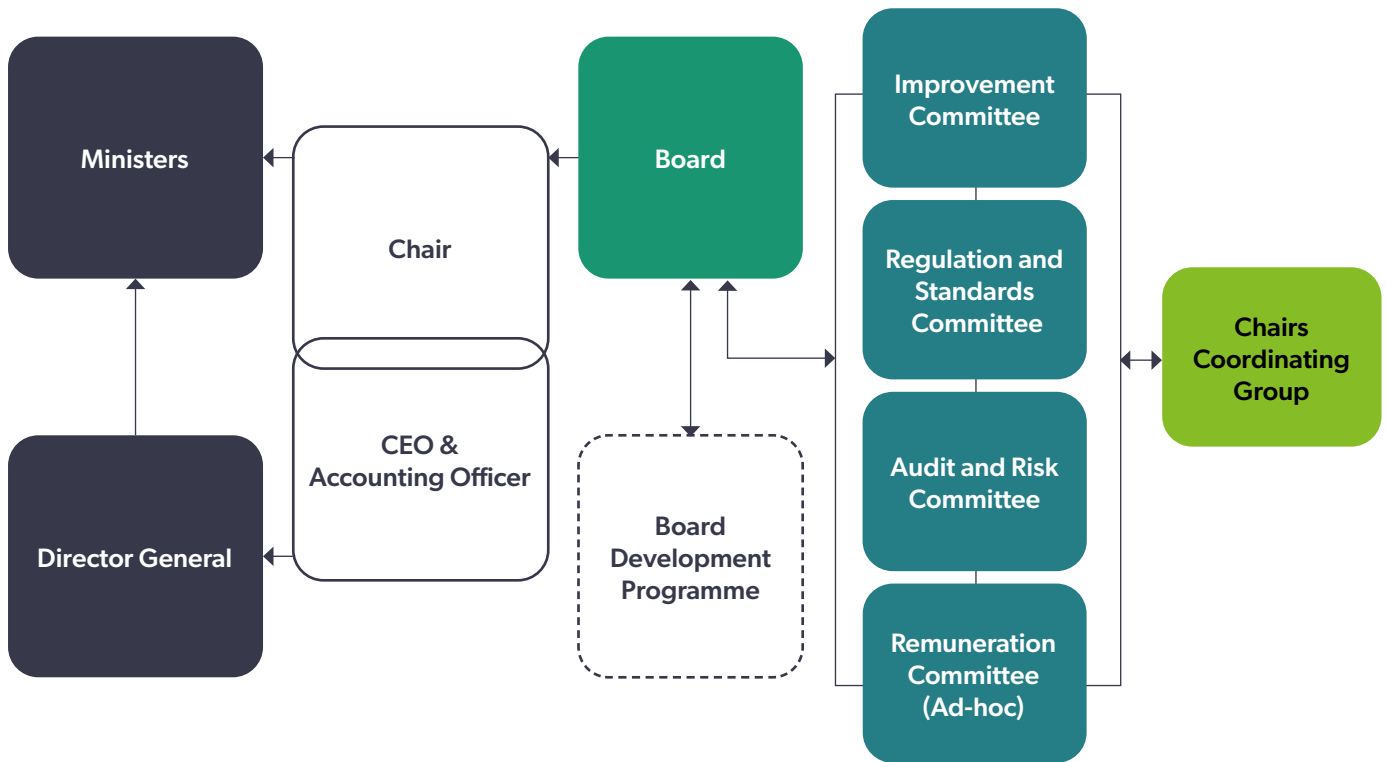
Our governance and accountability framework, including information on the coverage of our Board's work and that of its committees, is summarised in the next few pages.



1. Includes political, economic, social, environmental, legal, and administrative structures and processes, and other arrangements, as encapsulated in the principles define.

Accountability

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



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

- Our Executive Management Team met with representatives from our sponsorship division at Welsh Government every three months to go through our business plan performance and our budget spend to date.
- Regular meetings were held with the Chair of Social Care Wales and the Chief Social Care Officer at the Welsh Government.
- The Chair and I attended our annual meeting with the Deputy Minister for Social Services in October 2021.
- Our Board had its annual meeting with the Deputy Minister for Social Services in October 2021.

Our Board and committees

Our Chair and 14 Board members are responsible for providing us with leadership and direction. They work closely with the Executive Management Team to set our strategic and business plans, allocate our resources, and monitor our performance. Our work is scrutinised, steered, and approved by the Board and its sub-committees.

Due to the pandemic all Board and Committee meetings during 2021-22 have continued to be held successfully virtually.

This diagram illustrates our Board and Committee structure as of 31 March 2022:

Board

- makes decisions on those matters reserved for the Board
- provides leadership and direction by setting our strategic and business plan
- scrutinises resources and performance – through regular business plan performance reports (including financial, risk management and HR data)
- demonstrates high standards of corporate governance – agreeing Board and Committee terms of reference
- receives messages and advice from the Executive Management Team

Audit and Risk Committee

Advises the Board on:

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

Improvement Committee

Advises the Board on:

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

Regulation and Standards Committee

Advises the Board on:

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

Remuneration Committee

Advises the Board on:

- matters relating to the review of the pay of the Executive Management Team, and consider the staff annual payment recommendations in line with our policy

Board development and engagement

Board members continued their learning and development during the year with a series of seminars all held virtually. The topics of these seminars were:

- Risk appetite
- 3-year budget strategy 2021-24
- Strategic Plan 2022-27 – developing outcomes and measures
- Board skills for the future
- Social Care Wales Workforce Development Programme (SCWWDP) review
- Strategic performance management framework
- Scrutiny role of the Board – Future Generations Commissioner Scrutiny Framework
- Discussions with the Chief Social Care Officer
- Cyber security awareness training
- Joint session with Health Education and Improvement Wales (HEIW) with a focus on the Workforce Strategy and the Mental health workforce plan
- Strategic risk register 2022-27
- Reflections from individual Board members
- Horizon scanning – longer term context
- Supporting the sector in the current context
- Strength based practice – in-depth presentation
- The journey to qualify as a social care or early years worker
- Presentation from the Children’s Commissioner for Wales
- Feedback on the organisation’s Marketing and Communications Strategy
- Facilitated session to consider the Board’s effectiveness for 2021-22.

Board and committee effectiveness

As a learning organisation, we regularly reflect on the effectiveness of our policies, processes, and meetings. The 2021-22 annual review of Board and Committee Effectiveness was conducted by an externally facilitated group discussion based on the analysis of individual feedback provided by Board members through a structured questionnaire completed in advance.

This analysis, combined with the product of a ‘stop, start, continue’ exercise which was also completed in advance by members, was used to identify key strengths to build on and opportunities for further improvement which informed the group discussion process.

The results of the questionnaire indicated a generally positive assessment of the effectiveness of the organisation’s corporate governance arrangements and reasonably high levels of satisfaction and commitment amongst Board members.

Three key themes were identified for further exploration:

1. Connection with stakeholders
2. Demonstrating impact (obtaining ‘assurance not re-assurance’);
3. How we work together (tension not cosiness, inclusivity, governance and relationships).

Following the review of Board effectiveness the following opportunities have been added for the continuous strengthening of our Board corporate governance action plan:

- **Opportunity 1** - arrange a Board conversation on the application of the constitution to explore the differentiated roles of members and officers and consider whether the relationship is appropriately balanced and whether the level of scrutiny and challenge is right
- **Opportunity 2** - arrange a Board conversation to seek to define the ambassadorial role of members more clearly
- **Opportunity 3** - consider ways to introduce the voice of the sector more into the Board's work
- **Opportunity 4** - introducing the Senior Independent Member role
- **Opportunity 5** - building a 30-minute pre-meeting into the Board meetings, when needed, to enable members to informally discuss the agenda
- **Opportunity 6** - looking again at the balance between in-person and remote meetings to find new ways to introduce more person-to-person contact
- **Opportunity 7** - co-opting the Staff Partnership Council (SPC) Chair as a participating observer to the Board and Remuneration Committee.

