

Social
Care Institute
for
Excellence

**Annual Report and Financial
Statements**

31 March 2008

Company Limited by Guarantee
Registration Number
4289790 (England and Wales)

Charity Registration Number
1092778

BUZZACOTT

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Reference and administrative information

Status	<p>SCIE is a charitable company limited by guarantee, incorporated on 19 September 2001 and registered as a charity on 3 July 2002.</p> <p>In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.</p>
Governing document	<p>The organisation was established under a Memorandum of Association, which established the objects and powers of the organisation, and is governed under its Articles of Association.</p>
Trustees	<p>Allan Bowman (Chair) Nadra Ahmed Ziggi Alexander Shokat Babul Peter Beresford Professor Jon Glasby Edwina Grant Mike Lauerman Ann Macfarlane Joanne Munyard Andy Nash Jenny Owen Terry Philpot Ian Sutherland</p>
Company secretary	<p>Stephen Goulder</p>
Chief executive	<p>Julie Jones</p>
Senior executives	<p>Amanda Edwards (Head of Knowledge Services) Stephen Goulder (Head of Corporate Services)</p>
Registered and principal office	<p>Goldings House 2 Hay's Lane London SE1 2HB T: +44 (0)20 7089 6840 F: +44 (0)20 7089 6841 E: info@scie.org.uk W: www.scie.org.uk</p>
Company registration number	<p>4289790 (England and Wales)</p>
Charity registration number	<p>1092778</p>

Reference and administrative information

Auditors	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
Solicitors	Anthony Collins Solicitors LLP St Philip's Gate 5 Waterloo Street Birmingham B2 5PG
Bankers	Barclays Bank plc London Business Banking United Kingdom House 7 th Floor 180 Oxford Street London W1D 1EA

Trustees' report **Year to 31 March 2008**

The trustees of the Social Care Institute for Excellence (SCIE) present their statutory report together with SCIE's financial statements for the year ended 31 March 2008.

The report has been prepared in accordance with Part VI of the Charities Act 1993 and equates to a directors' report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 29 of the attached financial statements and comply with the charity's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005.

How SCIE works

SCIE's charitable object

As set out in the Memorandum and Articles of Association, SCIE's object is the 'relief of need arising from youth, illness, disability, old age or poverty, by the review, provision and dissemination of knowledge of, and guidelines for, good practice, and other information, to persons who use, work in or are otherwise involved in social care'.

To fulfil its charitable object SCIE conducts its work under three core functions:

- creating a knowledge base about what works in social care;
- translating the findings into good practice guidance to improve practice and service delivery; and
- disseminating this guidance across the social care sector.

These activities are reflected in our achievements, developments and future plans, which are organised by work theme in the following pages.

Statement of trustees' responsibilities

Company law requires SCIE's trustees to prepare financial statements which give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In preparing financial statements that give a true and fair view, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in operation.

Trustees' report **Year to 31 March 2008**

How SCIE works (continued)

Statement of trustees' responsibilities (continued)

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees confirms that:

- so far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the trustee has taken all steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA.

SCIE's board of trustees

Up to 15 people are able to sit on SCIE's board of trustees. At the time of this report, the board had 14 members, including its chair. SCIE's trustees are also directors of SCIE, for the purposes of company legislation.

New trustees are elected by existing trustees (the Secretary of State for Health being entitled to nominate three trustees, the Welsh Assembly Government one trustee and the Department of Health, Social Services and Public Safety in Northern Ireland one trustee) and serve for a term of three years before retiring from office. Retiring trustees can be nominated to serve a second consecutive term provided that no trustee serves more than two consecutive terms of office, except with the unanimous support of all the other trustees. Constant regard is paid to the skills mix of the trustees to ensure that they have all the necessary skills required to contribute fully to the charity's development.

