

Skills for Care Ltd
(Limited by Guarantee)

Trustees' report and consolidated financial statements

Year ended 31 March 2022

Company registered number 03866683

Charity registered number 1079836

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Chair and Chief Executive foreword

Our vision at Skills for Care is of a fair and just society, where people can access the advice, care, and support that they need to enjoy lifelong independence, health and wellbeing and a good quality of life. Good social care services are vital to achieving this vision and good social care cannot be delivered without the workforce. That is why Skills for Care exists.

We know that this year has been an incredibly difficult one for many people working in social care. Alongside the real joy that people experience as they support our communities every day, there have been moments of real hardship. Vacancy rates have never been higher in social care, a combination of a competitive employment market and people leaving roles in social care. The daily impact of that on the people drawing on care and support and the people working in social care cannot be underestimated.

Thank you to everyone who works in social care for everything that you do, every single day, in every single community.

We also know that we have lost 969 dear friends and colleagues over the pandemic. In March 2022, Skills for Care worked with partner organisations to run the Social Care Day of Remembrance and Reflection. This gave space for those in our sector who have, and continue to be, impacted by the pandemic to reflect, and recognise the impact it has had, and honour those who died. A lot of people organised their own ways to remember their friends, family, and colleagues that day and it was a poignant reminder of what people have been through.

As we come out of the pandemic, eyes have started to turn to the future and this year has seen significant reform for social care. The White Paper “Putting people at the heart of care” commits to investment and improvements for social care, including the workforce. The Integration White Paper further develops the move towards integration with commitments to have more shared outcomes and data to facilitate better working across social care and health. We will also see the Messenger Leadership Review reporting soon and no doubt that will have recommendations around developing more integrated leadership across social care and health. We will also see the introduction of a new assurance framework for Local Authorities and Integrated Care Systems (ICS's) and all ICS's will be up and running from July 2022.

It will be important that people, who work in and really understand social care, can engage with the changes that are coming, despite challenges with capacity, so that we can make sure that we create a social care that works for us all. We see Skills for Care's role as supporting the sector to be able to engage with the future, while making sure they are providing the best services today by supporting employers to recruit, retain, develop and lead people working in social care, to have data to make good decisions, the networks to provide peer-to-peer support and the voice to help Government understand the needs and realities of the social care workforce. That is one of the reasons we developed and launched our [new strategy](#). Our strategy sets out four priorities: increasing workforce capacity, supporting workforce capability, supporting the system, and supporting culture and diversity. We will keep focusing on these as we move into the new social care landscape.

We would like to thank everyone who works in Skills for Care for your tireless commitment over the year. We could not achieve our vision without every single one of you.

This year we said goodbye to Moira Gibb, our Chair who had come to the end of her second term. Moira is deeply committed to social care and everyone who met her could see her passion. She brought a deep focus on people and culture and will be sadly missed. Moira was replaced by John Coughlan. John was most recently chief executive of Hampshire County Council and before that, he was, for a decade, Hampshire's director of children's services taking them from 'good' to 'outstanding' Ofsted ratings. John brings his deep experience and ambition for social care to the role to support the essential work we do at Skills for Care.

We hope you enjoy reading about some of the work we have been doing this year from our Registered Manager networks as the Registered Manager membership organisation which supports 5,000 members, to our data, best practice support and work with Government.

Thank you to all our partners, we continue to work closely with the Department of Health and Social Care (DHSC), local government, providers of social care and people who draw on care and support so that we better understand the issues facing adult social care in England to help us to plan for the future and support the adult social care workforce.

John Coughlan

John Coughlan (Sep 20, 2022 18:35 GMT+1)

Oonagh Smyth

Oonagh Smyth (Sep 20, 2022 16:33 GMT+1)

John Coughlan CBE

Chair

Oonagh Smyth

Chief Executive

20 September 2022

Trustees' report

Incorporating the strategic report

The trustees, who act as directors for the purposes of company law, are pleased to present their annual report and financial statements for the year ended 31 March 2022.

Objectives and activities

Charity objects

The Charity's objects ("the Objects") are:

To help, support and assist social care service users and to improve standards of social care for the public benefit by but not limited to:

- i. The advancement of education by the organisation, promotion or provision of training to people (employed or volunteers) engaged or to be engaged in working with social care users in the United Kingdom.
- ii. To give particular attention to the workforce and skill development needs of all organisations, associations, individuals or groups of individuals working in the sector.
- iii. To promote the development of employment, education and training agendas in the sector in the United Kingdom and in particular to establish and promote the use of relevant National Occupational Standards.
- iv. Jointly, with some or all of central and local government, industry bodies, other sector skills councils and all relevant employers and staff groups to work on strategies and projects regarding:
 - a. the impact of legislation and other regulation pursuant to local, national or European policies on the sector's workforce;
 - b. the opportunities for career development, leadership, recruitment and skill shortages;
 - c. the development and implementation of a workforce training strategy linked to the needs of the sector and based on an understanding of the present and future competence needs.

In these objects, "social care users" are those people in need of care and support because of old age, youth, ill health, disability or financial hardship and the "sector" means collectively people, organisations and groups working with social care users.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year. The trustees confirm that the charity has complied with section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charities Commission. The Commission has endorsed Skills for Care's activities as a charity to be for the public benefit and the activities below set out the reasons why.

Our vision

Our vision is of a fair and just society where people can access the advice, care and support that they need to live life to the fullest.

Trustees' report *(continued)*

Our mission

To achieve our vision, the sector needs the right number of people, in the right place and at the right time, with the right skills, values and behaviours. Our mission is to support and empower current and future social care leaders, employers and the wider workforce.

Strategic priorities

Over the course of our strategy (2021-2025), in pursuit of our mission and vision, we are pursuing four strategic priorities that will help shape the make-up of the adult social care workforce, drive forward reform and ensure that social care is seen as a valued and worthwhile career. Our approach will evolve over the four years to reflect feedback and the changing landscape.

Our strategic priority areas are:

- Supporting workforce capabilities to ensure staff have the right skills, knowledge, competencies, values and behaviours to meet current and future needs in our communities.
- Supporting culture and diversity to ensure the workforce is treated equally, feels included and valued, and is supported to stay well and pursue their careers in social care.
- Increasing workforce capacity to make sure we have the right number of people, with the right values and behaviours, working in social care now and in the future.
- Improving the social care system to ensure it is well funded, supports people to live the lives that they choose and attracts the right people to the workforce.

Skills for Care is committed to evaluating the outcomes and impact of our work. We signed the National Council for Voluntary Organisations (NCVO) Code of Good Impact Practice and are committed to evaluation that is credible because it is robust, independent, inclusive, transparent and planned.

Achievements and performance

This report covers our activities for the year ended 31 March 2022 and includes work for our key client DHSC, as well as other activity to support the social care sector.

1. Increasing workforce capacity

Adult social care plays a vital role in our society, but employers are struggling to find and keep people to deliver valuable care and support services. We know from our State of the Social Care Workforce Report, that in 2020/21:

- There were, on average, 105,000 vacancies a day
- The turnover rate was 28.5%, equivalent to 410,000 people leaving their role in the year
- The average age of the workforce was 43.9 years, and a third of the workforce was aged over 55 and could retire in the next five years
- Almost one in two employees under the age of 25 left their role in the first year
- 82% of the workforce was female

The 2021/22 State of the Social Care Workforce report will be launched in Autumn 2022.

We also estimate that, based on population growth, by 2035, 490,000 extra jobs may be needed to meet demand. This indicates that social care has short-term issues and cannot fill current vacancies, and a long-term issue because they are going to need more people in the future and will see an increased number of people likely to retire in the next 10 years.

Trustees' report *(continued)*

For us to have a fair and just society, where people can access the advice, care and support they need to live lives to the fullest, there needs to be a sustainable social care workforce with the right values and behaviours working in social care now and in the future.

To support this, Skills for Care wants social care to be better understood, more valued and seen as a career of choice, attracting more people into the sector.

It is important that there is a clear care career pathway that outlines the variety of roles within social care and how to progress into each role including roles in nursing, occupational therapy, social work, personal assistants and registered managers.

Careers intermediaries are important partners and stakeholders for us and it is important that they understand social care so that they can promote roles. Think Care Careers (a website that gives information about what social care employers are looking for and examples of opportunities in social care) was revamped with new content which was viewed 450,207 times. Resources on Think Care Careers were downloaded 894,907 in year. The videos and animations were viewed 193,981 times in the year. Feedback included “the animations look great, appeal to younger viewers and show career progression well” – “Videos are good, relevant and relatable.” These are excerpts from a full evaluation of our Think Care Careers website and its content which will be used to shape the look and feel of the website to ensure it is useable and engaging for schools to use moving forward.

Much of the work that we do aimed at increasing awareness and understanding of best practice and signposting what employers can practically do to increase capacity. We particularly focus on best practice in recruitment, wellbeing, and retention and how to use our data to better plan for your workforce.

1.1 Recognising the value of the workforce

One of our priorities ensures that the sector and its workforce get the recognition they deserve. We worked with partner organisations to develop the Social Care Day of Remembrance and Reflection held on 17 March 2022. The day, and associated activity aims to provide space for those in our sector who have, and continue to be, affected by the pandemic to reflect and recognise the impact it has had, and honour those who died. Five-day monitoring following the event identified confirmed that it had been successful in drawing recognition to the workforce. 354 locations joined the event via zoom with 811 viewing the specially produced film. There were 38 items of media coverage including by the BBC and ITV and the twitter promotional video received 1,934 views.

1.2 Recruitment

We developed new situational judgement test resources to be used by employers during their selection and interviewing processes. We also developed values-based animations and career pathway animations for careers and employment intermediaries to promote to their audiences. These have only been completed in this financial year, so we will be measuring efficacy in the coming year.

1.3 Wellbeing and retention

We help employers to support their existing staff. We promoted our wellbeing resource finder for employers, conducting monthly content reviews to update with new resources so that they can better navigate and use the resources. We conducted monthly content reviews to update the finder with new resources, as well as launching two new categories for ‘physical health’ and ‘wellbeing leadership’ based on feedback via networks and market intelligence. In 2021/22 wellbeing pages, including finder and wellbeing sector stories, were accessed over 10,000 times with 4,200 wellbeing resource downloads. We also ran a series of webinars on retention for registered managers in March. We had 309 attendees and an average rating of 8/10 for usefulness.

Trustees' report *(continued)*

1.4 Policy

A significant part of our role is to support Government to ensure that policy makers consider the capacity of the adult social care workforce, and that people working in social care understand how policy influences their practice. When mandatory vaccinations were introduced in social care in 2021, we developed and published guidance for employers, working closely DHSC, Local Government Association (LGA), the Association of Directors of Adult Social Services (ADASS) and the Advisory, Conciliation and Arbitration Service (ACAS) so that employers could manage the new policy and its impact on capacity. We provided weekly feedback to strategic partners on the challenges social care employers were having with implementing the policy. We supported DHSC to develop the guidance for the Workforce Capacity Fund linking our resources into the guidance. We worked closely with partners to ensure that social care workers were out on to the shortage occupation list.

1.5 Developing the Individual Employer (IE) and Personal Assistant (PA) workforce

We ran events and webinars for 400 people across the year, bringing together IEs, PAs and organisations supporting them. These provided an opportunity to share good practice, listen to the sector and support workforce capacity and capability. They were co-produced and chaired by people with lived experience of employing, supporting, and working as PAs.

1.6 Registered managers

Registered managers are central to social care. At the heart of every outstanding service is a manager who is working hard to ensure that they can create a person-centred culture that delivers great, high-quality care. There are around 26,400 Care Quality Commission (CQC) regulated establishments or care-providing locations in adult social care in England. In 2020/21 State of report published Oct 2021, there were around 23,500 registered managers in post. We have a high vacancy rate for registered managers at almost 11% and we would expect almost a third of registered managers to retire in the next 10 years. It is important that we support registered managers so that they remain well in their role. Peer-to-peer support is important for registered managers so that they can stay connected and get the support that they need. We support local registered manager networks across England, connected to over 5,000 managers.

Evaluation of the impact of networks found that attendees reported feeling more confident in their role (64%); more confident & prepared for inspection (68%); less isolated as a result of attending network meetings (70%); more positive about their current position (69%).

1.7 Regulated professionals

Regulated professionals, like nurses, social workers and occupational therapists, are a core part of the adult social care workforce. It is essential that we support people to come into these professions, be developed and stay in the workforce.

1.7.1 Registered nurses: Registered nurses enable people with care and support needs, many of whom have multiple co-morbidities and complex health issues, to live positively in their own homes and communities. 34,000 Registered Nurses work in adult social care. The number of registered nurses in social care has reduced by 33% in the past 10 years and they have a higher turnover rate (38%) than National Health Service (NHS) counterparts (10%).

We co-produced a resource, in partnership with Health Education England (HEE), to support student nurses, employers and educators make the most of student nurse placements in social care settings. This resource has been accessed on the Skills for Care website 2,448 times and downloaded 328 times. It has also led to increased engagement with the Council of Deans (representing the Universities training nurses). We published guidance on the deployment of Registered Nursing Associates in social care which has been accessed 2,213 times and

Trustees' report *(continued)*

downloaded 957 times. In partnership with the Chief Nurse, we established 'we are social care nurses' bulletins to increase awareness of the opportunities in the sector.

1.7.2 Social workers: There are 23,000 social workers playing a central role in adult social care, planning care and support, undertaking assessments, and making the best use of the resources available to enable people to have a better life. This year we supported 1,311 newly qualified social workers in 174 organisations in adult services, and 3,052 newly qualified social workers (NQS) in 195 organisations through employer led programmes providing the Assessed and Supported Year in Employment (ASYE), a key activity which employers increasingly use as an effective part of their recruitment and retention strategies for social work.

2. Developing workforce capability

For too long, a career in social care has been seen as low-value and low-skilled. This is not the case. People working in adult social care have a vital role in society, and deserve to be recognised as highly qualified professionals, who are respected for the work they do. Developing the capability of the workforce is a core part of what we do. We want to ensure that employers have the skills and resources that they need to assess, plan, and access the learning and development needed for their staff.

To achieve this, the workforce needs to receive high quality learning and development.

2.1 Workforce development fund

We disbursed the Workforce Development Fund (WDF) which supports the development of people working in social care. The fund was not confirmed by DHSC until September 2021 meaning that commissioning of the fund was delayed, and disbursement activity has been limited to the last six months of the year. The fund included a ringfenced element for rapid recovery programmes, initially commissioned in 2020 in response to the pandemic.

To minimise impact of delay on the sector, we extended the period in which we accepted claims for the mainstream fund until 31 May 2022 to help offset some of the initial delay. With rapid induction essential training and user-led organisation funding, the period in which the training can be completed extended to 31 May 2022. We also removed a cap of funded places available to employers for essential training.