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

Members' attendance at Board and committees

Board members are paid the equivalent of two days' work a month. In addition to our 15 publicly appointed members we have several people who are co-opted onto our Committees:

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

The Standing Orders for the Board set out the expected attendance level for Board members at meetings at 60 per cent. This table shows members' attendance at Board and Committee meetings during 2021-22.

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

Name	Committee membership	Attendance at Board meetings	Attendance at Board development sessions	Attendance at Committee meetings	Overall meeting attendance (inc. Committees)	Term of appointment ends
Mick Giannasi (Chair)		4/4	10/10		100%	31.07.23
Abigail Harris	Improvement, Audit and Risk	3/4	9/10	2/4 and 4/4	82%	31.03.25
Daxa Varsani (Independent Audit and Risk Committee Member)	Audit and Risk	n/a	n/a	4/4	100%	30.04.23
Carl Cooper	Audit and Risk; Improvement;	4/4	10/10	4/4 and 3/4	95%	31.03.25
Damian Bridgeman	Improvement (Deputy Chair), Audit and Risk	4/4	10/10	3/4 and 4/4	95%	31.03.24
Donna Hutton	Regulation and Standards; Improvement	4/4	8/10	3/4 and 4/4	86%	31.03.24
Emma Britton	Audit and Risk (Deputy Chair); Regulations and Standards	3/4	7/10	4/4 and 4/4	82%	31.03.25
Grace Quantock	Regulation and Standards (Deputy Chair); Audit and Risk	4/4	9/10	4/4 and 4/4	95%	31.03.25
Jane Moore	Improvement; Regulation and Standards	4/4	9/10	4/4 and 4/4	95%	31.03.24
Joanne Kember (Deputy Chair)	Regulation and Standards; Improvement	3/4*	10/10	4/4 and 3/3	95%	31.03.25
Kate Hawkins	Audit and Risk; Regulation and Standards	4/4	9/10	3/4 and 3/4	86%	31.03.22
Maria Battle	Improvement	4/4	8/10	3/4	83%	30.06.23
Peter Max	Improvement (Chair); Audit and Risk	3/4	9/10	4/4 and 3/3	90%	31.03.24
Rhian Watcyn Jones	Audit and Risk (Chair)	4/4	10/10	4/4 and 3/3	100%	31.03.22

Name	Committee membership	Attendance at Board meetings	Attendance at Board development sessions	Attendance at Committee meetings	Overall meeting attendance (inc. Committees)	Term of appointment ends
Simon Burch	Regulation and Standards (Chair)	4/4	8/10	4/4 and 3/3	90%	31.03.24
Trystan Pritchard	Audit and Risk; Regulation and Standards	4/4	9/10	4/4 and 3/4	91%	30.06.23

*Joanne Kember was not able to attend one Board meeting as she was on other Board business.

Effectiveness of our governance framework

The pandemic continues to have a major impact on the social care and early years sector. Our staff have continued to work from home whilst also maintaining strong governance and control.

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

Our people survey is an annual survey to collect staff thoughts and opinions on how we work in Social Care Wales. We last ran this survey in 2019. We didn't run it in 2020 as it was replaced by a series of shorter more targeted surveys to support staff through the early stages of the pandemic.

The survey is based on the Civil Service People Survey (People Survey) that takes place around October time each year. Although we don't formally take part in the Civil Service People Survey, we are able to access the results of other participating organisations, so we use the same questions in our own survey so that we can benchmark against others. Further benchmarking analysis will follow in 2022, when the results are made available.

We had a very high response rate of 86% and the table below summarises the score as an average per section and the results from the previous survey.

Results	% Change	November 2021	April 2019
Response rate	+7	86%	79%
My work	+7	90%	83%
Objectives and purpose	-	97%	97%
Line management	+6	89%	83%
My team	+6	96%	90%
Learning and development	+9	83%	74%
Inclusion and fair treatment	+6	93%	87%
Resources and workload	+1	89%	88%
Pay and benefits	-3	74%	77%
Leadership	+7	92%	85%
Managing change	+10	84%	74%
Engagement	+18	90%	72%
Taking action	+16	79%	63%
Organisation culture	+6	93%	87%

I have also met with the Board members on a frequent basis to keep them informed of activities of the organisation in responding to the pandemic.

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

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

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

Recognising the impact of Covid I will be asking our internal auditors to produce an advisory report on how we have demonstrated accountability using the Welsh Government's Covid accountability framework which covers what have we done, how we have done it and what we have learnt. We will use the learning from this advisory report to inform how we work in future. The report will be presented to our Audit and Risk Committee in 2022-23.

Internal audit

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

During 2021-22, 12 internal audits were carried out on our policies and procedures for:

Work area	Level of assurance
Corporate Governance	Substantial
Risk Management	Moderate
Financial systems: banking and cash management	Substantial
Financial systems: budgetary control	Substantial
Financial systems: fixed assets	Moderate
Tendering and procurement	Moderate
IT general controls: network security	Limited
IT general controls: access controls	Moderate
IT general controls: back up	Moderate
IT general controls: IT disaster recovery planning	Moderate
Data protection	Moderate
Grant Management	Substantial

Definitions of assurance level

- **Substantial:** There is a reasonable framework of governance, risk management and control, which should make sure that objectives are achieved
- **Moderate:** Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control
- **Limited:** There are significant weaknesses in the framework of governance, risk management, and control such that it could be or could become inadequate and effective.

Only limited assurance was received in relation to the IT generals: network security internal audit as limited evidence was provided that server patching was conducted on a timely basis and cyber security training had not been received by all staff since late 2019.

New procedures are in place to ensure that patching is conducted on a timely basis and a log created to record the patching. Cyber security training has been put in place for all staff and will be now take place on a yearly basis.

The Head of Internal Audit, based on the audit work carried out during the year, concluded we had moderate assurance overall in relation to the organisation's arrangements for risk management, governance and internal control.