On agreeing to become a trustee of the charity, the trustees are thoroughly briefed by their co-trustees on the history of the charity, the day-to-day management, the responsibilities of the trustees, the current objectives and future plans. The trustees are also encouraged to attend any courses which they feel are relevant to the development of their role, and to keep up-to-date on any changes in legislation.

An audit committee and a remuneration committee meet throughout the year.

Trustees' report **Year to 31 March 2008**

How SCIE works (continued)

SCIE's board of trustees (continued)

The following trustees were in office at 31 March 2008, and served throughout the year, except where shown:

Trustee	Appointed/ resigned	Audit Committee	Remuneration Committee
Allan Bowman (Chair from 1 April 2006)	Appointed 1 April 2006		
Nadra Ahmed	Appointed 5 July 2007		
Ziggi Alexander	Appointed 8 April 2005	Member	Chair
Shokat Babul	Appointed 28 May 2002	Chair	
Peter Beresford	Appointed 1 October 2003		
John Fenton	Appointed 25 January 2005 Retired 31 January 2008		
Jon Glasby	Appointed 1 October 2003	Member	
Edwina Grant	Appointed 27 March 2008		
Mike Lauerman	Appointed 27 March 2008		
Ann Macfarlane	Appointed 1 January 2007		
Joanne Munyard	Appointed 5 July 2007	Member	
Andy Nash	Appointed 5 July 2007		Member
Jenny Owen	Appointed 1 January 2007		
Terry Philpot	Appointed 20 March 2002		Member
Gail Tucker	Appointed 20 March 2002 Retired 27 March 2008		
Ian Sutherland	Appointed 27 March 2008		

During the year, with the express permission of the Charity Commission and in accordance with provisions set out in the charity's Memorandum of Association, the Chair of the board of trustees was paid £32,685 (2007 – £31,580) for services undertaken in the administration of SCIE. Two other trustees received remuneration under the same provisions – one received £6,537 (2007 - £6,316) and the other received £2,100 (2007 - £nil).

Trustees' report **Year to 31 March 2008**

How SCIE works (continued)

SCIE's board of trustees (continued)

Out of pocket travelling expenses totalling £16,785 (2007 – £10,783) were reimbursed to 13 (2007 – 11) trustees during the year.

The charity made payments of £17,921 to Shaping our Lives, £20,000 to the Centre on Policy and Aging, £20,753 to Pavilion Publishing and £125,356 to the University of Birmingham in the year. These payments related to provision of services at arm's length from which no trustee benefited. To ensure full transparency it is confirmed that Peter Beresford and Anne Macfarlane are directors of Shaping Our Lives, Allan Bowman is a member of the Centre for Policy on Ageing, Terry Philpot is a consultant for Pavilion Publishing and Professor Jon Glasby was the Director of Academic Programmes in the School of Public Policy at the University of Birmingham up to January 2008.

Structure

The chief executive and senior staff attend, and provide reports to, regular meetings of the board of trustees. This enables the business of the board, including strategy development and governance, to be undertaken collaboratively and in accordance with good practice. The chief executive manages the day to day business through the Executive Management Group. There are also regular meetings of the Knowledge Management and Corporate Services Management Teams which enable a wide range of staff to participate in policy development.

Through involvement of staff representatives, circulation of papers, and via the SCIE intranet, there is wide communication of board discussions and decisions to staff members.

Employees

SCIE is an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunities and, where appropriate and possible, special training to enable them to progress both within and outside the organisation.

Risks and opportunities

The trustees have assessed the major risks to which SCIE is exposed, in particular those relating to the specific operational areas of the charity and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by SCIE, they have established effective systems to mitigate these risks.

How SCIE works (continued)

Risks and opportunities (continued)

One of the key risks SCIE faces is its dependency on the Department of Health for the majority of its funding. To mitigate this risk the trustees are developing plans for SCIE to diversify its funding base.

Trustees have also taken care to minimise risk in the production of SCIE's good practice guidance by ensuring that our products are tested, reviewed and quality assured.