We recently commissioned York Consulting to undertake an independent evaluation of the WDF 2019/20-2021/22 which will report in July 2022.

We anticipate full disbursement of the WDF across all funding streams, which includes the mainstream fund, individual employer funding, user led organisation funding and funding to support rapid induction and essential training, despite September start and reduced timeframe. As at 31 March 2022 the funding includes the following outcomes with the final results available on our website once all claims are completed:

- Supported delivery and achievement of 10,623 qualifications and learning programmes claimed across 1,527 workplaces.
- Supported the achievement of 1,116 Level 2 Diplomas, 1,836 Level 3 Diplomas and 896 Level 5 Diplomas, 342 Adult Care Worker Apprenticeship Standards, 484 Lead Adult Care Worker Apprenticeship Standards and 1 Leader in Adult Care Apprenticeship.
- A further 5,922 other qualifications were supported through the fund including 537 leadership and management qualifications, 442 qualifications in Dementia and 798 qualifications for medication management.
- Supported 1,218 achievements of non-accredited learning programmes with the most popular being 419 Lead to Succeed and 147 Well Led.

Trustees' report *(continued)*

- Supported achievement of 3,483 digital modules.
- 60% of value is to SME and smaller organisations.

2.2 Accessing high quality learning and development

As well as having access to funding, employers need to understand where and how to access quality learning and development and recognise the importance of investing in learning and development.

This could not have been done without our national coverage of endorsed providers, able to offer a range of digital and face to face learning opportunities both accredited and non-accredited. We have continued with our endorsement programme for learning provision over the year and have increased the number of learning providers who are endorsed by Skills for Care by a further 32 organisations bringing the total to 180. We have full national provision coverage and a broad range of specialist learning provision is available to the sector.

We retained over 90% of the endorsed providers, through the pandemic, and they have renewed with us their endorsement status. In addition, they have supported the delivery of our licenced programme and to date we have 78 licence holders across our endorsed provision.

Employers and decision makers also need to have a consistent understanding of learning and development needs, qualifications and career pathways and apply these when developing staff. To support this, our qualifications and learning programmes make sure that the qualifications that we have in the sector, support the right knowledge to be developed. Following the revision to Level 3 and Level 5 Diplomas, awarding organisations have been developing the new qualifications and these are now being passed to us for checking against the specification before they can use our logo on their products. The launch of the new qualifications is on track to achieve the expected dates of May and June 2022 for new starts. We have also supported Arden University with their degree Apprenticeship programme which started its first intake in April 2022.

Other programmes that we are or have reviewed include:

- Lead to Succeed
- Well Led
- New equality, diversity and inclusion (EDI) learning modules
- Leadership offers to the sector looking at collaborative leadership, compassionate leadership and systems leadership supporting integration.

Some examples of specific areas for development we focused on include:

- **Leading change, improving care:** A new learning programme "Leading Change, Improving Care" was developed looking at change management and has been issued on licence to endorsed learning providers.
- **Workforce working with people with learning disability and autistic people:** We worked with HEE and DHSC to co-ordinate the development of mandatory learning disability and autism training for health and social care staff - the Oliver McGowan Mandatory Training (OMMT). It was co-produced and delivered by autistic people, people with a learning disability and family carers (experts by experience). The interim evaluation report National Development Team for Inclusion (NTDI 2021) showed that Tier 1 training, delivered to over 2,000 attendees across four sites, was positive. Learners reported increased understanding of the complexities of caring for people with learning disabilities and autistic people. The involvement of experts by experience in the training delivery was central to this. Impact will be assessed at the final stage of the evaluation and the report forthcoming.

Trustees' report *(continued)*

- We worked closely with DHSC, NHS England, LGA and ADASS on the action plan for Building the Right Support and the updated autism strategy. We published joint guidance on how to commission support for autistic people and developed a bespoke commissioning qualification for health and social care commissioners, supporting people with a learning disability and autistic people. To date, 90 people have begun to do the qualification.
- **Personal relationships:** In partnership with CQC, we published a comprehensive searchable guide of learning and development resources to support workforce development.
- **Care certificate:** Accessibility of the Care certificate was reviewed and, in partnership with the Royal Association for Deaf people (RAD), we developed a series of introductory British Sign Language interpreted videos, and captioned, to introduce each of the Care certificate standards and an overarching introduction to the certificate in general. These are available through our website and through the E-learning for Health Learning Management System.
- **Digital skills:** The workforce, including leaders, need to understand the benefits of technology and have access to learning and development to develop their confidence and skills. To achieve this, we have:
 - Produced a Digital Skills and Knowledge framework for the adult social care workforce and worked with over 130 employers and 30 stakeholders to develop the content. It launched at the end of March 2022 on the Digital Social Care website.
 - Performed a digital skills review, launched in December 2021 to 230 attendees. Recommendations are included in the NHS Transformation Directorate strategy and form the National Digital ICS transformation plan to be delivered by local ICS partnerships. We were commissioned in 2022/23 to develop the Digital Skills and Knowledge framework further and incorporate findings from the review.
 - Commissioned the development and delivery of a pilot Digital Leadership programme to 30 Registered Managers. Learners rated the course highly and were very satisfied with all aspects. A pre and post course comparison showed almost all participants improved their digital skills and confidence, whilst on the course. Participants have begun to make changes to how they work (e.g. implementation of new systems).
 - Piloted a digital champion training programme in five ICS areas (Kent, Lancashire & South Cumbria, Merseyside & Cheshire, Sussex and Southwest London) to 38 aspiring champions. The course modules were highly rated, and learners were very satisfied with the course. A pre and post course comparison showed all learners had improved their digital skills and confidence levels, whilst on the course. Interviews about early impact of the course also revealed that some digital champions, for instance, had started to make improvements to their digital security.

2.3 Regulated workforce

Activity to support the capability of the **regulated workforce** included the following areas.

Social work: We supported 174 employers in adult services and 195 employers in child and family services (the majority of local authorities are included in both the above numbers) to provide personal development programmes, support and supervision for newly qualified social workers building capability and practice confidence in their first post-qualification year.

The ASYE process and assessment methodology was reviewed and refreshed working collaboratively with employers, and consistency of assessment and support was quality assured by our team. We supported the Chief Social Worker, working with other stakeholders in the implementation of post qualification standards for social work supervisors. We

Trustees' report *(continued)*

supported a cohort of 15 newly appointed Principal Social Workers through a leadership development programme in partnership with the Office of the Chief Social Worker (adults).

Occupational therapists: Approximately 3,000 occupational therapists work in adult social care to support people to do the things they want and need to do, identifying strengths and facilitating connections with families, friends and communities to keep healthy and well. This year, we increased our leadership development support for principal occupational therapists (10 candidates learning alongside Principal social workers) and piloted a new programme for 13 aspiring leaders in occupational therapy services. At a local level, we increasingly engaged with Occupational Therapy workforce networks and have been building an information base on how employers are supporting newly qualified occupational therapists (NQOT's).

3. Supporting social care systems

Social care is a large, diverse, diffuse and fragmented sector. There are around 17,300 organisations employing approximately 1.54 million people across the country and its structure and funding are often poorly understood. This makes national, regional and local planning between the sector and partners, and within the social care system challenging. Access to reliable, comprehensive data about the adult social care workforce is crucial for informing the work of DHSC and stakeholders as they plan, fund, and monitor the sector.

We want social care to be well funded and reformed so that we have the right number of people with the right skills and values in the right jobs. We want the social care workforce to be better understood; system leaders to plan better for the workforce of the future; and social care to be increasingly represented and valued in conversations and policy decisions.

To improve the understanding and planning within social care and between social care and partners, Skills for Care aimed to increase usage of our evidence and insights. We want to help systems partners understand and appreciate social care, to develop the capacity and capability of social care leaders to become system leaders and support them to build a social care workforce that is fit for the future.

In 2021/22, to support the social care workforce to be better understood, we undertook the following activity with and for national stakeholders:

- Our flagship 'The State of the Adult Social Care Sector and Workforce' report launched in October, the web page for the report saw a 162% increase in visitors compared to last year and downloads of the report were up by 68%. The stakeholder response was excellent and included numerous supportive statements and social media posts. Our report and findings were used in a House of Lords debate and in parliamentary activity around social care reform.
- Commissioning economic consultants KDNA to demonstrate the full economic value of the adult social care sector in England and publishing and promoting a report with key data and recommendations. This improves our prior methodology by including wellbeing benefits to people receiving care.

These two significant reports contributed significantly to the generation of 239 pieces of press coverage in October.

- Providing expert advice and input into the government's development of the white papers on integration and social care reform, through attendance at roundtables, small expert meetings and written submissions. We were gratified to see many of the suggested reform ambitions were ones that Skills for Care had raised and championed. We were able to make a strong case for these reforms based on our extensive evidence, insight and networks within the sector. For example, the white paper referred to implementing the Workforce Race Equality Standards that Skills for Care (SC-WRES) have co-led on, we talk about this in more detail in the Culture and Diversity section of this report.

Trustees' report *(continued)*

- Providing expert evidence to numerous Parliamentary Select Committee inquiries both written and verbal and responding to numerous consultations including the Migration Advisory Committee (MAC) consultation on the impact of ending freedom of movement, Low Pay Commission Consultation and healthcare regulation. We know that the use of our data and expertise is making an impact on key influencers and policy makers. For instance, the MAC report states that “Sector-led data collection played an important role in confirming the picture from ONS data and our stakeholder engagement, providing occasional challenge to official statistics and filling in the gaps, particularly by care setting. We are grateful to Skills for Care.”
- In July 2021, we worked with national social care leader organisations to develop a [shared vision](#) of what should be in a national workforce strategy for the growing sector, and, in March 2022, worked together to further set out the need for a [workforce strategy](#).

Our organisational structure with small area-based teams across England means we have strong insight and engagement at regional and local level. Highlights of our area activity include:

- Publishing regional, Integrated Care Systems (ICS) and local authority level workforce data in a series of data visualisations which have had over 150,000 views in 2021/22.
“Access to the dataset has allowed us to identify the areas that North Lincolnshire will need to address in order to ensure the sustainability of our workforce over the next decade. The datasets workforce statistics have provided us with oversight concerning the potential gap that will be left in our workforce due to retirement over the next decade. This has had a significant impact on the way we interpret the local authority's role in local recruitment.” Harry Palmer, North Lincolnshire Council
- [East Midlands ADASS produced a workforce strategy](#) using our data including an overview of the workforce, projections and recommendations.
- Positioning social care as an equal partner in ICSs across the country. Skills for Care colleagues are now engaged with over 90% of ICSs and involved across more than 50% of ICSs as a member of the people board in sub-meetings to champion the social care voice, its value and role in ICS development. To date, Skills for Care have rated 26 ICSs that are fully engaged, 12 partly and four not yet engaged. We will be targeting our support for these later ICSs and improving their understanding of social care in the next financial year.
- We continue to work with our partners and networks to ensure that providers are represented in policy and systems level discussions and decisions.

To enable Registered Managers to be represented in policy and system level discussions, we must address the operational pressures they face. During the year, we maintained our reputation for true insight and practical support, through:

- Support for local registered manager networks across England.
- Over 3,200 registered managers joining live webinars on key topics and 10,000+ views of our bank of recorded webinars.
- Successful nomination of two members of our Registered Manager Reference Group (RMRG) to give evidence to The Health & Social Care Select Committee.
- Delivery of a national event for nominated individuals with the CQC, attracting over 350 attendees. Further to this event, we hosted a follow-up recorded Q&A session with CQC to respond to questions raised during the event. Two Skills for Care areas are offering dedicated nominated individual networks, with other teams considering similar groups for 2022/23.

Trustees' report *(continued)*

- The launch of our new Good and Outstanding Care online resource. Our range of Good and Outstanding Care resources continue to be popular with providers with 8,000+ downloads. We have also had 7,000+ downloads of our bite-size resources for managers.

We evaluated our membership offer for Registered Managers and 97% of 339 respondents recommending membership to others. Respondents agreed that, because of membership, they had made improvements to the quality of their service, and felt less isolated and more confident, valued, and supported.

Underpinning all this work is the continual generation of relevant evidence and insights, in particular from our Adult Social Care Workforce Data Set (ASC-WDS). The ASC-WDS collects data from over 19,000 providers, representing 615,000 workers. This data set not only provides insights into the size, structure, and dynamics of the social care workforce, it can also support and measure government workforce reforms. Continual work to develop and maintain the ASC-WDS service is important to ensure on-going value for users and make sure we the data set has the maximum number of users and representative workforce data. In 2021/22 this consisted of the following:

- Continually improved functionality based on user feedback. For example, we added ASC-WDS News and the Benefits Bundle and improved existing features through user research and iteration. The ASC-WDS Benefits Bundle includes discounts with endorsed training providers, bookshop discounts and discounted Registered managers networks membership.
- Undertook significant work to ensure the reach of ASC-WDS. Direct and indirect engagement strategies and our official ASC-WDS product launch week ensured a resulting growth in new users from 47 to 49% during an extremely challenging year for the sector.

The success of our user engagement and functionality improvement work is evidenced in our survey of users which shows 90% of users are either Satisfied or Very Satisfied when performing tasks in the service. It is also evident in the continual use of the service, which had over 10 million page views, 150,000 new staff records and 700,000 new training and qualification records added in 2021/22.

4. Supporting culture and diversity

The strength of social care is in celebrating, valuing, and recognising what makes people unique and supporting them to overcome challenges. To do this, it is vital that the adult social care workforce reflects the society we live in, and that people feel included and treated equally. Skills for Care is committed to using our data and insight to focus attention on areas and issues where there is more work to do, to ensure that diversity is valued and that organisational cultures are positive.

21% of workers identified as being of an ethnicity that was black, Asian, mixed, or minority ethnic (BAME). However, registered managers and senior managers have a relatively low proportion of those with a BAME background (15% and 17% respectively).

We want employers to demonstrate inclusive leadership skills and behaviours that are anti-racist. We work with employers so that they have inclusive and positive cultures and use our best practice, tools and resources to support employees.

As this is one of the newest priorities for Skills for Care, we started by developing our own thinking and views. We launched our culture and diversity webpage with a series of blogs, articles, starting with the Race Equality Week (7-13 February 2022) which runs through all marketing campaigns throughout the year. The [Supporting a diverse workforce](#) webpage received 37 page views during Race Equality Week and 89 page views during the month of February.