External audit

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

Risk management

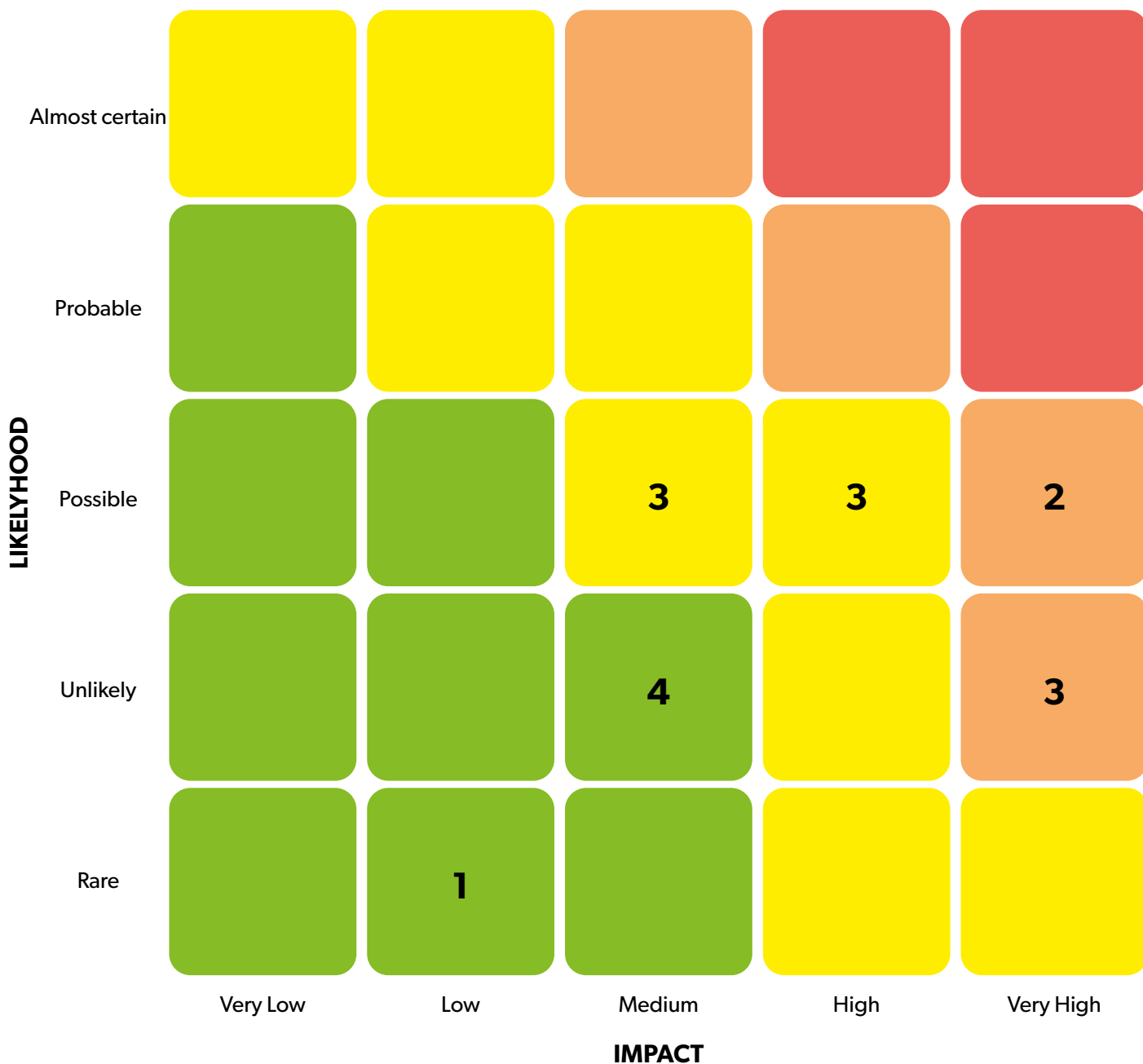
During the year we have taken the opportunity to review and refresh our risk management approach with the new Risk Management and Assurance Policy gaining approval from our Audit and Risk Committee in June 2021. The key changes within the revised policy are:

1. The revised risk appetite matrix
2. Revised Impact matrix
3. Change of focus from mitigations to controls in the risk register
4. Inclusion of an assurance framework within the risk register.

Our positive approach to risk management means we not only look at the risk of things going wrong, but the impact of not taking opportunities or not capitalising on corporate strengths. Our strategic risk register is reviewed every month by our Executive Management Team and is subsequently scrutinised by the Audit and Risk Committee.

Strategic Risk profile

A summary of our risk profile as of end of March 2022 is provided in the following heat map, which highlights the number of strategic risks and the assesses levels of residual risk following the application of controls to mitigate their impact and likelihood.



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

Risk Appetite and Management

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

The Board has adopted 5 assurance areas as a framework around which to structure an assurance map summarising existing controls and sources of assurance and highlighting any gaps relative to meeting the needs of the Board. For each assurance area, the Board has broadly defined its risk appetite using the classification recommended in the UK Government's Risk Appetite Guidance Note and periodically considers to what extent existing controls align with that appetite.

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

Risk assessment

Several key strategic risks fluctuated during the year and particularly engaged the time of the Board and Executive Management Team. These included risks associated with:

- not keeping the sector engaged in the work of Social Care Wales
- not demonstrating how we are contributing to making a positive difference to the care sector, then we will lose credibility
- Welsh Government removing, or significantly reduce the funding for Level 2 apprenticeships
- qualifications not fit for purpose
- not having an increased budget allocations to meet what is expected from the current and future Government term of office work programme
- refreshing and reforming our regulatory processes
- management of competing Welsh Government priorities and ensure that any new work is within our scope and purpose
- not remaining engaged with 'A Healthier Wales' and maintaining key relationships with Welsh Government and critical stakeholders (HEIW, Public Health Wales (PHW) etc)
- inability to reappoint our Board members who also served as Care Council Members
- being unclear on the implications of the end of the transition period on exiting the EU for the social care and early years sector
- not responding accordingly to the Covid pandemic and being unable to support the social care sector

- not demonstrating how we are supporting the health and wellbeing of the social care and early years
- not supporting our own workforce (Social Care Wales) during this time
- delays to the extension of the register
- inability to recruit Board members with the right skills, experience, and diversity
- inability to recruit the right people, with the right skills into our organisation
- Government, policy agenda and/or commitment changes in relation to early years
- not meeting our ambitions in the area of equality and diversity
- not putting sufficient internal controls in place to mitigate cyber fraud, hacking and scamming.

Several of these risks were successfully managed and removed from the strategic risk register during 2021-22. The risks were either closed completely or de-escalated to the operational risk register for ongoing management by the relevant risk lead officer.

There were several newly identified strategic risks going forward into 2022-23, which have been reflected in our new strategic risk register and are developed to manage risks associated to the delivery of our new Strategic Plan. These include risks associated with:

- adoption of effective wellbeing interventions
- our role in positively influence perceptions of the social care sector
- pay, reward and conditions for care and early years workers not being addressed
- funding from Welsh Government not aligning to the scope and future changes to our remit
- the development of research and data capacity and priorities not being supported
- extension of the register
- sector being unable to attract and retain sufficient workers
- strengthening the connection/relationship with employers
- issues of sector and partner capacity
- development of a proportionate and positive set of expectations for registered people
- effective regulatory systems and processes
- our cyber detection, prevention and response arrangements
- new models of care
- recruiting the right people, with the right skills to our organisation
- developing and maintaining our social care and health networks and stakeholders
- current pandemic prevalence continues to impact services.

We will continue to ensure that risks are generally well managed, that where there are weaknesses, appropriate actions are in place to tackle them, and that our internal controls and assurances are regularly reviewed to ensure they remain effective.

Information Governance and Security

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

During 2021-22:

- **We recorded 16 data incidents:**

	2021-22
Number of data incidents / incidents	16
Number reported to the ICO	0 by SCW
Type of incident	
Errors by a third party	5
Software/server issue	-
Human error/ training and awareness issue	9
Physical	-
Cyber security inc. spam attack	2

- This year we further analysed the 'human errors' to recommend changes in practice as all were avoidable. The majority were caused by misdirected emails, templates being re-used without 'clearing' the previous data and documents being saved incorrectly in personal files of individuals with the same name. In each case, the member of staff was reminded to give the task appropriate time to avoid errors occurring.
- **None of the above incidents met the threshold to notify the ICO**, however we made recommendations for improvement in practice within our control to staff through Social Care Wales's Information Governance Group.
- We responded to **13 requests under the Freedom of Information Act**, all responded to within 20 working days. This was the same as the previous year. The majority of requests either related to social care workforce information or procurement contracts. We did not hold the information for 2 requests.
- We received **6 Subject Access Requests under the Data Protection Act 2018 (DPA)**, all fulfilled within the 30-day period which was a minor decrease from the previous year (8 requests). Some requests for information, for example copies of registration information, are not dealt with under the DPA and recorded as formal SARs as the information could be supplied quickly as opposed to waiting up to 30 days.