Partnerships and networks

SCIE's Practice Partners Network has 38 member organisations from the statutory, voluntary service, user-led and independent sectors. Adults and children's' social care organisations are both represented. The network has been very active during 2007-08, with 93% of member organisations involved in at least one project, and well over half involved with two or more. This has ensured our final products, our events and our consultations have had a voice from practice.

Whilst the two year period for Practice Partners has come to an end in early 2008, SCIE has asked several to stay on in a range of capacities. For some, they will continue to offer expert advice and comment on SCIE's products and publications, whilst others might be involved in independent external reviews of our work. SCIE is also keen to retain members to help us roll out our work in the regions. The focus for this work is to ensure wider and more effective dissemination of our products, with a view to implementing key messages, improving service delivery and realising better outcomes for those who use services.

For a second year SCIE continues to provide limited support to the Social Perspectives Network to run the Parental Mental Health and Child Welfare Network, which now has more than 850 members. Membership is made up of organisations from across the health and social care spectrum working in both children's and in mental health services. The Network continues to bring people together to share knowledge and practice and disseminate it through study days, website and regular communication.

SCIE's People Management website was established in 2005, with the aim of improving people management practice across social care settings. The People Management network was developed alongside the website to promote the sharing of good practice, and both are particularly useful for smaller social care providers who may not have access to specialist people management advice.

Partners' Council

The Partners' Council supports and challenges SCIE's role in shaping and influencing social care in the UK. The Council advises SCIE on its work programme, priorities and performance and disseminates information about SCIE and the work of member organisations.

How SCIE works (continued)

Partners' Council (continued)

The Partners' Council met three times in 2007-08 and advised on a number of key areas including: SCIE's response to the Platt Report, and work around personalisation.

The recommendations of the Independent Evaluation have been implemented over the year and have resulted in increased attendance and engagement by members. The Council has been able to attract high profile speakers to meetings including Ivan Lewis, Minister for Care Services.

During the year, new organisations were recruited to ensure that the Council reflects the diversity of the social care sector. The Council continues to be co-chaired by Tina Coldham, a service user member of the Council, and Allan Bowman, who is also chair of SCIE's board.

Performance report: 2007–08 Work Programme

There were 77 projects in the 2007–08 work programme. In summary, the key achievements were as follows:

Stakeholder Participation

- Resource guide 07—Participation: finding out what difference it makes
- Position paper 09—Developing measures for effective service user and carer participation
- Practice guide 11—The participation of adult service users, including older people, in developing social care
- Joint publication—Benefit barriers to involvement: finding solutions
- Report 18—Looking out from the middle: User involvement in health and social care in Northern Ireland
- Media training provided for care experienced young people
- Worked with other organisations through the Joint Participation Steering Group to address barriers to participation

Social work education

- Report on interprofessional education for qualifying social work
- National framework to support the involvement of people who use services and carers
- Introductory pack provided for all teaching on qualifying social work programmes in England, Wales and Northern Ireland
- Resource Guide on partnership working

Performance report: 2007–08 Work Programme (continued)

Social work education (continued)

- Knowledge Review of the teaching and learning of human growth and development with special reference to old age

Using knowledge to support social care

- Published a report on the quality of social work research in British Universities (Report 17)

Children and families' services

- Research Briefings—Experiences of children and young people caring for a parent with a mental health problem; Stress and resilience factors in parents with mental health problems and their children; and Obstacles to using and providing rural social care
- Resource guide and learning materials on Children of Prisoners—maintaining family ties and working together to support disabled parents
- A knowledge review on 'Necessary stuff'—The social care needs of children with complex health care needs and their families
- Knowledge review and e-learning materials on working with challenging and disruptive situations in residential care (Northern Ireland)
- 'Learning Together'—a systems approach to case reviews in children's services
- Resource guide on using the joint SCIE/NICE guidance on parent training programmes in Children's Services
- Pilot of the Common Assessment Framework (Wales)

People management

- Developed a new audit and resource directory on service user participation
- Reviewed and updated all mini-guides
- Increased network membership to 1398
- Planned and delivered four sessions for network members as part of the national conference.