Trustees' report *(continued)*

We are building the understanding of equality, diversity and inclusion among leaders and team by sharing our knowledge and expertise. As a result of this work, we developed two bespoke programmes of Moving Up for two NHS organisations. We have had an increase of 20% in terms of a number of organisations approaching us about our work in EDI and we continue to be approached by strategic partners to learn about the work we do. Some of the activity that we have done in this area include:

Our flagship product in this priority is the development of the Social Care Workforce Race Equality Standard (SC-WRES). The SC-WRES is a set of metrics, providing a framework for collecting and analysing data on the experiences of staff, broken down by ethnicity. It provides an opportunity for Local Authorities (LAs) to understand the shape of workforce across all levels, so that they can take targeted action. In this phase, many test sites found that data they currently collected on their workforce was lacking, particularly around non mandatory learning and development opportunities, and incidents of harassment and bullying in the workplace. This has prompted local authorities to improve their reporting processes and quality of data.

This year, supported by both the Chief Social Worker of Adults, DHSC and the Chief Social Worker for Children and Families, Department for Education (DFE), phase 1 of testing of the SC-WRES was carried out in Local Authorities (LA's). 18 LA's were selected from 33 applications.

Test sites have understood that more than data collection on race and equality is needed to bring about real change. Therefore, part of the SC-WRES work is for each LA to develop an action plan, to layout the aims and impact of any anti - racist diversity and inclusion work they are undertaking as a response. Additionally, to capture the experience and opportunities for development and progression of BAME workers, publishing the SC-WRES Data and action plans, will promote transparency and accountability.

As well as the SC-WRES, to support leaders so that they feel less isolated in their role, are motivated to progress, are resilient and can support resilience in others, we run the Moving Up programme. This tackles some of the issues that cause under-representation. 140 people took part in the revised "Moving Up" programme, delivered in partnership with People Opportunities. Candidates said the programme particularly helped them to realise their leadership skills, to understand how to use networks to progress their careers, had increased their belief in their ability to influence EDI more widely and helped them feel better able to promote their own achievements and skills. By the end of the programme, participants were reporting concrete changes and advancements in their careers e.g. applying for new senior roles. In the interim evaluation of Moving Up, there was a 23% increase in agreement with the statement "*I adequately support my own wellbeing through self-care and self-compassion whilst meeting the responsibilities of my role*".

Stakeholder engagement and communications

Our engagement with the sector is critical to ensure we can provide the best support possible. In October 2021, we carried out a baseline evaluation and found 94% of sector leaders and managers surveyed were aware of Skills for Care. We will run the evaluation annually and use the findings to inform our ongoing approach.

One of the reasons engagement is so important to us is that it gives us deep and extensive insight into the sector. This improves what we do, so we can actively influence the policy of DHSC and other key stakeholders. During 2021/22 we delivered monthly sector intelligence reports to the DHSC.

The huge challenges brought about by the pandemic required us to work differently to effectively communicate with and support our sector. During the year, we delivered several themed marketing campaigns to support the sector to identify and adopt the tools we provide

Trustees' report *(continued)*

to meet the challenges that they told us they were facing. These included new approaches to recruitment, improving workforce retention and managing change.

We delivered a full programme of more than 400 virtual events and webinars focused on key topics, and more than 20,000 people registered to attend them. As Covid-19 restrictions lifted and we began to return to face-face events and meetings and we will continue to evolve our approach to digital, virtual, in-person and hybrid engagement.

In February 2022, following significant user research and re-design, the Skills for Care website was re-launched. We know that the website is a crucial tool for social care leaders and managers (89% of our audience use our website), so the re-refresh focused on improving website navigation and accessibility. Initial feedback has been positive:

- 73% of people who visit the website monthly or more frequently though the new site was better or much better than the old site
- 70% of people who were visiting the site for the first time or visited less than once a month thought the site was good or very good.

Our connections to social care employers, leaders and managers and our joint work with national and local partners is critical to make significant change happen and is highlighted throughout this report.

Skills for Care Services

Our strategy recognises the need to be more intentional about our income generating activity, with a commitment to diversify and grow income sources. In 2021/22 we adopted systems and processes and the new branding of Skills for Care Services. We have been developing an organisational culture where commercial activity is increasingly valued, understood and effectively resourced.

Financial review

Financial internal control environment

Skills for Care reappointed RSM as internal auditors to provide assurance and advice on the internal control environment. An annual audit programme overseen by the Audit and Risk Committee (A&R) was agreed and covered the following areas: disbursements, information management, ASC-WDS, risk management and employer engagement. The disbursement audit was undertaken in May 2022 and the employer engagement audit has been deferred to the 2022/23 plan when capacity will be available. All recommendations are expected to be completed on time as agreed during each audit. The 2022/23 audit plan, agreed in May 2022 by the A&R Committee, includes HR, digital, business development and planning, business continuity and disaster recovery, budget monitoring and follow up audits of progress against 2021/22 audit recommendations, with a focus on a previous governance audit.

Group results for the year

Trustees plan for the group to manage costs within funding available and any agreed investments from charitable reserves. The underlying performance is a surplus of £0.7m resulting from successful trading activities and continued cost management.

This year the overall results show a surplus of £0.7m (2021 £0.8m) before unrealised gains and losses and a total gain of £11m (2021 £3.7m). This has been significantly affected by the year end investment market position which means that the charitable funds invested with the investment manager CCLA have an unrealised gain of £3.1m (2021 £3.9m) and an improved position on the pension deficit valuation with an actuarial pension gain of £7.3m (2021 loss £1.1m).

Trustees' report *(continued)*

Incoming resources

The charitable group was successful in securing total incoming resources of £38.5m (2021: £36.2m) representing a 6% increase (2021: 2% decrease). This increase was achieved as our key funders recognise the positive impact we make on the sector delivering our agreed strategic priorities.

Charitable activities

DHSC: Our main client, DHSC, agreed to provide restricted funding for the delivery of our annual work programme. Due to the ongoing impact of DHSC managing the COVID-19 pandemic, they agreed an interim payment of two month's funding, ahead of the full agreement executed in September 2021. We ensured the programme and resources allocated were flexible to meet new and emerging priorities. Total funds for the year were £28.2m 4% increase on last year (2021: £27.1m) due to an additional £1.2m training fund for approved mental health professionals (AMHP). DHSC funds carried forward £0.1m (2021: £0.7m) are committed to activity that spans the financial year. The total cost of the DHSC work programme was funded by DHSC and by Skills for Care securing sector co-funding as set out in note 14.

Other charitable activities: We were successful in securing £7.6m (2021: £6.8m) an increase of 12% (2021: 8% decrease). This includes £6.7m (2021: £5.8m) Department for Education (DfE) contract to disburse the Child and Family Assisted Year in Employment (ASYE). By a successful competitive tendering exercise, we secured a two year contract, with a potential opportunity to extend by a further 2 years. Skills for Care and Development (SfCD) UK activity generated £0.06m (2021: £0.04m) from its four UK partners where Skills for Care is the host and England partner. In addition, charitable funding from HEE, NHSE and other funders of £0.6m (2021: £0.7m) was deferred in creditors as activity relates to next year, as set out in note 12.

Trading activities: We generated £1.8m (2021 £1.4m) income, an increase of 28% (2021: 46% reduction). In addition, £1.5m (2021: £1m) income was secured relating to 2022/23 delivery so deferred in group creditors as detailed in note 12. Trading activity accounted for in the subsidiaries is set out in notes 3 and 14. We have been successful in adopting a more commercial insight as part of our new strategy, resulting in an increase in our trading income. We launched a new branding of our offer under the banner of 'Skills for Care Services' and registered this company as a legal entity to enable us to use this branding minimising risk of breaching any other organisation's copyright.

Our activity within Affina Organisation Development Ltd (AOD) exceeded our budgets as the company continues to identify and work with organisations whose teams require their support.

Other income: Bank interest received is minimal as interest rates remain low. Other income relates to COVID-19 grant specifically to fund furloughed staff, that were not funded elsewhere. We received a small donation towards an adult social care memorial activity which we facilitated and contributed to funding. FRS102 Pension interest is set out in note 17.

Resources expended

Our Finance Directorate includes Finance, Procurement, Disbursement, Compliance teams (including Governance and Payroll). It also includes our Project Management Office, corporate resources, facilities and apprenticeship certification teams. In line with our strategy, we enabled all directorates to ensure we assessed and managed our risks by adequate assessment and planning of financial resources. Third party and corporate costs were managed within our standing financial instructions, budget holder and budget keeper responsibilities and within our procurement and competitive tendering guidelines, as appropriate. We ensured our resource allocations were appropriate to ensure we delivered priorities within budget, ensuring value for money and spend eligible within funder's terms.

Trustees' report *(continued)*

External professionals supported internal capacity and capabilities such as investment manager, external and internal auditors, pension actuaries and lawyers.

COVID-19 significantly affected the way we engaged with DHSC our key funder, how we allocated our people, digital, engagement and financial resources and how we delivered our comprehensive business plan activity in year.

Throughout the year, we maintained a continuous effort to manage third-party costs, our people, engagement, digital and other essential corporate enabling resources. This included instigating a recruitment freeze for anything other than business critical roles. We continued to achieve savings across many cost categories, including travel, subsistence, venues, conferences, exhibitions, workshops and meetings, by continuing with virtual ways of working and engagement with our people, our customers and the sector. We delivered some work by engaging external contractors, where we needed specialist skills. We took advantage of efficiencies and cost savings, as appropriate and after agreement from the Board, we terminated the 2nd floor lease agreement on our Leeds office to secure savings next year as we move into significantly less office space on the ground floor.

Our People Directorate continued to oversee all people related activity. The focus was to stabilise the organisation as we emerged from COVID-19 restrictions and returned to some of our previous ways of working, as well as permanently implementing some of the learning from the pandemic. This included changes to our operating environment to maintain a level of hybrid working and virtual engagement with the sector. Like many other organisations, we had to respond to a slight increase in our normally lower than average staff turnover. We have also invested significantly in our people capacity and expertise in our Operations Directorate and Policy and Public Affairs team to support delivery of our strategy. We have also been focusing on developing new skills and knowledge to support our business development aspirations. Our workforce planning outcomes, as part of our wider business planning activity, we have been planning for further strengthening of our specialist teams and locality colleagues to optimise our reach with the sector. We continued investing in our key asset, our people, with significant investment and activity around team development via delivery of our Team Journey in collaboration with our AOD partners. Our refresh of our reward principles helped to emphasise the importance of responding to cost inflation and investing in the wellbeing and development of our people.

Our health and wellbeing survey indicated another successful response to our health and wellbeing strategy, and this was the first year of implementing our Equity, Diversity and Inclusion strategy which generated lots of supported conversations about race equality across all of our people, including at Board level.

Our Digital Directorate continued to adopt a hybrid approach to digital resourcing using third party digital partners and internal digital resources for key business critical activity such as our ASC-WDS. We received additional funding to support our limited resource spend to enhance our digital offer for the sector. We implemented recommendations from a discovery to enhance our WDF disbursement and engagement process within ASC-WDS, which subsequently paused as a result of the emerging social care reform package. As part of our strategy, we will be working with other Directorates on further business improvements, utilising charitable reserves investment where appropriate as agreed by our Board.

Our Engagement Directorate continued to invest our charitable resources to maximise engagement; delivering and embedding our offer, gaining critical insights and intelligence and working to influence key stakeholders. We are committed to working collaboratively in the spirit of partnership and to maximise efficiency.

The Operations Directorate supported by our Finance and Engagement directorates continued to disburse funding to the sector. Where appropriate we continued to use our competitive

Trustees' report *(continued)*

tendering processes to allocate and distribute the WDF. Where competitive tendering is undertaken, applications continued to be evaluated by panels to assess the applicant's ability to deliver the requirements of the funding stream. Direct individual employer funding involves an assessment of each application on receipt to ensure that it meets the purpose of the funding, which is to increase the management skills of, or care provided to, individual employers. We continued to fund rapid induction, volunteer and essential refresher training for the sector through 12 of our endorsed learning providers. Due to delays to the agreement of our DHSC work programme, the traditional mainstream fund was disbursed at a slower rate than usual. We accepted funding claims up to 31 May 2022 and will report the percentage of funds disbursed once all claims have been processed.

We continued to focus on work to identify charitable and trading funding opportunities aligned to our strategy. Together with the development of a portfolio of services, our response to tenders and other income generating activity has been brought together under the new brand of Skills for Care Services, supporting the sector and strengthening our engagement with key stakeholders.

Total funds carried forward

All funds received during the year and expenditure incurred as shown in the Statement of Financial Activities. The detailed movements in specific restricted and unrestricted funds are shown in note 14.

Restricted: £0.1m (2021: £0.7m) of unspent DHSC funds are expected to support activities agreed as part of the 2022/23 DHSC work programme. Other restricted funds, if not expended, are deferred in creditors, as appropriate.

Unrestricted: Funds are committed to fund activities as set out in the charitable reserves policy and detailed in note 14.

Reserve policy

The charity has a charitable reserves policy of maintaining unrestricted charitable reserves. The Finance and People Committee (F&P) monitor the charitable reserves policy and underlying assumptions. They make recommendations of designations of those charitable reserves to the Board, at least on an annual basis.

Charitable reserves

Charitable reserves are accumulated to fund the cost of minimum potential liabilities and not to exceed the estimated maximum costs including statutory redundancy, early retirement costs, six month's operational staff and third-party costs, where applicable, including a period of consultation for all staff, lease and pension liabilities and to cover necessary costs and commitments during an unforeseen period of difficulty. Excluding the pension exit value as at 31 March 2022, there are sufficient charitable reserves to fund the maximum potential liabilities as set out in note 14.

Both our subsidiaries carry out non-charitable activity with an aim to generate trading surplus for reinvestment into our strategic priorities for the benefit of the sector.

The Skills for Care Solutions (SfCSL) Board, AOD Board, F&P Committee and Skills for Care Board have oversight and review what may be required to fund future requirements.

Unrestricted charitable reserves are designated by the trustees for specific purposes as described in note 14.

Investment powers and policy

The charity's governing document gives the Trustees the power to engage an investment manager. This authority has been delegated to the F&P Committee. The appointed manager

Trustees' report *(continued)*

throughout the year was CCLA Investment Management Limited, who manage the portfolio on a discretionary basis within agreed risk and return objectives. CCLA stands for Churches, Charities and Local Authorities and is an organisation that invests funds on behalf of the three sectors. The portfolio is invested in a blend of CCLA's specialist Charities Official Investment Fund (COIF) charities funds. The funds held during the year were the COIF Charities Ethical Investment Fund (Annual Management Charge (AMC) 0.60% rebated to 0.50% for balances over £10m); the COIF Charities Fixed Interest Fund (AMC 0.22%); the COIF Charities Property Fund (AMC 0.65%).