- We embedded our **information governance framework and DPA compliance** with our cross organisational Information Governance Group which oversees our compliance with ISO27001 certification, UKGDPR and data protection legislation accountability and alignment with Cyber (Security) Essentials. A programme of role-based training on managing data protection and information security risks was undertaken throughout the year and will continue next year and a number of information governance and records management processes were established to foster an organisational culture of data protection by design and default.
- Looking ahead to next year, we have identified policies to be refreshed or developed in relation to data protection compliance and will take forward the minor recommendations following an Internal Audit as part of our assurance exercises. Our Audit and Risk Committee will receive quarterly updates on how and when the recommendations are met.

Customer Service

We aim to provide our customers with the best experience possible, but we are aware we can always learn from feedback. During 2021-22 we received 1 formal complaints under our complaints policy. The complaint related to an open Fitness to Practise case, the Complaints Officer investigated and found no evidence of any wrongdoing. This complaint raised the question whether it was appropriate to investigate complaints relating to an ongoing Fitness to Practise case.

We also use complaints and customer feedback and queries to continuously monitor and highlight opportunities for us as an organisation to test our decision-making involvement, our administration procedures and communication methods to improve the services we provide.

Whistleblowing

Internal

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

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

In 2021-22 no staff raised a concern under our Whistleblowing Policy as was the case in 2020-21.

External

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

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

For each referral received we consider the information received and in the cases of the 3 received during the year these were in relation to the two same registered workers and one non-registered worker. The complainants had also made complaints to CIW and Safeguarding. The investigation in this case was dealt with by CIW and Safeguarding and no findings were made.

Sue Evans

Chief Executive and Accounting Officer

Date: 27 July 2022

Remuneration and Staff Report

Remuneration Report

Pay Policy Statement

This is Social Care Wales's pay policy statement for the period 1 April 2021 to 31 March 2022.

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

Chief Executive Officer

The Chief Executive Officer and Accounting Officer for Social Care Wales is Sue Evans and was in receipt of a salary of £120,848 per annum in 2021-22. The gross salary cost of the Chief Executive in the period 2021-22 was £172,076 which includes Employers National Insurance and Employers Pension costs.

The Board

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

Social Care Wales Staff

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

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

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

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

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

Senior Pay Remuneration

Officials	Salary (£000)*		Pension benefits (£)		Total (£000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Chair Mick Giannasi	30-35	30-35	N/A	N/A	30-35	30-35
Chief Executive Sue Evans	120-125	115-120	38,200	36,900	155-160	155-160
Director of Corporate Services and strategy Joanne Oak (to 1 May 2020)	N/A	5-10	N/A	(1,400)	N/A	5-10
Director of Finance, Strategy and Corporate Services Andrew Lycett (from 2 November 2020)	75-80	25-30	24,800	9,400	100-105	35-40
Director of Improvement and Development Sarah McCarty	75-80	75-80	28,900	26,300	105-110	95-100

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

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

The senior pay remuneration of David Pritchard the Director of Regulation is not disclosed above as he is seconded into the post from Welsh Government. The total charge from Welsh Government was £139,302 (2020-21 £126,030) which included Employers National Insurance, Employers Pension and unrecoverable VAT. The pay scales of Social Care Wales are applicable to the seconded Director of Regulation and his salary is in the pay band of £75,000-£80,000 (2020-21 £75,000- £80,000).

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

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

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

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

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

Pension Entitlements of Directors	Total accrued pension at 31 March 2022	Real increase in pension at 31 March 2022	Total accrued lump sum at 31 March 2022	Real increase/ (decrease) in lump sum at 31 March 2022	CETV at 31 March 2022	CETV at 31 March 2021	Real increase/ decrease in CETV in 2021-22
	£'000	£'000	£'000	£'000	£'000	£'000	£000
Chair Mick Giannasi	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chief Executive Sue Evans	25-30	0-2.5	-	-	497	437	46
Director of Finance, Strategy and Corporate Services Andrew Lycett (from 2 November 2020)	0-5	0-2.5	-	-	30	8	22
Director of Improvement and Development Sarah McCarty	25-30	0-2.5	15-20	(2.5)-0	284	259	17

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

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

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

The pension figures shown related to the benefits that the individual has accrued as a consequence of their total membership of the scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and other pension details include the value of any pension in another scheme or arrangement which the individual has transferred. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Fair Pay disclosure

In 2021-22 all staff including the highest paid director received a pay of award of 2% (2020-21 2.5%).

Pay ratios	2021-22	2020-21
Highest Earner's Total Remuneration (£'000)	120-125	115-120
25 th percentile pay ratio	4.6	4.5
Median pay ratio	3.7	3.4
75 th percentile pay ratio	2.8	2.6
Range of total remuneration	£21,196-£120,848	£20,780-£118,478

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

The banded remuneration of the highest paid director in Social Care Wales in the financial year 2021-22 was £120,000-£125,000 (2020-21: £115,000-£120,000).

The remuneration used for the 25th percentile pay ratio, median and 75th percentile pay ratio were £26,612, £32,998 and £43,659 respectively. The corresponding figures in 20-21 were £26,090, £34,555 and £45,288.

The increase in the Median pay ratio and the 75th percentile pay ratio represents the relevant remuneration lying one scale point lower than the previous year.

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

Remuneration ranged from £21,196 to £120,848 (2020-21: £20,780 to £118,478).

Staff Report

Staff Costs	2021-22					2021-22
	Total costs	Permanent employed staff	Temporary staff and secondees	Chair and Board members	Panel members	Total costs
	£'000	£'000	£'000	£'000	£'000	£000
Salaries and Wages	5,583	5,107	172	129	175	4,956
Social Security Costs	536	529	-	3	4	462
Other pension Costs	2,424	2,424	-	-	-	1,409
Apprenticeship Levy	12	12	-	-	-	9
Sub Total	8,555	8,072	172	132	179	6,836
Less recoveries in respect of outward secondments	(18)	(18)	-	-	-	(50)
Total net costs	8,537	8,054	172	132	179	6,786

Consistent with guidance, employment costs include payments made in respect of contract staff. The total cost of salaries excluding Other pension costs was £6,113k (£8,537k-£2,424k) in 2021-22 in comparison to £5,377k (£6,786k-£1,409k) in 2020-21.

Other pension totalling £2,424k are the service costs (current and past) of the scheme and in addition any pension costs in relation to the increase in the holiday accrual. The £2,424k consists of actual employer contributions based on payroll of £1,490k, lump sum deficit payments of £363k and costs in relation to the holiday pay accrual of £1k. The residual difference of £570k (£10k in 2020-21) is the increased charge which is required to increase the actual contributions paid with the service cost required to be charged under International Accounting Standard (IAS 26). The increased charge in 2021-22 relates to £570k in current service charges. In 2020-21 the £1,409k consisted of employer contributions of £1,399k but increased by £10k as noted above.

Staff numbers - WTE	2021-22			2020-21
	Total No	Permanent No	Other No	Total No
Chief Executive and Directors	4	3	1	4
Workforce Regulation	61	61	0	53
Improvement and Development	40	39	1	34
Corporate Services and IT	36	36	0	33
Totals	141	139	2	124

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

Staff composition

As at the 31st March 2022 of the workforce of 163, 117 (72%) were women and 46 (28%) were men. In comparison as at the 31st March 2021 of the workforce of 137, 101 (74%) were women and 36 (26%) were men.

Included in these numbers are the Senior Management Team which consists of the Chief Executive and three directors. Of the Senior Management Team two were women (50%) and two were men (50%) which was the case at 31 March 2021.

Staff Composition by job family is as follows :-

Staff Composition by Job Family	Female	Male	Total	Female	Male
Executive Team	2	2	4	50%	50%
Senior Leadership Team	4	3	7	57%	43%
Management Team	25	12	37	68%	32%
Technical and Development Team	41	15	56	73%	27%
Support Team	45	14	59	76%	24%
Totals	117	46	163	72%	28%

Sickness absence data

The level of staff sickness during 2021-22 was 4.77% (2020-21: 2.38%) which is based on 1,590 days lost out of 33,319 days. The rise in 2021-22 is due to an increased level of long term sickness.