Social care leadership

- Delivered second year of the Social Care Leaders programme
- Supported the development of the Core Cities Leadership and Development Programme
- Commissioned the development of the Association of Directors of Adult Social Services (ADASS) New Directors Programme.

Performance report: 2007–08 Work Programme (continued)

Adults' services

- Guidance on dignity in care—including extension of guidance to cover mental health services, as well as older people, and adding new section on dignity and the law
- Knowledge review on improving social and health care services
- Joint position paper with the Royal College of Psychiatrists and the Care Services Improvement Partnership on recovery in future mental health services
- Systematic map on the recovery approach in community-based vocational and training adult mental health day services
- Knowledge review and guidance for commissioners and providers on providing better mental health advocacy for African and Caribbean men
- Research briefing on Identification of deaf blind dual sensory impairment in older people
- Guide to improving community-based day activities and supports for people with learning disabilities
- Range of training materials on the Mental Capacity Act
- Joint publication with the Social Perspectives Network; Delivering Race Equality Programme; and the Sexual Orientation and Gender Identity Advisory Group on recovery in mental health services
- Information booklet providing advice from and for older people about hospital stays
- Research briefing on Obstacles to using and providing rural social care.

E-learning

- Released twenty new learning objects on our web site and in national repositories to support teaching and learning
- Tested a prototype basic skills assessment tool in the South East Region
- Managed an advisory group from Higher and Further education to inform material development
- With the Joint Information Services Committee funded an e-learning in Teaching and Learning project managed by Social Policy and Social Work Subject Centre (SWAP)
- Funded a project using the web to deliver a transition portal for users with learning difficulties and their carers.

Knowledge management

- Established new Research Register to record social care research that has been subject to independent ethical and scientific review
- Report on how to increase social care research capacity.

Performance report: 2007–08 Work Programme (continued)

Knowledge management (continued)

- Development of Social Care Online (SCO)—Hot topics and My Social Care Online (personalised home page)
- Social Care Online is forming a key component of the new NHS Scotland Social services Portal
- Successfully negotiated with the NHS that the social care workforce is eligible to access the NHS collection of key publications and journals

Added Value in 2007–08

SCIE added value in the year by:

- **The development of national strategy for identification, dissemination and implementation of good practice**

On the 31 August 2007, SCIE submitted proposals to meet the expectations of the Department of Health (DH) in relation to two of the five action points arising from the publication of *Status of Social Care*. SCIE was subsequently asked to restructure its approach to give priority to the development and delivery of a new system for good practice identification, dissemination, development and improvement as the overarching strategic priority. Key achievements were:

 - Delivery and presentation of an outline business case for a new social care journal
 - Development of a regional delivery model with engagement of the Deputy Directors of Social Care, Regional Directors of the Care Services Improvement Partnership (CSIP), and key stakeholders through the existing Joint Improvement Partnerships (JIPs) to deliver our products and services. SCIE has already begun pilots in two regions and will move quickly to a presence in each Region during 2008. This will complement the work that is already well developed at national level and support local work with providers and the independent sector
 - Improved working with the independent sector through providing leadership seminars, and targeted products
 - Development of Social Care TV
 - Development of a new model for identifying good practice
 - Development of a new national framework for dissemination of knowledge about good practice
 - A new model of economic evaluation
- **Putting People First and Personalisation**

Following the publication of Putting People First in December 2007, SCIE assumed a high profile nationally in raising knowledge and awareness of the challenges and opportunities emerging.

Added Value in 2007–08 (continued)

- **Putting People First and Personalisation** (continued)

The Partners' Council in February focused on personalisation and Janet Walden from the DH gave a presentation which formed the basis for extended discussions. These will be used to inform SCIE's priorities.