The total return on our investments during the year was 9.6% (2021: 14.1%). The rate of return in any one year will depend substantially on market conditions and in the underlying asset classes. We did not realise any gains or losses during the year (2021: nil). We had an unrealised gain of £3.1m (2021: £3.9m) arising in the year as shown on note 9. Returns for the beginning of the new financial year have fluctuated with the investment showing unrealised gains of £0.7m at 18 August 2022.

At approximately 43% of our total portfolio, the asset class most heavily represented by value is equities, which make up the majority of our largest COIF fund holding, the multi-asset Ethical Fund. The portfolio return reflects the strong returns from equity markets over the period, although towards the end of the period equity returns were weakened by investor reaction to a tightening monetary policy environment and to the war in Ukraine.

Other asset classes significantly represented in the portfolio, through the multi-asset Ethical Fund and the two single-asset funds, are infrastructure, contractual income, UK commercial property and sterling-denominated bonds from both government and non-government issuers. Property had a strong year and made a significant contribution to portfolio returns.

The F&P Committee regularly monitors the return of the funds invested by the investment manager and compares the returns against relevant market indices; the committee also receives regular briefings from the investment manager.

We receive regular valuation updates from CCLA and if funds decrease by more than £0.1m between valuations, the Chair of F&P Committee is provided with an explanation.

The Company has a policy of placing funds, not invested with the investment manager, or not immediately required for cash flow purposes, in deposit accounts with its bankers as its need for access to funds outweighs any ability to generate higher levels of return. We achieved rates of return between 0.05% - 0.30% (2021: 0.05% - 0.30%) on bank balances, against a background of continued low bank base rates.

Plans for future periods

We are entering the second year of our four-year organisational strategy and continue to focus our work around the four strategic priority areas:

1. Increasing workforce capacity
2. Supporting the workforce's capabilities
3. Improving adult social care's systems
4. Supporting culture and diversity

These priorities are underpinned by our enabling priorities. One of our key enabling priorities is to grow and diversify our funding so we are continuing to seek opportunities from funders via bids, proposals, sponsorship and possible new investments that support workforce projects.

Related parties and strategic partnerships

We continue our close strategic partnership with the other UK partners: Social Care Wales, the Scottish Social Services Council and the Northern Ireland Social Care Council. This is an

Trustees' report *(continued)*

important relationship as it allows the UK group, under the Skills for Care and Development umbrella, to coordinate our response to issues to enable an increased impact and to support and learn from each other. We host one part time member of staff and provide financial support and other services to Skills for Care and Development under a service level agreement.

As the delivery partner for the DHSC on leadership and workforce in adult social care, we have worked with colleagues at DHSC to influence the development of the adult social care and integration white papers, and related activities. We also engaged with other government departments including DFE, HEE, Department of Work and Pensions (DWP) and Ministry of Housing, Communities & Local Government (MHCLG) on relevant work programme strands.

This year, we have continued to work collaboratively with key national organisations, employers of all shapes and sizes, registered managers and people who use care and support, their families and carers. This engagement enables us to seek to influence DHSC policy to ensure it will achieve positive outcomes for all. Key activities have included worked with LGA, ADASS, Social Care Institute for Excellence (SCIE), Think Local Act Personal (TLAP), Care Provider Alliance (CPA) and Care and Support Alliance (CSA) to produce a shared vision for an adult social care workforce strategy, and using this to coalesce key messages to decision makers.

We work with organisations representing people who need care and support and their carers to ensure effective partnership approaches in our work at both national and local levels.

We are an active partner in TLAP. We work closely with the ADASS at national level on their Workforce Development Network and locally with ADASS regional branch members. We worked closely with the joint LGA and ADASS care and health improvement programme (CHIP) team on the collaborative workforce priorities. We also worked in partnership with HEE on an offer to ICS' as well as in the update of the strategic framework 15, which includes regulated professions in adult social care for the first time.

We design, deliver, quality assure and administer, including disbursement of resources, the ASYE for the child and family sector on behalf of the DfE.

We continue to work closely with the Federation for Industry Sector Skills & Standards (FISSS).

We work in partnership with the Chief Social Worker and Chief Nurse in the DHSC, supporting them and their teams in strategic workforce issues pertinent to those professional groups. We have worked collaboratively with HEE on the review of the long-term Strategic Workforce Framework (Framework 15) which for the first time included the regulated professional workforce in social care. Significant social care influence has contributed to the development of the new framework published in the late Spring of 2022.

Structure, governance and management

As part of our strategy, we undertook a governance review to align with our new strategic priorities.

Governing document

Skills for Care is a company limited by guarantee, governed by its Memorandum and Articles of Association. No trustee has any beneficial interest in the charitable company. All trustees are members of the company and guarantee to contribute £1 in the event of a winding up. The number of guarantors on 31 March 2022 was 13 (2021: 14).

Appointment of trustees

As set out in the Memorandum and Articles of Association, the board appoints the chair of the trustees. Trustees are appointed through an open recruitment process, and a specification for

Trustees' report *(continued)*

board members is used in the selection process. The Remuneration and Nominations Committee (R&N) lead the trustee recruitment process and regularly consider succession planning and the skills and knowledge of trustees to identify any gaps. A trustee can serve up to two three-year terms (with an additional term in exceptional cases agreed by the board), this includes the Chair and Vice-Chair. The board membership is kept under review and re-aligned as appropriate.

Trustee induction and training

The Chair and Chief Executive Officer induct new trustees, so they have a clear understanding of the work of Skills for Care and their duties as trustees. This includes their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making process, the work programme, business plan and recent financial performance of the charity.

During the induction, trustees meet other trustees and key senior staff and are provided with an induction handbook. Trustees are encouraged to attend appropriate Skills for Care and external meetings and events where these will facilitate the undertaking of their role.

Organisational structure

The board of trustees administers the charity and meets at least four times a year to make strategic decisions regarding the charity. There are standing committees covering Finance and People, Audit and Risk, and Remuneration and Nominations.

A Chief Executive Officer (CEO) is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the CEO has delegated authority, within terms of delegation approved by the trustees, for operational matters. The Leadership Team (LT) is in place to support the CEO.

Charity governance code

We have adopted the principles of the Charity Governance Code. The assessments within the three-year cycle of board evaluation are based around the principles of the Code. The newly developed trustee handbook is also based around the principles of the Code.

Evaluation

We have a rolling three-year evaluation cycle in place which consists of a trustee questionnaire in year 1, in year 2 a self-assessment by executive colleagues, and a full external evaluation in year 3. All three evaluations are an assessment against the governance code principles and identify areas for improvement.

In 21/22, trustees decided to undertake a full governance review with the aim of reviewing our governance and governance structures to align to our strategy and uncouple governance from engagement while ensuring that the Board has enough oversight and assurance on our engagement activity.

This review included an initial assessment of the overall governance of Skills for Care against the principal statements of the Charity Governance Code, both by colleagues and through a survey to Trustees and the Leadership Team. The survey also included some free text questions to give the opportunity to give more in-depth feedback and we held discussions between committee lead officers and chairs to look specifically at improvements to that committee. The results were presented to trustees in October 2021, where a series of recommendations were agreed which have been developed into an action plan and are being implemented.

The board continues to regularly evaluate its performance by reviewing the effectiveness of every board and committee meeting to ensure they all meet their objectives. Trustees also

Trustees' report *(continued)*

have an annual one-to-one meeting with the Chair of the board, which is an opportunity for trustees to confidentially feedback on the performance of the board and to suggest any improvements.

Section 172 (1) Statement and Streamlined Energy and Carbon Reporting

2020 saw the introduction of a new disclosure requirements within the Trustees' report for larger companies following the new legislation of The Companies (Miscellaneous Reporting) Regulations 2018 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) and Regulations 2018. We have considered the size criteria and how this applies to the Skills for Care Group and whilst we are not mandated to make such disclosure, we believe it is best practise to acknowledge this may be the case in future years and to report what actions we are taking to comply at present.

Section 172(1) statement which hereby describes how the Board of Trustees have acted in regard to the matters set out in Section 172(1)(a) to (f) when performing their duties under this Section.

These duties have included, but are also not necessarily limited to, their responsibility to earnestly promote the success of the Group and its companies, to act in the way that he or she considers to be in good faith and would be most likely to promote the success of the Group and its companies for the benefits of its stakeholders as a whole and, in doing so, have taken into consideration due regard (amongst other matters) to the factors (a) to (f) which are as follows:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the Group's and its companies' employees,
- (c) the need to foster the Group's and its companies' business relationships with suppliers, customers and others,
- (d) the impact of the Group and its companies' operations on the community and the environment,
- (e) the desirability of the Group and its companies maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between management members of the Group and its companies.

In adhering to the above, the Board of Trustees have duly discussed and considered the following during the ordinary course of business:

- the issues, factors and stakeholders that the Trustees consider relevant in complying with section 172 (1) (a) to (f) and how they have formed that opinion;
- the main methods that the Trustees have used to engage with its stakeholders in order to understand the issues to which they must have regard; and
- information on the effect of that regard on the Group's and its companies' decisions and strategies during the financial year.

The Trustees have duly adjudged as to what they consider to be collectively appropriate to disclose and believe that their statements and information in the Trustees' report in this respect are meaningful and informative for the Group's stakeholders, have shed light on matters that are of strategic importance to the group at the time and are consistent with the size and complexity of its current business.

In our highly valued role as key delivery partner for DHSC on leadership and workforce in adult social care, we continue to work collaboratively with other key national organisations, employers of all sizes, registered managers and individuals who provide care within their own family.

Trustees' report *(continued)*

Our strategy sets out our longer term aims and how decisions may affect the longer term. The achievements and performance section of the Trustees' report details how we have engaged and fostered our relationship with DHSC, suppliers, customers and others during the year. The continuing impact of Covid 19, long covid and the wider social care effects of lockdown raise considerable challenges for the DHSC and the sector we support as well as our own operations. We remain flexible in our approach to delivery and engaged with all concerned and especially our own employees to ensure we could continue our delivery, albeit in a different form. Engagement with our employees is always important and regular updates are provided. We embraced using Teams and Zoom for our meetings with our colleagues which ensure we are engaging not only with our own team but with the wider community.

We are an organisation who always strives to maintain a reputation for high standards and business conduct. We have engaged independent internal auditors to regularly review our operations and procedures so we can continually improve as detailed in the section above for the internal control environment. The findings from the review undertaken by the independent firm are appropriately addressed by the business and such implementation is overseen by the A&R Committee and the Board.

Our subsidiaries are an integral part of the group and the Board at each meeting consider how relationships between the individual organisations can be enhanced for the benefit of the group overall. Risks in the subsidiaries are considered by the individual subsidiary Boards and by the A&R Committee to ensure all objectives are aligned and risks mitigated for each individual organisation within the group.

As part of our work to become 'tender ready', we need to comply with Procurement Policy Note (PPN) 06/21 which requires suppliers bidding for major government contracts to commit to achieving Net Zero by 2050. We will be calculating our carbon footprint across scope 1, 2 and partial 2 carbon emissions to achieve public procurement PPN 06/21 compliance using the Government approved Green House Gases (GHG) Protocol and will be able to pinpoint the carbon hotspots within our organisation to develop a PPN 06/21 compliant carbon reduction plan. We will be able to present a PPN 06/21 compliant digital dashboard on our website for external stakeholders and internally we will have an implementation plan with steps to reduce our emissions year on year led by a 'green team' who will be responsible for taking forward the actions and championing our approach.

As an organisation we continue to review ways in which we can reduce our carbon footprint and the business miles we incur. We have continued significantly working from home, since the start of the pandemic in March 2020, reducing the impact of our usual travel and use of office space upon the environment and having had this experience, we invoked the break clause on our London office and in addition, we have significantly downsized our Leeds office to a space for only 24 desks and one meeting room which will reduce the number of colleagues working in an office environment.

Risk management

Skills for Care has a defined risk management process and associated procedures to review, control, mitigate and report the risks faced by the organisation. This includes a defined risk management process for identifying risks ranging from individual project level to strategic level. During 2021/22 we realigned our corporate and directorate risk registers to our strategy and defined our risk appetite at a high level. In 2022/23 we will be undertaking further work to define this further.

Principal risks and uncertainties

Significant risks and uncertainties are reviewed by the Leadership Team (LT) through the corporate and directorate risk registers. Regular in-depth reviews are undertaken for known key risks and emerging risks. LT review monthly key and emerging risks, together with any

Trustees' report *(continued)*

escalated project risks. It is the remit of the A&R Committee to seek assurance that risks are being managed and ensure that any major risks are reported to the board. They are also responsible for identifying, with LT, a number of activities for internal audit each year as part of the risk assurance framework process; some activities are audited more frequently where the risk is deemed to be of greater significance, for example financial management, whilst others are reviewed as part of a long-term cyclical schedule of audit.

The A&R committee review the corporate risks and any project risks escalated by LT at each meeting. Periodically, members review the directorate risk registers in more detail and undertake a more in-depth review of key risks facing the organisation.

At each board meeting, trustees receive the corporate risk register along with an update of our risk management activity. Any risks, that trustees need to be made aware of, are reported as part of the CEO report. Skills for Care and its subsidiaries have an agreed risk appetite for each risk category, which has been reviewed. All risks that are rated above the risk appetite or outside of the risk tolerance are brought to the attention of the Board.

Both trading subsidiary companies have corporate risk registers which are reviewed by each individual company Board. The risk registers for both subsidiaries were reviewed and updated during the year.

During the year the major risks reported to the Board arose from the uncertainty in the social care sector, the Reform announcements and the need for us to continue to diversify our funding.

In May 2021, the Board reviewed its risk appetite and we used this to align our risks to our strategy and have been using this at a strategic level for decision making. We are working to embed this into our risk management practices and culture across the organisation.

Reference and administrative information

On 31 March 2022, there were 13 board members.

Trustees

Dame Moira Gibb *(Chair Board until 23 March 2022)*

John Coughlan *(Chair Board from 23 March 2022)*

Suzie Bailey

Louise Bladen

Susan Bott

Gillian Day

Keith (Mark) Lever

Mahiben Maruthappu

Susan McMillan

Stephen Scown

Paul Snell

Neil Taylor *(Vice-Chair Board; Chair SfCSL, Chair AOD)*

Munira Thobani

Amanda Thorn

Mark Ward

Rachael Wardell

Date of appointment or resignation

Resigned 23 March 2022

Appointed 21 February 2022

Resigned 27 June 2022

Appointed 6 June 2022

Resigned 19 July 2022

Resigned 12 August 2022

Resigned 15 December 2021

Chief Executive

Oonagh Smyth

Trustees' report *(continued)*

Audit & Risk Committee

Louise Bladen (Chair)
Suzie Bailey
Susan McMillan
Stephen Scown
Rachael Wardell (until 15 December 2021)

The Audit & Risk Committee reviews the annual Trustees' report and financial statements; ensures there is an effective system of internal control and risk management; ensures compliance policies and procedures are followed and relevant legislation and statutory requirements are adhered to.