Staff Policies, Equality and Diversity

Social Care Wales has 'Investors in People' status and its human resource policies reflect best practice as part of its commitment as a learning organisation. We recognise and value diversity and ensure that all our employment practices and programmes of work embed and demonstrate not just our public duty as set out by the Equalities Act but embraces equality and diversity as a core value underpinning all functions and the delivery of high quality services of our workforce and the sector. We will ensure that in all our work we fully embed a human rights approach. Social Care Wales through its remit, promotes and influences the importance of language choice for service users and sensitivity of language within the social care workforce. We have a leadership role in the delivery of the Welsh Government's More than Just Words - Strategic Framework for Welsh Language Services in Health, Social Services and Social Care. As an employer we are a truly bilingual organisation providing an environment which nurtures and develops staff to learn and improve their bilingual skills and own the bilingual ethos of the organisation.

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

We are committed to making sure equality and openness in our pay and grading arrangements. When we considered our Equal pay report in June 2021 we found no evidence of pay discrimination on the

grounds of any protected characteristics. We also considered our gender pay gap in June 2021 which stood at 16.64% (median). This has improved on the position on 31 March 2020 when it was 23.52% (median).

Employee voice

During 2021-22 our Staff Partnership Council has had a crucial role to play in collecting and feeding back the views of staff on significant issues on key policies such as the Hybrid Working policy. This has been achieved through regular staff forums, meeting with teams individually and producing feedback documents to HR and the Executive Management Team.

Support and wellbeing

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

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

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

EAP statistics are provided for the year from December 2020 to November 2021. The figures show that:

- 6 calls were made to the EAP telephone line in total.
- Online services and information were accessed 32 times.

In 2022-23 we will continue to actively promote the service through a variety of forums and communications.

Flexibility and Benefits

- 15% of our workforce worked non standard hours (less than 36 hours a week or compressed hours).
- The childcare voucher scheme has now closed to new entrants with three active members as at 31 March 2022.

Expenditure on consultancy

Any consultancy costs in relation to expert opinion obtained to assist in business decision making are included in Administration costs (Professional Fees) in the financial statements. In 2021-22 these Consultancy costs amounted to £2k (2020-21:£28k).

Off-payroll engagements

In 2021-22 Social Care Wales has acted in accordance with Dear Accounting Officer letter 1/14 in relation to Tax Arrangements of Public Sector Appointees and no "off payroll" engagements are required to be reported.

Exit Packages

There were no exit packages agreed in 2021-22. One exit package was agreed in 2020-21 and the cost of the package fell in the range £25,000-£50,000 and is included in Salary Costs for 2020-21. This related to a staffing matter that was identified for which due process was followed and actions taken to mitigate financial and reputational risks for Social Care Wales.

Accountability and Audit

Regularity of expenditure

All expenditure in 2021-22 has been dealt with in accordance with any relevant legislation, the Governance Statement agreed with Welsh Government and Managing Welsh Public Money.

Fees and Charges

Registration Fee income for the financial year 2021-22 was £1,553k (2020-21: £1,155k). As agreed by Welsh Government the fees received does not cover the full cost of registration and the excess cost is therefore funded by Grant in Aid.

Following a formal consultation (Transforming Care in the 21st Century) undertaken on the regulation of the care and support workforce, fee levels were increased from 1st April 2018. The increased fee does not cover the full cost of registration and the excess cost continues to be funded by Grant in Aid.

Remote Contingent Liabilities

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

Long term expenditure trends

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

Sue Evans

Chief Executive and Accounting Officer

Date: 27 July 2022

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

Opinion on financial statements

I certify that I have audited the financial statements of Social Care Wales for the year ended 31st March 2022 under the Regulation and Inspection of Social Care (Wales) Act 2016 paragraph 16 of Part 6 of Schedule 2. These comprise the Statement of comprehensive net expenditure, the Statement of financial position, the Statement of cash flows, the Statement of changes in taxpayers equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of Social Care Wales affairs as at 31st March 2022 and of its net expenditure, for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under the Regulation and Inspection of Social Care (Wales) Act 2016 paragraph 16 of Part 6 of Schedule 2.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and other parts of the report that are audited and my auditor's report thereon. Legislation and directions issued to Social Care Wales do not specify the content and form of the other information to be presented with the financial statements. The Accounting Officer is responsible for the other information in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

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

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

Although there are no legislative requirements for a Remuneration Report, Social Care Wales has prepared such a report and in my opinion, that part ordinarily required to be audited has been properly prepared in accordance with HM Treasury guidance.

Matters on which I report by exception

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

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

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

Responsibilities

Responsibilities of the Accounting Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

My procedures included the following:

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

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management, the Audit and Risk Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

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

Responsibilities for regularity

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

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

Report

I have no observations to make on these financial statements.

Ann-Marie Harkin
For and on behalf of the Auditor General for Wales
 Date: 29 July 2022

24 Cathedral Road
 Cardiff
 CF11 9LJ

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

Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2022	Note	2021-22 £'000	2020-21 £'000
Expenditure			
Staff costs	14	8,537	6,786
Programme expenditure			
Training support and other grants	4(i)	11,647	11,240
Non grant programme expenditure	4(ii)	3,585	2,400
Administration costs	5	1,224	1,177
Depreciation and amortisation	1(ix)	260	191
Pension interest charge	15	30	30
		25,283	21,824
Income			
Income from activities			
Registration fee income	1(iii)	1,553	1,155
Other income			
Apprenticeship certification	1(iv)	55	73
Mental health workforce		67	24
Introduction to Social Work		57	-
Sundry income		11	6
Pension interest credit	15	-	-
		1,743	1,258
Net expenditure		23,540	20,566
Interest receivable	3(i)	1	1
Interest surrenderable to the Welsh Government	3(ii)	(1)	(1)
Net expenditure after interest		23,540	20,566
Other comprehensive expenditure			
Actuarial remeasurement	15	(2,460)	340
Total comprehensive expenditure for the year ended 31 March 2022		21,080	20,906

The notes on pages 54 to 75 form part of these accounts.

Statement of financial position as at 31 March 2022	Note	2022		2021	
		£'000	£'000	£'000	£'000
Non-current assets:					
Property, plant and equipment	6	260		276	
Intangible assets	7	766		322	
Total non-current assets			1,026		598
Current assets:					
Trade and other receivables	9	699		665	
Cash and cash equivalents	10	365		368	
Total current assets			1,064		1,033
Total assets			2,090		1,631
Current liabilities					
Trade and other payables	11	(456)		(474)	
Total current liabilities			(456)		(474)
Total assets less Current liabilities			1,634		1,157
Non-current liabilities					
Pension liabilities	15	(490)		(2,350)	
Total non-current liabilities			(490)		(2,350)
Assets less liabilities			1,144		(1,193)
Reserves					
General reserve			1,634		1,157
Pension reserve			(490)		(2,350)
Total			1,144		(1,193)

Notes on pages 54 to 75 form part of these accounts.