Specific requests for conferences, seminars and briefings have been met including an ADASS Director's seminar; meeting with university sector representatives; British Association of Social Workers (BASW) conference for independent social workers; regional ADASS network meetings; JIPs; CSIP; Commission for Social Care Inspection (CSCI) and others.

Building new alliances to respond to the requirements of personalisation is essential and meetings with In Control and other third sector organisations have begun to explore the potential for improved joint working.

SCIE was one of the sponsors of the highly successful "Meet the Dragons" initiative to encourage and recognise innovation in personalised support for people in the community and their families, and we are establishing on-going links with a number of the short-listed projects. SCIE is working with the DH Care Services Efficiency Division (CSED) to identify common interests and potential for joint working on efficiency, economic evaluation and value for money agendas and SCIE's mission to advance good practice.

SCIE's Chair, Allan Bowman, is a member of the Social Care Board chaired by Ivan Lewis and SCIE's Chief Executive, Julie Jones, sits on the Ivan Lewis' Green Paper Ministerial Advisory Group and the DH Transforming Adult Social Care Board.

- **Children and Families**

In addition to the successful work childrens' programme already described, SCIE has worked with consortium partners on the Centre for Excellence and Outcomes bid for the DCSF. This approach has required SCIE to be more flexible in its methodological approach, without losing the necessary quality to ensure reliability. The final bid was submitted on 17 March 2008 and the Department for Children, Schools and Families (DCSF) has awarded the grant for running the centre to the NCB-Led consortium of which SCIE is part of.

SCIE continues to maintain a good profile on the children's agenda and Julie Jones has been invited to join the Programme Board for the Narrowing the Gap project.

The DH and the DCSF have commissioned joint guidance from NICE/SCIE to focus on the health and well being of children in care.

Added Value in 2007–08 (continued)

- **Workforce**

SCIE is a member of the Steering Group to build a business case for the establishment of a Skills Academy and led on a very successful consultation with frontline practitioners.

SCIE is working with the Department on developing and drafting the Adult Social Care Workforce Strategy. SCIE is represented on the Adult Social Care Strategy Group by Stephen Goulder and Don Brand is providing direct support to the DH. SCIE is also working with the DH on a scheme to introduce Newly Qualified Social Worker status.

SCIE's Social Care Leadership Development Programme (SCLDI) programme is underway and we have received confirmation of future funding, pending the final decisions about a Skills Academy when this programme will cease in its current form.

- **Roles and tasks of social workers**

SCIE was been closely involved in work with the General Social Care Council (GSCC) and other key stakeholders about the roles and tasks of social workers. A final report has been published.

- **SCIE conference 2007, ICC Birmingham**

Over 315 delegates, including 65 service users and carers, attended SCIE's conference on 14 June. The conference focused on three main themes: people management, carers, and participation. Informal feedback on the day indicated a high level of satisfaction with the event – delegates were particularly positive about the new product development work including e-learning tools. An early analysis of the feedback forms indicate that 29% of those who responded thought the conference was excellent in terms of 'usefulness'; and 61% thought it was good, giving an overall satisfaction level of 90%.

- **Research ethics**

Following the publication of the first *Research Governance Framework for Health and Social Care* in 2001, stakeholders in social care research have campaigned for distinct arrangements for the ethical review of social care research. The DH has proposed a National Social Care Research Ethics Committee (NSCREC) to provide ethical review of social care research studies planned for three or more English Local Authorities or studies which involve England and/or Wales or Northern Island. SCIE was asked by DH in January 2008 to form such a committee, with a budget and support from DH.

Added Value in 2007–08 (continued)

- **Northern Ireland**

Launched 'Strengthening User Involvement in Northern Ireland', a summary and action plan, in Belfast on 7 February. This was an opportunity for SCIE to show how we could work with partner organisations to share our own practice and draw on our knowledge base.

- **Wales**

During the past year, SCIE continued to work in partnership with Welsh colleagues.