Finance & People Committee *(previously Finance & General Purposes)*

Keith (Mark) Lever (Chair) (until 19 July 2022)
Susan Bott (until 27 June 2022)
Gillian Day (Board member from 6 June 2022, Chair of F&P from 19 July 2022)
Mahiben Maruthappu (until 12 August 2022)
Neil Taylor
Amanda Thorn
Mark Ward

The Finance & People Committee oversees the groups finances to ensure short and long-term sustainability in line with the organisational strategy. It monitors the quarterly management accounts and charitable reserves and liabilities and escalates issues to the Board. It makes recommendations to the Board for agreement on the annual budget including principles and assumptions, and the year-end financials included in the draft Trustees' report and financial statements and accounting policies. It maintains an overview of investments and treasury management. The Committee also oversees people and culture activity associated with the strategy including workforce planning and key organisational developments, talent management, performance management, employee engagement, learning, development and growth and alignment of these activities to our values. It reviews the financials associated with people activity including headcount, reward and benefits and makes recommendations to the board.

Remuneration & Nominations Committee

Susan McMillan (Chair)
John Coughlan (from 21 February 2022)
Moir Gibb (until 23 March 2022)
Paul Snell
Neil Taylor

The Remuneration & Nominations Committee makes recommendations to the board on matters relating to the remuneration package of the Chair and CEO and on any changes to the Leadership Team structure and remuneration based on proposals from the CEO. It leads the Trustee recruitment process, including the Chair's recruitment process, involving other Trustees to ensure there is the right expertise and knowledge on the panel, and makes recommendations to the board on appointments. It considers succession planning and the composition of the board to ensure it has the skills and knowledge to continue to operate effectively.

Trustees' report *(continued)*

Company references

Skills for Care Limited Company number 03866683, Charity number 1079836

Skills for Care Solutions Limited Company number 07938138

Affina Organisation Development Limited Company number 04644495

The National Skills Academy for Social Care Limited Company number 09698766 (*Dormant*)

Skills for Care Services Limited Company number 13778192 (*Dormant*)

All accounts are drawn up to 31 March.

Registered office

Westgate
6 Grace Street
Leeds
LS1 2RP

Advisors

External auditor

Brown Butler
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT

Internal auditor

RSM
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors

Clarion
Elizabeth House
13-19 Queen Street
Leeds
LS1 2TW

Bankers

The Royal Bank of Scotland
South Yorkshire & North Derbyshire
Commercial Support Team
PO Box 4862
5 Church Street
Sheffield
S2 9EQ

Investment manager

CCLA Investment
Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

The trustees who held office at the date of approval of this trustees' report confirm that so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Trustees' report *(continued)*

Auditor

Trustees will approve the reappointment of Brown Butler as external auditors of the group at the board meeting on 12 October 2022.

Approval

This report is approved by the board of trustees on 20 September 2022 and is signed on its behalf.

By order of the board

John Coughlan

John Coughlan (Sep 20, 2022 18:35 GMT+1)

John Coughlan CBE

Chair of the Board

West Gate
6 Grace Street
Leeds
LS1 2RP

Statement of responsibilities of the trustees of Skills for Care (a company limited by guarantee) in respect of the trustees' report and the financial statements

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the groups and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent Auditor's report to the members of Skills for Care Limited

Opinion

We have audited the financial statements of Skills for Care Ltd (the "charitable parent company") and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable parent company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and charitable parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or charitable parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees 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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Skills for Care Ltd *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 28, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine 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 trustees are responsible for assessing the group's and charitable parent company'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 the trustees either intend to liquidate the charitable company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent Auditor's Report to the Members of Skills for Care Ltd (continued)

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included the Companies Act 2006, the Charities Act 2011, pension and tax legislation and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (second addition – October 2019). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's and charitable parent company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the trustees and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.
- We examined the group's and charitable parent company's regulatory and legal correspondence and discussed with the trustees and other management any known or suspected instances of fraud or non-compliance with laws and regulations.
- We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements.
- There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.


Linda Cooper (Sep 22, 2022 16:04 GMT+1)

Linda Cooper (Senior Statutory Auditor)
For and on behalf of Brown Butler,
Chartered Accountants and Statutory Auditor
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT

Sep 22, 2022 2022

Consolidated statement of financial activities (incorporating income and expenditure account and other comprehensive income)

	Note	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021* Total £
Income					
Trading activities	4	1,787,000	-	1,787,000	1,391,422
Investments	4	389	-	389	3,486
Charitable activities	4	79,650	35,810,053	35,889,703	33,959,471
Other income	4	1,974	-	1,974	45,074
Pension	4, 17	875,000	-	875,000	768,000
Total income	4, 14	2,744,013	35,810,053	38,554,066	36,167,453
Raising funds	5	853,820	-	853,820	841,488
Investments	5	3,720	-	3,720	3,543
Charitable activities	5	3,541,805	33,443,895	36,985,700	33,948,978
Pension	5, 17	5,000	-	5,000	550,000
Total resources expended	5	4,404,345	33,443,895	37,848,240	35,344,009
Net (outgoing) / incoming resources before transfers		(1,660,332)	2,366,158	705,826	823,444
Transfers	14e	2,973,869	(2,973,869)	-	
Net incoming / (outgoing) resources		1,313,537	(607,711)	705,826	823,444
Actuarial gain / (loss) on pension scheme	14, 17	7,258,000	-	7,258,000	(1,083,000)
Net unrealised investment gain	9, 14	3,102,366	-	3,102,366	3,956,341
Net movement in funds		11,673,903	(607,711)	11,066,192	3,696,785
Total funds brought forward	14	29,621,202	691,090	30,312,292	26,615,507
Total funds carried forward	14	41,295,105	83,379	41,378,484	30,312,292

The notes on pages 35 to 59 form part of the financial statements.

*See note 19 for comparative split between unrestricted and restricted funds

Consolidated group balance sheet
At 31 March 2022

	Not e	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	8	4,458,618		4,407,287	
Tangible assets	8	58,222		121,347	
Investments	9	35,125,409		32,023,044	
			39,642,249		36,551,678
Current assets					
Stock		12,221		24,257	
Debtors due within one year	11	5,385,336		1,168,529	
Cash at bank in hand		11,176,634		11,266,720	
		16,574,191		12,459,506	
Creditors: amounts falling due within one year	12	(14,111,611)		(9,983,892)	
Net current assets			2,462,580		2,475,614
Total assets less current liabilities			42,104,829		39,027,290
Provision for liabilities and charges	13	(239,345)		(100,000)	
Net assets before pension liability			41,865,484		38,927,290
Pension liability	17	(487,000)		(8,615,000)	
Net assets			41,378,484		30,312,292
Funds					
Unrestricted (<i>before pension</i>)	14	41,782,105		38,236,202	
Pension liability	14	(487,000)		(8,615,000)	
Unrestricted funds	14	41,295,105		29,621,202	
Restricted funds	14	83,379		691,090	
Total group funds	14	41,378,484		30,312,292	

The notes on pages 35 to 59 form part of the financial statements

These financial statements were approved by the board of trustees on 20 September 2022 and were signed on its behalf by:

John Coughlan

John Coughlan (Sep 20, 2022 18:35 GMT+1)

Neil Taylor

Neil Taylor (Sep 22, 2022 07:57 GMT+1)

John Coughlan CBE
Trustee and Chair of the Board

Neil Taylor
Vice Chair

Company registered number: 03866683

Company balance sheet
At 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	8	4,458,618		4,385,584	
Tangible assets	8	58,222		121,347	
Investments	9	35,125,410		32,023,044	
Investment in subsidiaries	10	20,000		20,000	
			39,662,250		36,549,975
Current assets					
Debtors due within one year	11	4,476,976		1,196,950	
Cash at bank and in hand		10,105,087		10,017,553	
		14,582,063		11,214,503	
Creditors: amounts falling due within one year	12	(12,139,484)		(8,759,292)	
Net current assets			2,442,579		2,455,211
Total assets less current liabilities			42,104,829		39,005,186
Provisions for liabilities and charges	13	(239,345)		(100,000)	
Net assets before pension liability			41,865,484		38,905,186
Pension liability	17	(487,000)		(8,615,000)	
Net assets after pension liability			41,378,484		30,290,186
Funds					
Unrestricted (<i>before pension</i>)	14	41,782,105		38,214,096	
Pension liability	14	(487,000)		(8,615,000)	
Unrestricted funds	14	41,295,105		29,599,096	
Restricted funds	14	83,379		691,090	
Total charitable company funds			41,378,484		30,290,186

The notes on pages 35 to 59 form part of the financial statements

These financial statements were approved by the board of trustees on 20 September 2022 and were signed on its behalf by:

John Coughlan

John Coughlan (Sep 20, 2022 18:35 GMT+1)

Neil Taylor

Neil Taylor (Sep 22, 2022 07:57 GMT+1)

John Coughlan CBE
Trustee and Chair of the Board

Neil Taylor
Vice Chair

Company registered number: 03866683

Consolidated cash flow statement

Reconciliation of changes in resources to net cash inflow / (outflow) from operating activities

	<i>Note</i>	2022 £	2021 £
Net incoming resources before transfers		705,826	823,444
<i>Adjustment for:</i>			
Depreciation and amortisation	5, 6, 8	2,851,800	2,424,557
Disposal of fixed assets	5,6	21,587	-
Interest income	4,6	(389)	(3,486)
Net pension movement	14, 17	(870,000)	(218,000)
		2,708,824	3,026,515
(Increase) / decrease in debtors	11	(4,216,803)	186,880
Decrease in stock		12,036	11,165
Increase / (decrease) in creditors	12	4,127,719	(81,842)
Increase / (decrease) in dilapidations provision	13	139,345	(37,384)
Net cash from operating activities		2,771,120	3,105,334
Cash flows from investing activities			
Interest received	4, 6	389	3,486
Acquisition of intangible fixed assets	8	(2,856,256)	(2,634,964)
Acquisition of tangible fixed assets	8	(5,339)	(81,106)
Net cash from investing activities		(2,861,206)	(2,712,584)
Net (decrease) / increase in cash and cash equivalents		(90,086)	392,750
Cash and cash equivalents at 1 April		11,266,720	10,873,970
Cash and cash equivalents at 31 March		11,176,634	11,266,720

Analysis of changes in net debt

	1 April 2021	Cash flow	Other non-cash change	31 March 2022
	£	£	£	£
Cash and cash equivalents	11,266,720	(90,086)	-	11,176,634

Notes *(forming part of the financial statements)*

1. Accounting policies

The company is limited by guarantee and registered as a charity under the Charities Act 2011 (registered charity number 1079836) and incorporated in England and Wales. The presentational currency is £ sterling and except for note 17, all figures are stated to the nearest pound sterling (£). The accounting policies have been consistently applied in dealing with items which are considered material in relation to the financial statements.

Judgements and uncertainties

The following are the significant management judgements made in applying the accounting policies of Skills for Care that have the most significant effect on the financial statements.

(i) Pension liability

Skills for Care is committed to funding the pension liability as part of the West Yorkshire Pension Fund and the potential deficit valuation is provided by AON who are independent actuaries. The present value of the future deficit payments is recognised in the balance sheet and the underlying assumptions of the pension liability calculation are detailed in note 17.

As a result of changes to the actuarial assumptions, improved investment market conditions and a £1m deficit payment in March, the FRS102 liability as at 31 March 2022 reduced to £0.5m (2021: £8.6m). The exit deficit valuation as at 31 March 2019 is £13.6m and being the liability of the charity, the Trustees designated £1m charitable reserves towards funding this deficit for at least the next three years as detailed in note 14.

The next formal triennial valuation as at 31 March 2022 is due in the Autumn.

(ii) Income recognition

Where income received in the year is related to activity yet to take place, unspent income is deferred to the following year to fund delivery of the activity. Total income deferred is £2.1m (2021: £1.7m).

(iii) Amortisation of intangibles and useful life of depreciable assets

Management regularly review the development of its major depreciable asset, ASC-WDS to estimate its useful life. The impact of agile developments and responding to ongoing user research in line with DHSC Government digital services means the amortisation of the asset is calculated as costs are incurred. Total amortisation of the ASC-WDS and other capital assets for the year is £2.5m (2021: £1.9m).

(iv) Social care reform and COVID-19

The Board of Trustees believe the Group is well placed to continue to support the sector and SfC will continue to receive DHSC funding. With the vaccination programme now in place it is believed the ongoing effects of Covid-19 on our operations is much reduced. However the uncertainty has not been totally removed and any changing impact continues to be closely monitored by the management team and the Board. This and with the reform and funding announcements in September 2021 continues some uncertainty with regard to what the Department would like future Skills for Care delivery to be and confirmation of future funding. We do know that we are moving towards a more competitive funding model, with some future funding by grant, some activity funded by single tender and some by competitive tender.

Notes *(forming part of the financial statements)*

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2022) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Skills for Care meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Going concern

The financial statements have been prepared on a going concern basis, as our DHSC sponsor has indicated funds for 2022/23 will be based on the workforce unit revenue and capital funding received this year less 5% reduction and our work programme has been submitted for approval.

We received a letter of assurance of funding for next year dated 11 July 2022 from the DHSC sponsor stating 'the Department has received the required approvals to be able to confirm the funding for grant awards to Skills for Care for the core workforce grant of £21,667,149 (Revenue) and £447,467 (Capital). This funding covers the delivery of the programme between 1 April 2022 to 31 March 2023. While these funding values have been approved, any payments to Skills for Care in accordance with the anticipated payment schedule, and the terms of the grant, are subject to final agreement and signing of the Capital and Revenue grant agreements.'

The charity also has unrestricted charitable reserves at 31 March 2022 which the Trustees believe, together with the above, are sufficient to allow the charity to continue as a going concern for a period of at least 12 months from the date of signing these accounts. As a result, the Trustees believe it is appropriate to prepare the accounts on a going concern basis.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the company and its wholly owned subsidiary undertakings, Skills for Care Solutions Limited and Affina Organisation Development Ltd (AOD) which are made up to 31 March. Subsidiary results are set out in note 3. The consolidated statement of financial activities consolidates the results of the charitable activities of the group on a line-by-line basis. In accordance with FRS102, no separate Statement of Financial Activities has been presented for the company alone.

The net movement in funds for the company only for the year is £11,066,192.

The group owns a minority interest in the ordinary share capital of Care Friends Limited and due to the size of the shareholding this is not accounted for as a subsidiary or associate (see note10).