The financial statements on pages 50 to 51 were approved by the Board of Social Care Wales on the 21 July 2022 and were signed on its behalf by:

Sue Evans

Chief Executive and Accounting Officer

Date: 27 July 2022

Statement of cash flows for the year ended 31 March 2022	Note	2021-22 £'000	2020-21 £'000
Cash flows from operating activities			
Net expenditure after interest		(23,540)	(20,566)
Adjustment for depreciation and amortisation		260	191
Adjustment for pension finance costs(net)		600	40
(Increase) in trade and other receivables		(34)	(36)
(Decrease) in trade and other payables		(18)	(51)
Net cash (outflow) from operating activities		(22,732)	(20,422)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(54)	(108)
Purchase of intangible assets	7	(634)	(117)
		(688)	(225)
Cash flows from financing activities			
Welsh Government funding (including Capital)		23,417	20,767
Net financing		23,417	20,767
Net (decrease)/increase in cash and cash equivalents in the period			
		(3)	120
Cash and cash equivalents at the beginning of the period	10	368	248
Cash and cash equivalents at the end of the period	10	365	368

Notes on pages 54 to 75 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2022	Pension reserve £'000	General reserve £'000	Total £'000
Balance as at 1 April 2020	(1,970)	916	(1,054)
Changes in taxpayers' equity 2020-21			
Welsh Government funding	-	20,767	20,767
Transfer between reserves - Capital	(380)	380	-
Comprehensive expenditure for the year	-	(20,906)	(20,906)
Balance at 31 March 2021	(2,350)	1,157	(1,193)
Changes in taxpayers' equity 2021-22			
Welsh Government funding	-	23,417	23,417
Transfer between reserves - Capital	1,860	(1,860)	-
Comprehensive expenditure for the year	-	(21,080)	(21,080)
Balance at 31 March 2022	(490)	1,634	1,144

Notes on pages 54 to 75 form part of these accounts.

Notes to the Accounts for the year ended 31 March 2022

Statement of accounting Policies

These accounts have been prepared in accordance with the 2021-22 Government Financial Reporting Manual (FRoM) issued by the relevant authorities.

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

1(i) Accounting Convention

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

1(ii) Financing

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

1(iii) Registration Fee Income

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

1(iv) Apprenticeship Certification income

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

1(v) Training support and Other Grants

During 2021-22 Social Care Wales has made payments under the **Social Work Bursary Scheme** which is an incentive to train scheme for students enrolled on undergraduate and post-graduate social work training courses. This scheme includes payments to students of a non-income assessed bursary and an additional income assessed element for post-graduate students.

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

Practice Learning Opportunity Funding (PLOF) is provided to Local Authorities as a contribution towards the costs of securing Practice Learning Opportunities for students undertaking approved Social Work courses in Wales. The grant is accounted for as a liability and the expenditure recognised in the Statement of Comprehensive Expenditure once the grant application has been successful. This

is on the basis that at this point Social Care Wales cannot avoid paying this liability and there are no conditions in relation to the grant that would limit the amount payable.

From 1 April 2017, Social Care Wales was given the responsibility for the administration **of the Social Care Wales Workforce Development programme (SCWWDP)** grant. The grant is provided to support Local Authorities to train and develop their own staff. Funding available from Social Care Wales through SCWWDP in 2021-22 provides 70% of the cost of the programme currently £7,149,350. The remaining 30% is to be funded by Local Authorities. The conditions attached to the grant are that the grant must be spent on eligible expenditure and must be spent within the financial year. Therefore, the liability for the grant is recognised once the grant offer letter has been provided. This is on the basis that at this point there are no conditions that remain within the control of Social Care Wales that limit the eligible costs being incurred.

Other grants includes:

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

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

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

During 2021-22 a small number of students terminated their training early, giving rise to a repayment of all or part of the award. The repayment due at 31 March 2022 totalled £56k (£59k: 31 March 2021) and this sum is included in Trade receivables and other current assets at note 9. It is the policy of Social Care Wales to seek full repayment of these funds.

1(vii) Property, plant and equipment

Property, plant and equipment of an individual or group value of £1,000 or more are capitalised. Property, plant and equipment have been valued at historic cost at the 31 March 2022, as in the opinion of Social Care Wales any revaluation adjustments are not material.

1(viii) Intangible Assets

Information Technology and Licence purchases of an individual value of £1,000 or more are capitalised. Information Technology and Licence costs have been valued at historic cost at the 31 March 2022, as in the opinion of Social Care Wales any revaluation adjustments are not material.

1(ix) Depreciation and Amortisation

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

- Communications Equipment - five years;
- Furniture - ten years;
- I.T. (Property, Plant and equipment) - four years;
- Accommodation costs - remaining period of accommodation leases when purchased;
- Information Technology and - four years;
- Licences (Intangible Assets).

Depreciation and amortisation is calculated monthly and begins in the month following the month of purchase. As such, purchases made in March 2022 will not begin to depreciate/amortise until the 2022-23 financial year. The exception to this rule is accommodation refurbishment costs where the depreciation charge is calculated on a daily basis.

1(x) Leases

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

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

IFRS 16 which was issued in January 2016 and was effective for most companies from January 2019 has not yet been adopted by the FReM. It requires that all leases with a lease term of more than 12 months be recognized as assets and liabilities in financial statements. This will now be adopted in 2022-23 and more information is provided in note 1(xiv).

1(xi) Value Added Tax

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

1(xii) Pension Costs

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

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

1(xiii) Provisions and Contingent Liabilities and Contingent Assets

Provisions

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

Contingent Liabilities

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

Contingent Assets

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

1(xiv) Changes to accounting standards not yet effective

IFRS 16 Leases supersedes IAS 17 Leases and is effective in the public sector from 1 April 2022. IFRS 16 provides a single lessee accounting model and requires a lessee to recognise right-of-use assets and liabilities for leases with a term more than 12 months unless the underlying value is of low value. The FReM makes two public sector adaptations.

- The definition of a contract is expanded to include intra UK government agreements that are not legally enforceable;
- The definition of a contract is expanded to included agreements that have nil consideration.

IFRS 16 gives a narrower definition of a lease than IAS 17 and IFRIC 4 by requiring that assets and liabilities will be recognised initially at the discounted value of minimum lease payments. After initial recognition, right of use assets will be depreciated on a straight line basis and interest recognised on the liabilities. Except where modified for revaluation where material, the cost model will be applied to assets other than peppercorn leases which will be measured on a depreciated replacement cost basis. The right of use asset in a peppercorn lease is accounted for similarly to a donated asset.

As required by the FReM IFRS 16 will be implemented using the accumulated catch up method.

The right of use assets and leasing obligation have been calculated and indicated that the total discounted value of right of use assets and liabilities under IFRS 16 is lower than the value of minimum lease commitments under IAS 17. This is due to the application of the discount factor in calculating NPV of right of use assets. The impact of implementation is a:

- Increase in expenditure £2k;
- Increase in assets of £1,452k and liabilities of £1,480k with the difference on transition reducing reserves by £28k.

2. Analysis of net expenditure by segment

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

3. Welsh Government funding	2021-22 £'000	2020-21 £'000
Grant in aid received from the Welsh Government	23,417	20,767
Amount credited to general reserve	23,417	20,767

As outlined in Note 1(ii) the total grants of £23,417k (2020-21: £20,767k) are now credited to the General Reserve on receipt.

3(i) Non-retainable income	2021-22 £'000	2020-21 £'000
Interest on deposit account	1	1
Total non-retainable income	1	1

3(ii) Reconciliation of cash received from non-retainable income with amounts repaid to the Welsh Government	2021-22 £'000	2020-21 £'000
Cash received (income exceeding Welsh Government threshold)	1	1
Total income repayable	1	1
Cash repayment	1	1
Due to the Welsh Government at the year end	-	-

Social Care Wales has a liability to repay the Welsh Government interest received during the year, and fee income in excess of the target of £1,405k. The interest received of £1k was paid to Welsh Government. The fee income received in the year in cash terms totalled £1,553k (2020-21: £1,155k). As per our Governance Framework with Welsh Government permission was obtained from Welsh Government to retain registration income over the target amount.