This has included the completion of the SCIE's work supporting the pilot sites in Carmarthen, Newport, Conwy and Denbighshire and Neath Port Talbot, developing the Common Assessment Framework Wales. This is currently being formally evaluated by the UEA.

The collaborative work for older people carried out by SCIE in 2008 included work with Powys and Torfaen. They were both involved in a programme from September 2007 to March 2008.

Presentations have been delivered on SCIE and its work to Older Peoples teams in Powys and Torfaen.

SCIE was a guest speaker at conferences during the year including Care Council Wales conference 'Learning for the Future'. SCIE presented at both the conferences in Bridgend and Llandudno. The audience for these conferences were both the social care workforce and social workers in both adult and children services. The charity also presented at the Domiciliary Care Association Wales conference. The audience for this conference were managers of domiciliary care agencies in both local authorities and the independent sector.

SCIE strategy 2008-11

The SCIE strategy 2008-11 was agreed by trustees at their board meeting on March 2008. This has been endorsed by government sponsors. It has been developed in the context of the ministers five point plan following publication of *Status of Social Care; Putting People First: the Children's Plan* and the emerging priorities of the DH business plan.

Local authority circular (LAC) 2008 (1) Transforming Social Care sets out a bold, person centred vision with profound implications for the sector. It also takes account of the increasingly different policy and organisational contexts in Wales and Northern Ireland.

SCIE strategy 2008-11 (continued)

• **SCIE's strategic priorities 2008-11**

Capturing the evidence

SCIE will:

- Establish priority research areas, including the high-profile and 'difficult' issues
- Identify new evidence in emerging areas of practice, including the personalisation agenda
- Work with care providers, with people who use services, children, young people, their families and carers to promote consistent, accessible and relevant approaches to identifying good practice.

Communicating the knowledge

SCIE will:

- Create regional dissemination networks
- Support communities of practice in specific interest areas and develop implementation tools appropriate to particular care contexts
- Be the knowledge hub for the sector, using information and communication technologies both to disseminate to and to gather knowledge from the disparate and diverse care workforce

Catalysing change

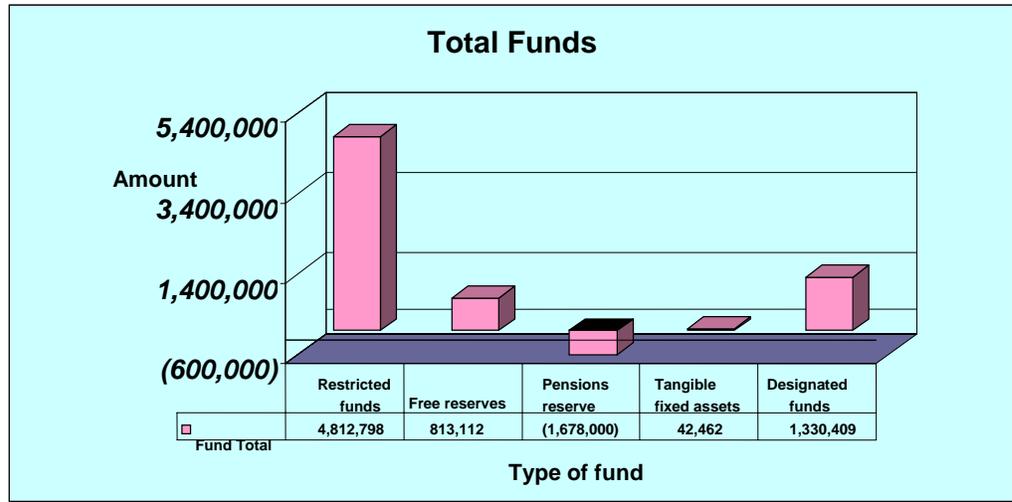
SCIE will:

- Build strong relationships with the new DH regional delivery structures, including Deputy Directors of Social Care and Joint Improvement Partnerships
- Develop strong relationships with independent adult care providers to deliver a tailored set of products and services
- Work with the new Centre for Excellence and Outcomes to build regional and local capacity to improve outcomes for children and families.
- Work collaboratively with employer and regional partnerships building on work already undertaken on social care governance (Northern Ireland) and working with the Social Services Improvement Agency (Wales).