1.4 Income

Grants and other income are recognised in the year in which entitlement exists and the amount can be measured with reasonable certainty and measurability. Income is deferred only when the company has to fulfil conditions before becoming entitled to it or where it relates to the following accounting period.

Restricted income received which has not been physically spent, accrued or deferred in creditors at the year-end is carried forward in restricted reserves. The Trustees consider this to be an appropriate accounting policy as they believe that the grant makers, or other funders who imposed the restrictions, will not ultimately request the company to make refunds to them.

Notes *(forming part of the financial statements)*

The company continues discussions with the DHSC to ensure our work programme objectives and milestones are achieved. The financial report to DHSC and note 14 shows Skills for Care has some DHSC funds to carry forward, all of which are fully committed. All funds receivable from the DHSC are treated as restricted in accordance with grant letters.

1.5 Resources expended

Resources are allocated at a strategic level based on the costed work programme (WP) with the DHSC, other funding agreements and the business plan agreed by the Board. Budget holders are allocated specific resources to deliver the required outcomes. Activities requiring commissioned work with outstanding milestones as at 31 March 2022 or relating to the outcomes of the 2021/22 work programme are accounted for on an accruals basis and the costs relating to these milestones are included in the accounts.

Governance costs are those incurred in connection with the strategic management of Skills for Care resources and compliance with constitutional and statutory requirements, including legal and audit costs. These have been accounted for within the appropriate cost activity as required by FRS102.

1.6 Fixed assets: tangible

Individual fixed assets costing £5,000 or more are capitalised at cost. Depreciation is calculated to write off the cost of fixed assets by equal annual instalments over their estimated useful lives as follows:

Office furniture and equipment and IT hardware - 3 years

1.7 Leases and hire purchase agreements

Rentals arising under operating leases are charged to the statement of financial activities over the terms of the agreements. Termination of the Leeds lease of the 2nd floor office was invoked in December 2021 and associated costs have been included in these financial statements. A new three-year lease for alternative Leeds office space in the same building was signed in March 2022. This has a break clause after 1 year.

1.8 Pensions

The company makes contributions to the West Yorkshire Pension Fund (WYPF), a multi-employer defined benefit scheme. The company's share of the underlying assets and liabilities of this defined benefits scheme is accounted for in accordance with FRS102 'Retirements Benefits'. The service cost of pension provision relating to the year, together with the cost of any benefits relating to the past service, if the benefits have vested, is charged to the Statement of Financial Activities (SOFA). A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the charity's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the Statement of Financial Activities. The scheme closed to new members in 2008. The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the Statement of Financial Activities along with differences arising from experience or assumption changes. The pension cost charge represents contributions payable by the company to the fund in respect of the year for current and former employees. See note 17 for further details.

The company also has a stakeholder scheme with Standard Life. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes *(forming part of the financial statements)*

1.9 Investments

All listed investments are revalued at bid value at the end of the year as shown in note 9. Changes made to the balance sheet values are reflected in the statement of financial activities. No sales of the investments were made during the year so there is no realised loss or gain to report. The investment manager costs are deducted from any investment gains.

In the company's financial statements, investments in subsidiary and other undertakings are stated at cost less provision for permanent diminution in value.

1.10 Restricted, unrestricted and designated funds

The various funds of the charity are accounted for as follows:

Restricted funds are funds subject to specific instructions or restrictions, which have been imposed by the funders, but still within the objects of the charity. The purpose and use of the restricted funds are set out in note 14 to the financial statements.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. Funds earmarked for particular purposes by the trustees are designated as separate funds. The designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund. These funds are used to fund potential commitments and projects as agreed by the Board and for the purpose of funding potential closure costs and periods of financial uncertainty, in accordance with the charitable reserves policy.

At 31 March 2022, the unrestricted funds are sufficient to fund the estimated potential closure liabilities as detailed in note 14. Additionally, funds are designated to fund the pension FRS102 valuation of £0.5m (2021: £8.6m) as per note 17. As we do not currently plan to exit from this scheme, this does not include orphan or exit valuations. Prior to March 2022 £1m deficit payment was paid. The Board also agreed in principle in March 2022 to designate charitable reserves of £1m per annum for three years to fund the pension exit liability, to be reviewed every year before payment.

1.11 VAT

A significant proportion of Value Added Tax (VAT) is not recoverable by the charity, and as such is included in the relevant gross costs in the Statement of Financial Activities.

1.12 Taxation

Skills for Care is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received with categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The charge for taxation for the trading subsidiaries are based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

1.13 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity. At the acquisition date, the group recognises the goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of the contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus

Notes *(forming part of the financial statements)*

- directly attributable transaction costs: less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

1.14 Intangible assets, goodwill and negative goodwill

1.14.1 Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

1.14.2 Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred. The cost of intangible assets acquired in a business are capitalised separately from goodwill, if the fair value can be measured reliably at the acquisition date.

Other intangible assets including software and ASC-WDS acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

1.14.3 Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Software and ASC-WDS - 3 years

Other intangible assets - 2 years

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be five years.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets, when there is an indication that goodwill or an intangible asset maybe impaired.

1.15 Stock

Stock relates to the estimate of the cost and quantity of publications and other marketing materials, held for resale at the year-end.

2. Goodwill on acquisition

The estimated useful life of the goodwill arising from acquisition is five years. Other intangible assets identified, in respect of acquisition, is amortised over two years.

3. Subsidiary undertakings

The company has two trading subsidiaries, Skills for Care Solutions Limited and Affina Organisation Development Limited. The aim of trading is to generate surplus funds which would be paid to the charitable company under gift aid, for strategic investment into the sector and to pursue future charitable activities. The group trading income and expenditure is shown in note 10 and as unrestricted in note 14.

Notes (forming part of the financial statements)

4. Income

	Group 2022 £	Group 2021 £
Restricted		
DHSC	28,223,250	27,127,343
Other funders	7,586,803	6,762,052
Total restricted income	35,810,053	33,889,395
Unrestricted		
Trading activity (less trading bank interest included below)	1,787,000	1,391,422
Bank interest	389	3,486
Charitable income	81,150	70,076
Other income – Job retention scheme	474	45,074
FRS 102 pension income (<i>note 17</i>)	875,000	768,000
Total unrestricted income	2,744,013	2,278,058
Total income	38,554,066	36,167,453
Workforce revenue grant (<i>inc £0.35m NHSX in 21/22</i>)	23,820,000	23,470,000
Workforce capital grant	2,790,000	2,790,000
Approved mental health professionals	1,195,024	-
Neurodiversity, Disability and Learning Disability	180,000	579,996
Liberty Protection Safeguards	146,568	-
Office of the Chief Social Worker	91,658	237,347
Supporting personal relationships	-	50,000
Total DHSC restricted income	28,223,250	27,127,343
Dept for Education	6,699,038	5,810,793
NHS England	493,754	240,644
Capita Business Services	134,521	-
Health Education England	120,345	453,261
Registered Nursing Home Association	54,186	117,720
Local Authorities	45,833	61,996
Other	39,126	77,638
Total other restricted income	7,586,803	6,762,052
Total restricted income	35,810,053	33,889,395
Total unrestricted and restricted income	38,554,066	36,167,453

Notes (forming part of the financial statements)

5. Total resources expended

	Note	Staff costs 5 (a) £	Other costs £	Group Total 2022 £	Staff costs £	Other costs £	Group Total 2021 £
Trading activity cost of raising funds	14	430,768	423,052	853,820	487,844	353,644	841,488
Investments	5b	3,720	-	3,720	3,543	-	3,543
Charitable activities	5c	9,734,894	27,250,806	36,985,700	8,507,644	25,441,334	33,948,740
Pension	5f, 17	(1,028,000)	1,033,000	5,000	(378,000)	928,000	550,000
Charitable activities		8,710,614	28,283,806	36,994,420	8,133,187	26,369,334	34,502,521
Total resources expended	14	9,141,382	28,706,858	37,848,240	8,621,031	26,722,978	35,344,009
		£	£	£	£	£	£
Unrestricted		(1,813,854)	6,218,199	4,404,345	474,147	3,728,088	4,202,235
Restricted		10,955,236	22,488,659	33,443,895	8,146,884	22,994,890	31,141,774
	5d	9,141,382	28,706,858	37,848,240	8,621,031	26,722,978	35,344,009

5a) Skills for Care Solutions has no directly employed staff. Staff costs for the delivery of the trading activities are employed by Skills for Care and recharged via a service level agreement which is reviewed each year. AOD do have directly employed staff and where Skills for Care staff costs are incurred these are recharged by a service level agreement.

5b) The cost of the investment management fees applied to the fund by the investment company is netted off against the gain on investments as disclosed in note 9.

5c) The costs of charitable activities represent the costs of the delivery of the strategic objectives as indicated in the Trustees' report. Direct costs which can be attributed to specific activities are allocated directly. Support costs which cannot be attributed directly have been allocated as follows:

	2022 £	2021 £
Charitable activities	445,185	456,144
Trading activities	79,083	58,892
Investment activities	3,720	3,543
Total	527,988	518,579

This includes governance costs of £140,091 (2021: £138,544)

5d) Details of the specific funding streams and costs incurred are detailed in note 14.

5e) Disbursements of £20.3m (2021: £18.4m) include £10.8m (2021: £11.7m) WDF, £7.8m (2021: £6.7m) Adults ASYE and Children & Families ASYE, £1.2m AMHP (2021: £nil) and £0.4m volunteer programme (2021: £nil), others £0.3m (2021: £nil).

Notes (forming part of the financial statements)

5f) As per the changes to the fair value of assets section in pension note 17 and payroll note 7, £1,028,000 is the difference between £1.8m pension contributions made in the year and the £0.8m current service cost.

		2022	2021
	Notes	£	£
Payroll (inc pension *)	7, 17	9,141,382	8,621,031
Agency	7	203,016	39,604
Learning & development and recruitment		202,826	88,747
Travel		69,044	23,277
Commissioned work		2,217,018	2,501,470
Disbursements	5e	20,264,551	18,410,906
Workshops and meetings		79,432	28,650
Board and committees		3,525	5,429
Conferences and exhibitions		3,390	15,019
Rent, rates, utilities, and lease termination		607,168	1,243,162
Insurance		37,989	32,129
Cleaning and maintenance		10,194	38,420
Software, telecoms and equipment		199,409	219,175
IT leases, rentals, and licenses		524,138	407,441
Postage and courier		12,835	44,393
Printing and stationery		146,403	rt
Subscriptions and publications		86,169	39,680
Promotion and advertising		25,336	24,791
Fees paid to external auditors	6	49,322	41,296
Internal audit, taxation services and legal costs		75,350	121,490
Bad debt provision		(16,644)	(9,900)
Corporate office costs		-	85
Pension interest	17	1,033,000	928,000
Loss on sale of assets		21,587	-
Depreciation and amortisation	8	2,851,800	2,424,557
Total resources expended		37,848,240	35,344,009

The largest increase from last year is in disbursements directly benefiting the sector. Changes in other category spend is generally as a result of Covid-19 affecting both years.

6. Net incoming resources before transfers and auditors' remuneration

Net incoming resources before transfers as shown in the consolidated statement of financial activities is stated:

	Group	
	2022	2021
	£	£
<i>After charging:</i>		
Auditors' remuneration - audit of these financial statements	35,419	30,956
Auditors' remuneration - audit of financial statements of subsidiaries	13,903	10,340
Auditors' remuneration - taxation and compliance services	4,029	5,711
Internal audit services – remuneration	43,754	40,249
Operating lease rentals - buildings and equipment	295,029	1,062,814
Amortisation of goodwill and intangible assets and depreciation of tangible fixed assets (note 5 and 8)	2,851,800	2,424,556
Loss on disposal of assets	21,587	-
Other - FRS102 pension interest (note 17 and note 5)	1,033,000	928,000
<i>And after crediting:</i>		
Bank interest receivable (note 4)	389	3,486
Other income - FRS102 interest adjustment (note 17 and note 4)	875,000	768,000

Notes (forming part of the financial statements)

7. Staff numbers and costs

The Remuneration & Nominations Committee determine matters relating to the remuneration of the Chair and Chief Executive Officer. They receive proposals from the CEO and make decisions on any changes to the Leadership Team structure and remuneration outside of any organisational wide proposal. Proposals are presented to F&P committee, who make recommendations to Board which refer to the proposed annual cost of living award as part of the annual business planning exercise, taking into account overall financial context and other reward and wellbeing initiatives.

As no staff are employed by the subsidiary company Skills for Care Solutions Limited, resources utilised to deliver trading activities are charged within the service level agreement with the subsidiary for £206,475 (2021: £302,351). The average number of staff employed by the group during the year, full and part time, analysed by category, was as follows:

	2022	2021
Key management personnel (Leadership team)	9	9
Programme heads, project managers, heads of areas and locality managers	81	101
Engagement, Strategy, Impact and Policy, Project management	42	40
Enabling resources (Marketing & communications, People, Finance, Procurement, Disbursement & Compliance inc Governance)	33	30
Digital and data analysis	26	22
SfCD UK partnership	1	1
	<u>192</u>	<u>203</u>

The aggregate payroll cost of these persons during the period, analysed by category, was as follows:

	2022	2021
	£	£
Gross salaries	9,431,182	8,306,376
Labour costs capitalised	(1,092,153)	(994,771)
	<u>8,339,029</u>	<u>7,311,605</u>
Employer's social security costs	869,230	849,882
Employer's pension costs (before FRS102 adjustments)	961,123	837,544
	<u>10,169,382</u>	<u>8,999,031</u>
Employer's pension contributions including one off lump sum payments	(1,865,000)	(1,086,000)
Current service cost (note 17)	837,000	708,000
	<u>9,141,382</u>	<u>8,621,031</u>

The above payroll costs exclude agency and secondment staff costs of £0.2m (2021: £0.02m). The agency costs include the interim digital director and temporary staff in finance, project management support and workforce intelligence teams as the recruitment freeze left these units too much under capacity.

The above costs include £0.005m (2021 £0.2m) in relation to the costs of redundancy, settlements, notice pay and pension payments relating to 1 member of staff.

Notes (forming part of the financial statements)

The average number of employees in the group whose emoluments (excluding employer pension and National Insurance Contribution (NIC)) fell within each of the following bands was:

	2022	2021
£60,001 - £70,000	5	1
£70,001 - £80,000	-	5
£80,001 - £90,000	5	-
£120,001 - £130,000	1	-
£130,001 - £150,000	-	1

The key management personnel compensation, for the Leadership Team and the Trustees, for the year is £959,785 (2021: £714,116)

Total pension contributions for the above employees totalled £158,232 (2021: £102,224).