4. Programme costs

4(i) Training support and other grants	2021-22 £'000	2020-21 £'000
Social Work Bursary Scheme payments	1,862	2,102
Practice Learning Opportunity Funding	1,237	990
People using services and carers in social work training	53	66
Social Care Wales Workforce Development Programme	7,149	7,149
	10,301	10,307
Other grants		
Grants to regions	1,172	810
Research - Social Care Institute for Excellence	174	123
	11,647	11,240

4(ii) Non grant programme expenditure	2021-22 £'000	2020-21 £'000
Improvement and development	2,526	1,544
Workforce regulation including regulation of social work training	1,059	856
	3,585	2,400

5. Administration costs	2021-22 £'000	2020-21 £'000
Chair, members, panel members and staff expenses	5	3
Other Staff Costs	170	106
Other Chair, members and panel members costs	8	25
Rental under operating leases- accommodation	273	273
Other premises costs	271	283
Workshops, seminars, promotions, publications	93	83
Equipment and software	225	199
Rental under operating leases- photocopiers & franking machines	23	23
Administration	51	52
External audit- audit work	22	21
Other professional fees	83	109
	1,224	1,177

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

year ended 31 March 2021	Accommodation refurbishment £'000	Furniture and fittings £'000	Information technology £'000	Totals £'000
Cost				
At 1 April 2020	591	143	660	1,394
Additions in the period	-	-	108	108
Disposals in the period	-	-	-	-
At 31 March 2021	591	143	768	1,502
Depreciation				
At 1 April 2020	453	140	586	1,179
Charged in the year	16	1	30	47
Disposals in the period	-	-	-	-
At 31 March 2021	469	141	616	1,226
Net book value				
At 31 March 2021	122	2	152	276
At 1 April 2020	138	3	74	215

7. Intangible assets year ended 31 March 2022	Information technology £'000	Licences £'000	Development expenditure £'000	Totals £'000
Cost				
At 1 April 2021	1,615	133	-	1,748
Additions in the period	266	-	368	634
Transfer from development	-	-	-	-
Disposals in the period	-	-	-	-
At 31 March 2022	1,881	133	368	2,382
Amortisation				
At 1 April 2021	1,328	98	-	1,426
Charged in the year	177	13	-	190
Disposals in the period	-	-	-	-
At 31 March 2022	1,505	111	-	1,616
Net book value				
At 31 March 2022	376	22	368	766
At 1 April 2021	287	35	-	322

year ended 31 March 2021	Information technology £'000	Software licences £'000	Development expenditure £'000	Totals £'000
Cost				
At 1 April 2020	1,498	133	-	1,631
Additions in the period	117	-	-	117
Transfer from development	-	-	-	-
Disposals in the period	-	-	-	-
At 31 March 2021	1,615	133	-	1,748
Amortisation				
At 1 April 2020	1,197	85	-	1,282
Charged in the year	131	13	-	144
Disposals in the period	-	-	-	-
At 31 March 2021	1,328	98	-	1,426
Net book value				
At 31 March 2021	287	35	-	322
At 1 April 2020	301	48	-	349

8. Financial Instruments

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

9. Trade receivables and other current assets at 31 March	2022 £'000	2021 £'000
Amounts falling due within one year		
Trade receivables		
Welsh Government	76	11
Local Authorities	-	2
Social Work Bursary Scheme debtors	56	59
Other bodies	8	94
Other receivables		
Prepayments and accrued income	559	499
	699	665

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

10. Cash and cash equivalents	2021-22 £'000	2020-21 £'000
Balance at 1 April	368	248
Net change in cash and cash equivalent balances	(3)	120
Balance at 31 March	365	368

The balances at the 1st April 2020, the 1st April 2021, and the 31st March 2022 were held at Commercial Banks.

11. Trade payables and other current liabilities at 31 March	2022 £'000	2021 £'000
Amounts falling due within one year		
Trade payables		
Other taxation and social security	-	-
Other payables		
Accruals and deferred income	456	474
	456	474

12. Capital Commitments

There were contracted capital commitments of £41k at 31 March 2022 not otherwise included in these financial statements (£10k at 31 March 2021).

13. Commitments under operating leases as at 31 March	2022 £'000	2021 £'000
Obligations under operating leases comprise:		
Land and buildings		
Not later than one year	273	273
Later than one year and not later than five years	1,092	1,092
Later than five years	514	787
	1,879	2,152
Other		
Not later than one year	5	22
Later than one year and not later than five years	-	-
Later than five years	-	-
	5	22

14. Staff costs	2021-22 Total costs £'000	2020-21 Total costs £'000
Salaries and wages	5,583	4,956
Social security costs	536	462
Other pension Costs	2,424	1,409
Apprenticeship levy	12	9
Sub-total	8,555	6,836
Less recoveries in respect of outward secondments	(18)	(50)
Total net costs	8,537	6,786

15. Retirement benefit obligations

(i) Present Staff and Pensioners

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

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

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

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

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

Funding / Governance Arrangements of the LGPS

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

Assets

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

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

The Fund Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Risks associated with the Fund in relation to accounting

Asset Volatility

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

Changes in Bond Yield

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

Inflation Risk

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

Life Expectancy

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

Exiting Employers

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

Other Notes

McCloud Judgement

The 'McCloud' judgement in the Court of Appeal found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. On 27 June 2019 the Supreme Court denied permission for Government to appeal this judgement, and on 15 July 2019 the Government issued a ministerial statement saying they would expect to compensate members across all public-sector schemes which contained transitional protection arrangements (which includes the LGPS).

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

We have allowed for the impact of the McCloud judgement in these figures and the method used is closely aligned with the method proposed by the MHCLG (now the DLUHC) in its consultation. This is the same approach as last year using a roll-forward method based on last year's results.

Cost Management in the LGPS

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

HM Treasury and the SAB had paused their reviews following the 'McCloud' judgement in the Court of Appeal. These have been unpaused and HMT Directions were made over 2021 which allowed the Treasury and SAB reviews to proceed. The outcome of the SAB review has been published and has recommended no changes to the provisions of the scheme. It is expected that the outcome of the HMT review will also recommend no changes. However, the legality of the Government's decision to include McCloud costs as a member cost within the 2016 HMT process is being challenged by a Judicial Review bought by the trades unions. If the judicial review is successful this may cause the 2016 HMT process to be re-run and could result in changes in benefits or members contributions backdated to 1 April 2019.

However, no allowance for the Cost Management Process has been made in these figures.

GMP Equalisation and Indexation

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

These figures allow for full pensions increases to be paid on GMPs to individuals reaching State Pension Age (SPA) after 6 April 2016. This is an approximate method to recognise the cost of the Government's commitment to compensate public service scheme members. Government has consulted on its approach to compensating affected members and announced on 23 March 2021 that it would adopt a long term policy of uprating GMPs in line with CPI inflation for members whose SPA is on or after 6 April 2016. The consultation response recognised that this solution will not address all sex inequalities for a minority of members. We are expecting further guidance from DLUHC on how they propose to deal with this. We expect any remaining sex inequalities to be small and believe that the approach, in line with government policy, is a reasonable estimate.

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

Goodwin ruling

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

The Covid Pandemic

Prior to 2021-22 assumptions in respect of mortality have not been amended to reflect the pandemic as the outlook for longer term mortality has been broadly neutral compared to views before the pandemic. However mortality experts current thinking is starting to move from "neutral" to "negative outlook". Therefore the assumptions in respect of future mortality now reflect the effects of COVID-19.

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2023 are estimated to £1.56m. The date of the last full actuarial valuation of Social Care Wales LGPS funded benefits was 31 March 2019 and the duration of liabilities is 26.3 years.