Financial review for 2007–08

The financial position at the end of the year is set out below.

Figure 1: Total funds



The balance sheet shows total funds of £5,320,781 at 31 March 2008. Of this, £4,812,798 is restricted. These monies have either been restricted for use on specific projects or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 15 to the financial statements together with an analysis of movements in the year.

A further £42,462 of the total funds is represented by tangible fixed assets and £1,330,409 has been set aside, or designated, by the trustees to fund projects that were ongoing at 31 March 2008.

The remaining general funds of SCIE are 'free reserves' and total £813,112 at 31 March 2008. The trustees consider that this level of free reserves is adequate but not excessive given SCIE's short life and provides a solid foundation on which to build so as to achieve the reserves policy set out below.

The actuaries have calculated SCIE's share of the deficit on the defined benefit pension fund at 31 March 2008 to be £1.678million. For further information, see note 19.

SCIE received its income mainly in the form of grants and spent its money on charitable activities set out in service level agreements and in restricted fund agreements.

Financial review for 2007–08 (continued)

Figure 2: Incoming resources

Where we got our money from

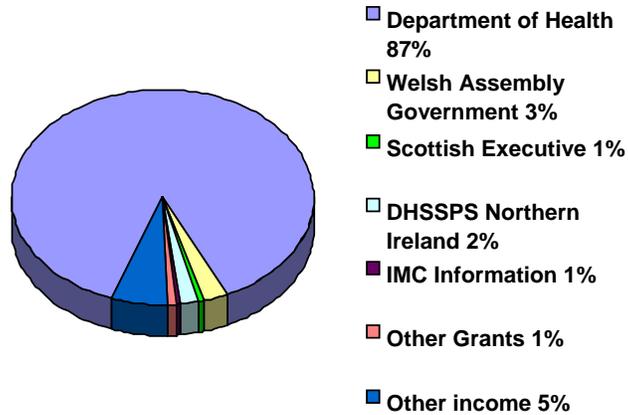
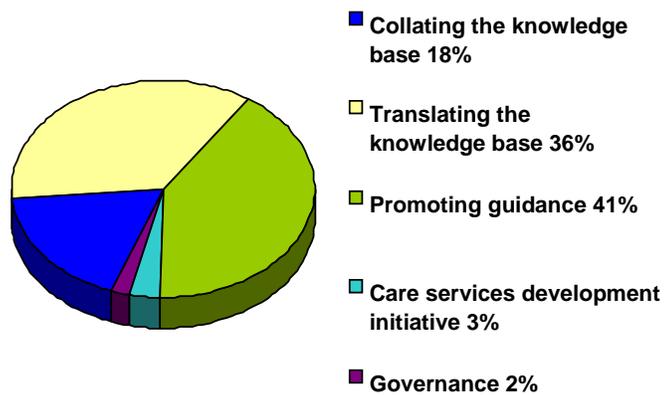


Figure 3: Resources expended

What we spent our money on



Accounting policies

Reserves policy

SCIE carries out a diverse range of activities, some of which comprise short-term and externally-funded projects, whilst others are long-term projects requiring significant ongoing financial commitment and investment.

The trustees have examined the requirement for free reserves, that is, those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of SCIE's work, the level of free reserves should be approximately £1,000,000. Around half the requirement arises from staff contracts of employment and contracts for equipment, with the balance being potential future liabilities deriving from membership of the Local Government Pension Scheme.

The Department of Health provides agreed funding quarterly in advance and the trustees are satisfied that SCIE is adequately funded for routine expenditure at any one time. At their meeting in May 2002, the trustees adopted the stated reserves policy. The reserves policy was reviewed during this financial year and will be regularly reviewed.