SfC used the agreed recommended contribution rate of 37.1% (2021: 28.5%) for the employer's contribution paid to the WYPF scheme. Deficit payments totalling £0.2m (2021: £0.5m) were made, as SfC honour its statutory deficit obligations. Members also agreed to pay £1m to WYPF before 31 March 2022.

The principle of contributing £1m per annum towards funding the deficit for three years was agreed in principle subject to a review each year before payment. It was agreed that a further decision will be made on future payments once Trustees have sight of the reserves schedule and we have more information from WYPF on what they might accept for both the security options to bring down the primary and secondary contributions, and payments to reduce the deficit, which will come from the formal actuarial valuation due in Autumn 2022.

The charity also operates a stakeholder pension scheme as set out in note 17.

The Board continued to operate virtually during 2022, except for the Board meeting in March 2022 held in person. 1 trustee (2021: nil) was reimbursed £40.

Trustee indemnity insurance was covered under the Directors and Officers policy with Axa Insurance Limited. The trustees consider that the officers and members liability insurance is adequate.

Trustee directors' emoluments

	2022	2021
	£	£
Aggregate emoluments (including employer's NIC) (pension £nil)	37,897	38,620

The Chair is entitled to £35,000 (2021: £35,000) per annum. The honoraria is authorised by Skills for Care's governing document and approved by the Charity Commission and commensurate with the time dedicated to the company's affairs.

Notes (forming part of the financial statements)

8. Fixed assets

8a) Intangible and tangible assets

	Software & licenses	ASC-WDS and other capital assets (note 8b)	Company intangible assets	Goodwill & other intangible assets (note 14)	Group intangible assets	Office furniture & equipment	Hardware & other assets	Group & Company tangible assets (note 8c)	Group intangibles & tangible assets
	£	£	£	£	£	£	£	£	£
Cost									
At beginning of year	2,362,229	7,481,631	9,843,860	361,116	10,204,976	354,353	473,651	828,004	11,032,980
Additions	-	2,856,256	2,856,256	-	2,856,256	-	5,339	5,339	2,861,595
Disposals	(1,683,793)	(2,808,871)	(4,492,664)	(252,000)	(4,744,664)	(279,278)	(399,330)	(678,608)	(5,423,272)
At end of year	678,436	7,529,016	8,207,452	109,116	8,316,568	75,075	79,660	154,735	8,471,303
Depreciation & Amortisation									
At beginning of year	1,996,153	3,462,124	5,458,277	339,414	5,797,691	288,171	418,486	706,657	6,504,348
Charge for the year	291,514	2,491,706	2,783,220	21,702	2,804,922	40,073	6,805	46,878	2,851,800
Disposals	(1,683,793)	(2,808,870)	(4,492,663)	(252,000)	(4,744,663)	(257,692)	(399,330)	(657,022)	(5,401,685)
At end of year	603,874	3,144,960	3,748,834	109,116	3,857,950	70,552	25,961	96,513	3,954,463
Net book value									
At 31 March 2022	74,562	4,384,056	4,458,618	-	4,458,618	4,523	53,699	58,222	4,516,840
<i>At 31 March 2021</i>	<i>366,079</i>	<i>4,019,505</i>	<i>4,385,584</i>	<i>21,703</i>	<i>4,407,287</i>	<i>66,182</i>	<i>55,165</i>	<i>121,347</i>	<i>4,528,634</i>

8b) The ASC-WDS system includes workforce intelligence from employers across the adult social care sector in England as detailed in our achievements and performance section of the strategic report particularly section 3 'supporting social care systems'

8c) All fixed assets are held for direct charitable purposes.

Notes (forming part of the financial statements)

9. Investments

Group and Company	2022		2021	
	Cost £	Bid value £	Cost £	Bid value £
At beginning of year (note 9a)	21,471,432	32,023,044	21,471,432	28,066,703
Unrealised gain in year	-	3,102,366	-	3,956,341
At end of year	21,471,432	35,125,410	21,471,432	32,023,044

9a) The investment portfolio is managed by CCLA, our investment managers, through a blend of funds from the COIF charities fund range. See notes in the Trustees' report - Investment powers and policy.

9b) Included in investments is a charitable investment in a company whose activities include social care recruitment and retention digital solutions.

9c) As detailed in the financial review section of this report, the investment portfolio has experienced significant fluctuations since 1 April and by 18 August 2022 has an unrealised gain in the year of £0.7m.

10. Fixed asset investments – Company

	Note	Shares in group undertakings £
Costs		
At beginning and end of year	3	309,185
Provisions		
At beginning and end of year		(289,185)
Net book value		
At 31 March 2021 and 2022		20,000

The companies in which Skills for Care's beneficial interest is more than 20% are as follows:

Subsidiary undertakings	Registered office	Company registered number	Principal activity	Country of registration	Percentage of ordinary shares held
Skills for Care Solutions Limited	West Gate, 6 Grace Street, Leeds LS2 2RP	07938138	Trading	England and Wales	100
Affina Organisation Development Limited	West Gate, 6 Grace Street, Leeds LS2 2RP	4644495	Trading	England and Wales	100

In the opinion of the trustees, the investments in and amounts due from the company's subsidiary undertakings are worth at least the amounts at which they are stated in the company balance sheet.

Notes (forming part of the financial statements)

Summary profit and loss account of the subsidiaries

	Skills for Care Solutions	AOD	2022 Total	2021 Total
	£	£	£	£
Turnover	995,324	716,034	1,711,358	1,432,696
Cost of sales	(258,048)	(265,690)	(523,738)	(526,794)
Gross profit	737,276	450,344	1,187,620	905,902
Administrative expenses	(27,194)	(302,889)	(330,083)	(313,906)
Operating profit	710,082	147,455	857,537	591,996
Interest receivable	45	1	46	559
Profit on ordinary activities before taxation	710,127	147,456	857,583	592,555
Tax on profit on ordinary activities	-	-	-	-
Profit for the year	710,127	147,456	857,583	592,555

The profits of Skills for Care Solutions Limited and Affina Organisational Development Limited have been donated to Skills for Care Ltd under gift aid.

Assets and liabilities:	Skills for Care Solutions	AOD	2022 Total	2021 Total
	£	£	£	£
Current assets	754,327	1,332,773	2,087,100	1,521,775
Current liabilities	(744,327)	(1,322,773)	(2,067,100)	(1,501,371)
Total net assets	10,000	10,000	20,000	20,404
Called up share capital	10,000	10,000	20,000	20,000
Profit and loss account	-	-	-	404
Shareholders' funds	10,000	10,000	20,000	20,404

11. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	4,700,665	1,054,308	3,710,805	837,939
Amounts owed by group undertakings	-	-	84,738	250,246
Prepayments, other debtors, and accrued income	684,671	114,221	681,433	108,765
	5,385,336	1,168,529	4,476,976	1,196,950

Notes (forming part of the financial statements)

12. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	286,182	272,976	225,673	218,258
Other creditors	758,005	399,290	472,316	252,420
Accruals (note 12a)	10,978,604	7,617,068	10,904,508	7,572,047
Deferred income (note 12b)	2,088,820	1,694,558	536,987	716,567
	14,111,611	9,983,892	12,139,484	8,759,292

12a) Accruals include disbursements and contract for services of £8m (2021: £6m) which are committed to the payment of milestones relating to activities undertaken during the year. The remainder of the accruals are purchase orders £0.8m (2021: £0.7m) and other accruals £1.2m (2021: £0.9m).

12b) Deferred income includes HEE £0.28m (2021: £0.18m), DfE Child and Families ASYE contract £nil (2021: £0.12m), NHS England £nil (2021: £0.14m), other £0.31m (2021: £0.25m) to be disbursed to the sector and AOD and SfCSL £1.5m (2021: £1m) customers invoiced and received in advance, relating to the future period.

13. Provision for liabilities and charges

	2022	2021
	£	£
At beginning of year	100,000	137,384
Charge in year	-	22,000
Increase in provision for Leeds office	139,345	-
Release of provision for terminated London office premises	-	(59,384)
At end of year	239,345	100,000

The provision relates to the potential dilapidation costs of the leased offices in Leeds. During the year, we gave notice to terminate the lease on the 2nd floor to move to a smaller footprint office space. The initial surveyor indicated the estimation was insufficient. We are in negotiations with the landlord, and the provision is now expected to be sufficient.

Notes (forming part of the financial statements)

14. Reserves

	At beginning of year	Incoming resources	Resources expended	Gift aid payment and taxation	Unrealised gain/(loss)	Transfers and designations	At end of year
	£	£	£	£	£	£	£
Restricted							
DHSC							
Revenue grant (inc NHSX £0.35m)	478,463	23,820,000	(24,498,225)	-	-	201,256	1,494
Capital grant	73,926	2,790,000	-	-	-	(2,861,594)	2,332
Approved Mental Health Professionals	-	1,195,024	(1,195,024)	-	-	-	-
Neurodiversity, Disability and Learning Disability	108,433	180,000	(330,970)	-	-	42,537	-
Liberty protection and safeguarding	6,327	146,568	(73,342)	-	-	-	79,553
Personal relationships	23,941	-	(22,727)	-	-	(1,214)	-
Office of the Chief Social Worker	-	91,658	(63,066)	-	-	(28,592)	-
Office of the Chief Social Worker - WRES	-	-	(75,363)	-	-	75,363	-
DHSC work programme	691,090	28,223,250	(26,258,717)	-	-	(2,572,244)	83,379
Dept for Education	-	6,699,038	(6,418,732)	-	-	(280,306)	-
Others	-	887,765	(766,446)	-	-	(121,319)	-
Other restricted funding	-	7,586,803	(7,185,178)	-	-	(401,625)	-
Total restricted	691,090	35,810,053	(33,443,895)	-	-	(2,973,869)	83,379

Notes (forming part of the financial statements)

	At beginning of year	Incoming resources	Resources expended	Gift aid payment and taxation	Unrealised gain/(loss)	Transfers and designations	At end of year
	£	£	£	£	£	£	£
Unrestricted reserves							
Unrealised investment reserve	10,551,612	-	-	-	3,102,366	-	13,653,978
Fixed asset reserve	4,506,924	-	(2,851,684)	-	-	2,861,594	4,516,834
SfC closure reserve	7,100,265	-	-	-	-	1,494,893	8,595,158
SfC business continuity reserve	1,897,214	-	-	-	-	4,662,015	6,559,229
SfC strategy and development reserve (14 d)	4,300,000	-	(71,591)	-	-	-	4,228,409
Additional designation of reserves towards funding WYPF pension exit deficit	-	-	-	-	-	3,151,413	3,151,413
Pension reserve to fund FRS102 pension liability	8,615,000	-	-	-	-	(8,128,000)	487,000
AOD cumulative return on investment / business continuity	141,824	-	-	-	-	147,859	289,683
Dilapidation reserve to fund	100,000	-	139,345	-	-	-	239,345
Dilapidation provision accrued	(100,000)	-	(139,345)	-	-	-	(239,345)
Lease renewal reserve	958,205	-	-	-	-	(805,494)	152,711
SfCD business continuity reserve	133,051	56,013	(51,374)	-	-	-	137,690
AOD goodwill reserve	10,000	-	-	-	-	-	10,000
Charitable activities and SfCSL and AOD gift aid	-	115,597	(563,173)	857,987	-	(410,411)	-
Unrestricted (before pension)	38,214,095	171,610	(3,537,822)	857,987	3,102,366	2,973,869	41,782,105
FRS102 pension liability accrued	(8,615,000)	875,000	(5,000)	-	7,258,000	-	(487,000)
Unrestricted reserves	29,599,095	1,046,610	(3,542,822)	857,987	10,360,366	2,973,869	41,295,105
Total company funds carried forward	30,290,185	36,856,663	(36,986,717)	857,987	10,360,366	-	41,378,484

Notes (forming part of the financial statements)

	At beginning of year	Incoming resources	Resources expended	Gift aid payment and taxation	Unrealised gain / (loss)	Transfers and designations (note 14d, e)	At end of year
	£	£	£	£	£	£	£
Total company funds brought forward	30,290,185	36,856,663	(36,986,717)	857,987	10,360,366	-	41,378,484
SfCSL	-	995,368	(285,241)	(710,127)	-	-	-
AOD	404	716,035	(568,579)	(147,860)	-	-	-
Total trading activities	404	1,711,403	(853,820)	(857,987)	-	-	-
Total aggregate funds	30,290,589	38,568,066	(37,875,537)	-	10,360,366	-	41,378,484
Consolidation adjustments	21,703	(14,000)	(7,703)	-	-	-	-
Group unrestricted funds	29,621,202	2,744,013	(4,439,345)	-	10,360,366	2,973,869	41,295,105
Total group funds	30,312,292	38,554,066	(37,848,240)	-	10,360,366	-	41,378,484

Notes (forming part of the financial statements)

14 a) Unrestricted charitable reserves

The charity has a policy of maintaining unrestricted charitable reserves to meet any potential funding gap in accordance with the Skills for Care charitable reserves policy. The F&P Committee monitor the charitable reserves policy and underlying assumptions each quarter. Unrestricted charitable reserves are made up of free reserves and non-free reserves.

Charitable reserves are accumulated to fund the potential liabilities of Skills for Care. Potential liabilities include estimated redundancy and early retirement costs, up to 6 months' operational costs, lease liabilities, pension and necessary costs and commitments that Skills for Care may face during an unforeseen period of funding difficulty.

The F&P Committee, SfC Solutions Board, AOD Board and the Skills for Care Board oversee the resource requirements of the strategy and ensure the charitable reserves policy aligns to fund any potential funding gap in the future. The maximum potential liabilities (including pension exit deficit and lease liability to end of lease) are £21.9m (2021: £21.2m). At 31 March 2022, charitable reserves of £23.6m were sufficient to fund the maximum potential liabilities.

The free reserves of the group and company are as follows:

	2022	2021
	£	£
Unrestricted reserves (before pension)	41,782,105	38,236,202
14 b) Non free reserves		
Investment reserve	(13,653,978)	(10,551,612)
Fixed asset reserve	(4,516,834)	(4,506,924)
Goodwill accounting reserve	(10,000)	(31,703)
	<u>23,601,293</u>	<u>23,145,963</u>

Investment reserve: unrealised gains on investments are not free reserves. If the investments were sold and this gain was crystallised, the actual realised gain generated would contribute to charitable reserves.

Fixed asset reserve: total value of capital funds received which have been spent on capital fixed assets less accumulated depreciation charged to date. This is an accounting reserve only and is not a free reserve. It will reduce to nil when the capitalised assets have been fully depreciated.

Goodwill: investment not amortised.