Key assumptions	31 March 2022 (% pa)	31 March 2021 (% pa)	31 March 2020 (% pa)
Discount rate	2.7	2.1	2.3
CPI inflation	2.9	2.6	1.8
Pension increases	2.9	2.6	1.8
Pension accounts revaluation rate	2.9	2.6	1.8
Salary increases	4.2	3.9	3.1

Mortality Assumption

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below. At this accounting date the assumed rates of future mortality have been increased to reflect a slightly more negative outlook as a result of the Covid-19 pandemic.

Assumed life expectancy at age 65	31 March 2022	31 March 2021
Males		
Pensioner member aged 65 at accounting date	21.6	21.8
Active member aged 45 at accounting date	22.6	22.8
Females		
Pensioner member aged 65 at accounting date	23.9	24.1
Active member aged 45 at accounting date	25.4	25.6

Asset allocation	Value at 31 March 2022			Value at 31 March 2021
	Quoted	Unquoted	Total	
Equities	67.5%	0.0%	67.5%	72.5%
Property	0.0%	0.0%	0.0%	6.3%
Government bonds	11.6%	0.0%	11.6%	8.3%
Corporate bonds	12.7%	0.0%	12.7%	12.3%
Multi Asset Credit	7.3%	0.0%	7.3%	0.0%
Cash	0.6%	0.0%	0.6%	0.6%
Other	0.3%	0.0%	0.3%	0.0%
Total	100.0%	0.0%	100.0%	100.0%

Reconciliation of funded status to the Statement of financial position	Value at 31 March 2022 (£M)	Value at 31 March 2021 (£M)
Fair value of assets	32.65	30.65
Present value of funded defined benefit obligation	33.14	33.0
Funded status	(0.49)	(2.35)
Unrecognised asset	0.00	0.00
(Liability) recognised on the SOFP	(0.49)	(2.35)

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

- Active Members 56%
- Deferred Pensioners 18%
- Pensioners 26%

Amounts recognised in comprehensive net expenditure	Year ending 31 March 2022 (£M)	Year ending 31 March 2021 (£M)
Operating cost		
Current service cost ⁽¹⁾	2.42	1.39
Past service cost (incl. curtailments)	0.00	0.00
Settlement cost	0.00	0.00
Financing cost		
Interest on net defined benefit liability/(asset)	0.03	0.03
Pension cost recognised in net expenditure	2.45	1.42
Remeasurements in other comprehensive expenditure		
Return on plan assets (in excess of) that recognised in net interest	0.58	(7.05)
Actuarial (gains)/losses due to change in financial assumptions	(2.82)	7.60
Actuarial (gains)/losses due to change in demographic assumptions	(0.33)	-
Actuarial (gains)/losses due to liability experience	0.11	(0.21)
Adjustment in respect of paragraph 64	0.00	0.00
Total amount recognised in other comprehensive expenditure	(2.46)	0.34
Total amount recognised in total comprehensive expenditure	(0.01)	1.76
(1) Allowance for administration expenses included in current service cost (£M)	0.02	0.02

Changes to the present value of the defined benefit obligation	Year ending 31 March 2022 (£M)	Year ending 31 March 2021 (£M)
Opening defined benefit obligation	33.00	23.68
Current service cost	2.42	1.39
Interest expense on defined benefit obligation	0.69	0.54
Contributions by participants	0.35	0.30
Actuarial (gains)/losses due to changes in financial assumptions	(2.82)	7.60
Actuarial (gains)/losses due to changes in demographic assumptions	(0.33)	-
Actuarial (gains)/losses due to liability experience	0.11	(0.21)
Net benefits paid out	(0.28)	(0.30)
Past service cost (incl. curtailments)	0.00	0.00
Net increase in liabilities from disposals/acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing defined benefit obligation	33.14	33.0

Changes to the fair value of assets during the year	Year ending 31 March 2022 (£M)	Year ending 31 March 2021 (£M)
Opening fair value of assets	30.65	21.71
Interest income on assets	0.66	0.51
Remeasurement gains(losses) on assets	(0.58)	7.05
Contributions by the employer	1.85	1.38
Contributions by the participants	0.35	0.30
Net benefits paid out	(0.28)	(0.30)
Net increase in assets from disposals & acquisitions	0.00	0.00
Settlements	0.00	0.00
Closing fair value of assets	32.65	30.65

Actual return on assets	Year ending 31 March 2022 (£M)	Year ending 31 March 2021 (£M)
Interest income on assets	0.66	0.51
Remeasurement gains /(losses) on assets	(0.58)	7.05
Actual return on assets	0.08	7.56

Estimated pension expense in future periods

Funded Benefits

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

Analysis of amount charged in other comprehensive expenditure on the provision of services next year	Year ending 31 March 2023 (£M)
Current service cost	2.22
Interest on net defined benefit liability	(0.01)
Total estimated pension expense	2.21

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

Estimated pensionable payroll over the period (£M) 5.24

Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2022 and the projected service cost for the year ending 31 March 2023 is set out below.

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

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

Funded LGPS Benefits

Discount rate assumption Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	32.28	33.14	34.03
% change in present value of total obligation	-2.6%	-	2.7%
Projected service cost (£M)	2.13	2.22	2.31
Approximate % change in projected service cost	-3.9%	-	4.0%

Rate of general increase in salaries Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	33.27	33.14	33.01
% change in present value of total obligation	0.4%	-	-0.4%
Projected service cost (£M)	2.22	2.22	2.22
Approximate % change in projected service cost	0.0%	-	0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	33.90	33.14	32.41
% change in present value of total obligation	2.3%	-	-2.2%
Projected service cost (£M)	2.31	2.22	2.13
Approximate % change in projected service cost	4.0%	-	-3.9%

Post retirement mortality assumption* Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£M)	34.27	33.14	32.01
% change in present value of total obligation	3.4%	-	-3.4%
Projected service cost (£M)	2.31	2.22	2.13
Approximate % change in projected service cost	4.0%	-	-3.9%

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

16. Provisions and Contingent Liabilities disclosed under IAS 37

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

17. Contingent Asset

At 31 March 2022 there were £32k of registration fees outstanding. Based on experience to date only after contacting the registered person we are able to substantiate whether the registered person has not paid due to leaving the sector (and the outstanding fee will not be pursued) or if it is a genuine debt in relation to an ongoing registrant.

Therefore the £32k outstanding is not treated as income in the Statement of Comprehensive Net Expenditure as we are not sure of the precise economic value of this amount as on an individual basis we will not know whether the income will materialise until contact is made and a response is received from the registered person.

18. Related Party Transactions

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

	2021-22	2020-21
Income	£23.541m	£20.791m
Expenditure	£0.164m	£0.144m
Debtor balance as at 31 March	£0.076m	£0.011m
Creditor balance as at 31 March	-	-

Social Care Wales Board Members and Staff

No employees including key management personnel or board members nor their related parties were involved directly or indirectly in any transactions with Social Care Wales during the year, apart from normal expense claims, salary payments etc. Information about key management personnel is included in the Remuneration Report.

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

Two members of our board were members of the Regional Partnership Boards which received grant funding from Social Care Wales in the form of Regional Facilitation Grant.

The transactions were as follows :

Board Member	Role	Regional Partnership Board	Expenditure 2021-22 (£)	Expenditure 2020-21 (£)
Abigail Harris	Member	Cardiff & Vale Regional Partnership Board	99,244	73,036
Carl Cooper	Deputy Chair	Powys Regional Partnership Board	69,660	57,574

Please note that the payments in the table above were made to the nominated local authority being Vale of Glamorgan Council (Cardiff and Vale) and Powys County Council (Powys) in 2021-22.

19. Third Party Assets

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

20. Events after the reporting period

There are no events after the reporting period, which require adjustment to the 31 March 2022 financial statements.



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