	2022	2021
	£	£
14 c) Charitable reserves made up of designations in 14d		
SfC strategy and development	10,787,638	6,197,214
SfC closure	8,595,158	7,100,265
FRS102 pension	487,000	8,615,000
Additional designation of pension reserve towards funding	3,151,413	-
WYPF pension exit deficit	289,683	141,824
AOD business continuity / cumulative return on investment	152,711	958,205
Lease renewal reserve	239,345	100,000
Dilapidation reserve to fund	(239,345)	(100,000)
Dilapidation liability accrued	137,690	133,051
SfCD business continuity	-	404
AOD reserves	-	404
	<u>23,601,293</u>	<u>23,145,963</u>

Notes (forming part of the financial statements)

14 d) Reserves designations

FRS102 pension: The company makes contributions to the WYPF, a multi-employer defined benefit scheme. The pension FRS102 valuation gave rise to an estimated deficit of £0.5m as at 31 March 2022 (2021: £8.6m), which improved from last year due to assumptions and market conditions at the year end. The Trustees designated the equivalent reserves to fund the accounting deficit accrued.

As at the last triannual valuation at 31 March 2019, the pension exit valuation was £13.1m. The exit deficit is higher than the current year end £0.5m FRS102 pension accounting deficit valuation.

SfC Board of Trustees is committed to funding the pension exit deficit. It sought independent pension advice to consider options, including providing security to provide evidence as part of WYPF and the actuary's risk assessment of SfC Charity in its formal triennial valuation as at 31 March 2022, due in Autumn 2022.

Prior to March 2022 £1m deficit payment was paid. The Board also agreed in principle in March 2022 to designate charitable reserves of £1m per annum for three years to fund the pension exit liability, to be reviewed every year before payment.

To align with the principle agreed above, Trustees made a designation of £3m from charitable reserves to the additional WYPF pension reserve as at 31 March 2022.

SfC closure reserve: Funds designated by the Trustees to fund potential closure costs which may be incurred, if the company ceased activities in the future. As at 31 March 2022, the minimum potential closure liability (excluding pension) is £8.6m (2021: £7.1m). The liabilities increased as we reviewed the cost of closure to include all staff costs over a period of consultation.

SfC strategy and development reserve: Funds designated by the Trustees to fulfil any potential future funding gap or investment requirements where business cases meet the criteria agreed by members. The Board receive business cases requiring funding from this reserve for investment or business critical developments, not funded elsewhere.

Lease renewal reserve: Funds designated to fund the Leeds lease to the end of the contracted term.

AOD business continuity / cumulative return on investment: Funds designated by the Trustees to fulfil any potential future funding gap or investment requirement.

Dilapidation reserve and provision: Funds designated by the Trustees to fund potential costs of the 2nd floor Leeds office which were not finalised at the year end and subsequently the future dilapidations of the ground floor office.

SfCD business continuity: Funds set up by the SfCD Board to fulfil any future funding gap as income streams do not fund all planned core activity costs.

AOD: Reserves retained in AOD subsidiary that have not been donated via gift aid to SfC.

14 e) Transfers

The following transfers were made during the year:

Restricted funds £3m (2021: £2.8m): transferred to unrestricted charitable funds are:

- **DHSC funds £2.6m (2021 £2.4m):** To deliver the overall DHSC WP activity we secure funds from other sources including the sector and other DHSC units, outside the main adult social care workforce sponsoring unit, to cofund the overall programme. Transfers include £2.9m (2021: £2.7m) capital grant funded additions capitalised in the balance sheet

Notes (forming part of the financial statements)

represented by the transfer to fixed asset accounting reserve, less £0.3m (2021: £0.3m) sector funding from unrestricted funds to cofund DHSC WP activity.

- **Other funds: £0.4m** (2021: £0.4m) surplus on charitable projects, that have no further restrictions, were transferred to unrestricted funds to contribute towards funding corporate enabling services including governance.

14 f) Underspend relating to DHSC work programme

The company has £0.08m underspend from the Liberty Protection Safeguarding activity which had not launched and had no commitments before the year end (2021: £0.691m activity spanning year end.)

15. Commitments and contingent liabilities

Commitments under non-cancellable operating leases are as follows:

	2022		2021	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
<i>Operating leases where payments are due:</i>				
Within one year	79,052	27,826	319,402	9,258
Within second to fifth years	158,105	76,594	931,588	13,547
	237,157	104,420	1,250,990	22,805

16. Analysis of group net assets between funds

	Note	Restricted	Unrestricted funds	Total
		£	£	£
Tangible fixed assets	8a	-	58,222	58,222
Intangible assets	8a	-	4,458,618	4,458,618
Investments	9	-	35,125,409	35,125,409
Current assets		9,975,400	6,598,791	16,574,191
Creditors falling due within one year	12	(9,892,021)	(4,219,590)	
Creditors falling due after more than one year	17	-	(726,345)	(726,345)
Net assets as at 31 March 2022		83,379	41,295,105	41,378,484
<i>Net assets as at 31 March 2021</i>		<i>691,090</i>	<i>29,621,200</i>	<i>30,312,290</i>

17. Pension schemes

Standard Life stakeholder pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents employer's contributions payable by the Group to the scheme and amounted to £0.3m (2021: £0.2m). There were no outstanding contributions at the end of the financial year.

Notes (forming part of the financial statements)

West Yorkshire Pension Fund (WYPF)

Certain of the Group's employees participate in the West Yorkshire Pension Fund (the 'Fund'), which is part of the Local Government Pension Scheme (the 'LGPS'). On 20 December 2008, the scheme was closed to new members.

In accordance with FRS102, disclosures of certain information concerning assets, liabilities, income and expenditure relating to pension schemes are required. The results below relate to the funded liabilities within the fund which is part 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 pension liabilities and investment assets.

The latest triennial actuarial valuation of Skills for Care's liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were:

Key assumptions (% per annum)	2022	2021	2020
Discount rate for liabilities	2.7	2.1	2.3
Customer Price Index (CPI) inflation	3.0	2.7	2.0
Pension increases	3.0	2.7	2.0
Pension accounts revaluation rate	3.0	2.7	2.0
Salary increases	4.25	3.95	3.25

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below.

Assumed life expectancy at age 65	2022	2021
Males		
Member aged 65 at accounting date	21.8	21.9
Member aged 45 at accounting date	22.5	22.6
Females		
Member aged 65 at accounting date	24.6	24.7
Member aged 45 at accounting date	25.7	25.8

Asset allocation	2022	2021
	%	%
Equities	79.8	78.9
Property	4.0	4
Government bonds	7.4	9
Corporate bonds	4.8	4.8
Cash	2.9	1.3
Other**	1.1	2
Total	100.0	100

** The administrating authority may invest a small portion 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.

Notes (forming part of the financial statements)

Reconciliation of funded status to balance sheet	2022	2021
	£'000	£'000
Fair value of assets	46,282	41,268
Present value of defined benefit obligation	(46,769)	(49,883)
Pension (liability) recognised on the balance sheet	(487)	(8,615)

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

	2022	2021
	%	%
Active members	37	37
Deferred pensioners	28	28
Pensioners	35	35

Amount recognised in the income statement

	2022	2021
	£'000	£'000
Operating cost		
Current service cost	837	708
Financing cost		
Interest on net defined benefit liability	158	160
Pension expense recognised in profit and loss	995	868

Allowance for administration expenses included in current service cost £'000

7	7
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Amounts recognised in other comprehensive income

	2022	2021
	£'000	£'000
Asset gains / (losses) arising during period	3,660	6,859
Liability gains / (losses) arising during period	3,598	(8,160)
Total amount recognised in other comprehensive income and (charged) to SOFA	7,258	(1,301)

Notes (forming part of the financial statements)

Changes to the present value of the defined benefit obligation	2022	2021
	£'000	£'000
Opening defined benefit obligation	49,883	40,627
Prior year adjustment	12	-
Current service cost	837	708
Interest expense on defined benefit obligation	1,033	928
Contributions by participants	141	156
Re-measurement gains / (losses) on liabilities	(3,610)	8,160
Net benefits paid out	(1,527)	(696)
	<hr/>	<hr/>
Closing defined benefit obligation	46,769	49,883
	<hr/> <hr/>	<hr/> <hr/>
Changes to the fair value of assets	2022	2021
	£'000	£'000
Opening fair value of assets	41,268	32,877
Prior year adjustment	149	218
Interest income in assets	875	768
Re-measurement losses on assets	3,511	6,859
Contributions by employer *per note 5	1,865	1,086
Contributions by participants	141	156
Net benefits paid	(1,527)	(696)
	<hr/>	<hr/>
Closing fair value of assets	46,282	41,268
	<hr/> <hr/>	<hr/> <hr/>
	2022	2021
	£'000	£'000
Actual return on assets		
Interest income on assets	875	768
Gains on assets	3,511	6,859
	<hr/>	<hr/>
Actual return on assets	4,386	7,627
	<hr/> <hr/>	<hr/> <hr/>
	2022	2021
	£'000	£'000
Amount credited to other income		
Interest income on assets	875	768
Interest cost	(1,033)	(928)
	<hr/>	<hr/>
Net expected return on pension assets	(158)	(160)
Current service cost *per note 5	(837)	(708)
	<hr/>	<hr/>
Net amount (charged) to statement of financial activities (SOFA)	(995)	(868)
	<hr/> <hr/>	<hr/> <hr/>

Included in note 5, resources expended, is the difference of £1.028m (2021 £0.378m) between the actual pension contributions made in the year and the actual contributions required. The

adjustment is made to staff costs (note 7) and does not appear on the face of the Statement of Financial Activities.

Notes (forming part of the financial statements)

Estimated pension expense in future periods

An estimate of the charges to the profit and loss account under FRS102, based on assumptions as at 31 March 2022 are as follows:

	2023
	£'000
Current service costs	788
Net interest cost on net defined benefit liability	2
	<hr/>
Total estimated pension expense	790
	<hr/> <hr/>
Allowance for administration expenses include in current service cost	0.006
Estimated pensionable payroll over period	1.918
	<hr/> <hr/>

18. Related party transactions

Trustees of the Charity are appointed for their knowledge and connections with organisations in the social care sector. The total value of contracts and payments awarded to organisations connected to board members (not necessarily for the personal benefit of the member) in the year are detailed below. All declarations of interests are recorded on a register of declarations.

Board member	Organisation	Relationship of board member with organisation	Type of contracts awarded to organisation	2022	2021
				£	£
John Coughlan	Buckinghamshire Council	Improvement adviser for social care (previously DfE Commissioner)	Adults ASYE funding	26,492	-
			Registered Managers' funding	750	-
			AMHP funding	10,000	-
	West Sussex Council	DfE Commissioner /adviser for children's social care	Adults ASYE funding	25,342	-
			Registered Managers funding	1,500	-
			AMHP funding	20,000	-
Birmingham Council	DfE Commissioner for SEND	Adults ASYE funding	17,642	-	
		AMHP funding	50,000	-	
Rachael Wardell	Surrey County Council	Executive Director of Children, Families and Lifelong Learning	Adults ASYE	22,092	22,815
			Registered Managers Network	400	-
			AMHP funding	5,000	-
Suzie Bailey	The Kings Fund	Employed as Director of Leadership & Organisational Development	Contract with AOD for work completed by Professor Michael West to support the King's Fund strategic priority on Supporting People and Leaders and work done as part of the RCN Foundation commissioned research on the mental health and wellbeing of nurses and midwives.	-	24,959

19. Comparative consolidated statement of financial activities

		2021	2021	2021
	<i>Note</i>	Unrestricted	Restricted	Total
		£	£	£
Income				
Trading activities	4	1,391,422	-	1,391,422
Investments	4	3,486	-	3,486
Charitable activities	4	70,076	33,889,395	33,959,471
Other income	4	45,074	-	45,074
Pension	4, 17	768,000	-	768,000
Total income	4, 14	2,278,058	33,889,395	36,167,453
Raising funds				
Raising funds	5	841,488	-	841,488
Investments	5	3,543	-	3,543
Charitable activities	5	2,807,204	31,141,774	33,948,978
Pension	5, 17	550,000	-	550,000
Total resources expended	5	4,202,235	31,141,774	35,344,009
Net (outgoing) / incoming resources				
Transfers	14e	2,824,477	(2,824,477)	-
Net incoming / (outgoing) resources		900,300	(76,856)	823,444
Actuarial loss on pension scheme				
Actuarial loss on pension scheme	14, 17	(1,083,000)	-	(1,083,000)
Net unrealised investment gain				
Net unrealised investment gain	9, 14	3,956,341	-	3,956,341
Net movement in funds		3,773,641	(76,856)	3,696,785
Total funds brought forward	14	25,847,561	767,946	26,615,507
Total funds carried forward	14	29,621,202	691,090	30,312,292

Glossary of terms

A&R	Audit and Risk Committee
ACAS	Advisory, Conciliation and Arbitration Service
ASC-WDS	Adult Social Care Workforce Data Set
ADASS	Association of Directors of Adult Social Services
AMC	Annual Management Charge
AMHP	Approved Mental Health Professional
AOD	Affina Organisation Development Ltd
ASYE	Assessed and Supported Year in Employment
BAME	Black, Asian, mixed, or minority ethnic
CEO	Chief Executive Officer
COIF	Charities Official Investment Fund
CPA	Care Provider Alliance
CQC	Care Quality Commission
CSA	Care and Support Alliance
DfE	Department for Education
DHSC	Department of Health and Social Care
DWP	Department for Work and Pensions
EDI	Equality Diversity and Inclusion
F&P	Finance and People Committee
FISS	Federation for Industry Sector Skills and Standards
HEE	Health Education England
ICS	Integrated Care System
IE	Individual Employer
LA	Local Authority
LGA	Local Government Association
LGPS	Local Government Pension Scheme
LT	Leadership Team
MAC	Migration Advisory Committee
MHCLG	Ministry of Housing, Communities and Local Government
NCVO	National Council for Voluntary Organisations
NHS	National Health Service
NHSE	NHS England
NIC	National Insurance Contribution
NQOT	Newly Qualified Occupational Therapist
NQSW	Newly Qualified Social Worker

NDTi	National Development Team for Inclusion
OCSW	Officer of the Chief Social Worker
PA	Personal Assistant
R&N	Remuneration and Nominations Committee
RAD	Royal Association for Deaf people
RMRG	Registered Managers Reference Group
SCIE	Social Care Institute of Excellence
SC-WRES	Workforce Race Equality Standard for Social Care
SfC	Skills for Care
SfCD	Skills for Care and Development
SOFA	Statement of Financial Activities
TLAP	Think Local Act Personal
VAT	Value Added Tax
WDF	Workforce Development Fund
WP	Work Programme
WYPF	West Yorkshire Pension Fund