Investment policy

SCIE does not have long-term investments. Funds that are surplus to requirements in the short term are kept on treasury deposit.

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

Auditors

On 30 September 2007, Buzzacott, the charity's auditors, transferred their entire business to Buzzacott LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors have consented to treating the appointment of Buzzacott as auditors as extending to Buzzacott LLP. In accordance with section 385 of the Companies Act 1985, Buzzacott LLP will be proposed for re-appointment as auditors of the charity.

Approved by the trustees and signed on their behalf by:

Allan Bowman

Trustee

Approved by the trustees on: 2 October 2008

Report of the independent auditors to the members of Social Care Institute For Excellence

We have audited the financial statements on pages 23 to 43 which have been prepared under the historical cost convention and the accounting policies set out on pages 27 to 29.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of trustees and auditors

As described on pages 5 and 6 and the trustees, who are also the directors of Social Care Institute for Excellence for the purposes of company law, are responsible for the preparation of the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion the information given in the trustees' report is consistent with the financial statements. In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the trustees' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

Basis of opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charitable company's state of affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information in the trustees' report is consistent with the financial statements.

Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

14 November 2008

Statement of financial activities **Year to 31 March 2008**

	Notes	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
. Interest receivable	1	324,019	—	324,019	224,489
Incoming resources from charitable activities					
	2	4,821,063	3,007,315	7,828,378	8,262,963
Other incoming resources	3	156,905	37,738	194,643	70,843
Total incoming resources		5,301,987	3,045,053	8,347,040	8,558,295
Resources expended					
Charitable activities					
. Collating the knowledge base	4	1,358,943	57,548	1,416,491	1,456,586
. Translating the knowledge base into policy guidance and practice		1,867,545	896,629	2,764,174	3,032,034
. Promoting guidance in order to enhance quality		2,075,056	1,083,985	3,159,041	2,901,734
. Care services development initiative		—	248,535	248,535	259,939
Governance costs	5	144,176	2,704	146,880	130,590
Total resources expended		5,445,720	2,289,401	7,735,121	7,780,883
Net (outgoing) incoming resources for the year before transfers					
	7	(143,733)	755,652	611,919	777,412
Transfers between funds					
	15	439,429	(439,429)	—	—
Statement of total recognised gains and losses					
Net incoming resources for the year after transfers i.e. net income					
		295,696	316,223	611,919	777,412
Other recognised gains and losses					
Actuarial (deficit) gain on defined benefit pension scheme	19	(1,430,000)	—	(1,430,000)	397,000
Net movement in funds		(1,134,304)	316,223	(818,081)	1,174,412
Fund balances brought forward at 1 April 2007					
		1,642,287	4,496,575	6,138,862	4,964,450
Fund balances carried forward at 31 March 2008					
		507,983	4,812,798	5,320,781	6,138,862

All of the charity's activities derived from continuing operations during the above two financial periods.

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet 31 March 2008

	Notes	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	11		247,595		251,669
Current assets					
Debtors	12	390,010		185,393	
Short term deposits		6,200,000		6,200,000	
Cash at bank and in hand		661,776		4,050	
		<u>7,251,786</u>		<u>6,389,443</u>	
Creditors: amounts falling due within one year	13	<u>(500,600)</u>		<u>(403,250)</u>	
Net current assets			<u>6,751,186</u>		<u>5,986,193</u>
Total net assets excluding pension liability			<u>6,998,781</u>		<u>6,237,862</u>
Pension liability	19		<u>(1,678,000)</u>		<u>(99,000)</u>
Total net assets including pension liability			<u>5,320,781</u>		<u>6,138,862</u>
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	15		4,812,798		4,496,575
Unrestricted funds					
. General fund					
.. Free reserve			813,112		710,650
.. Pension reserve	19		(1,678,000)		(99,000)
			(864,888)		611,650
. Tangible fixed assets fund			42,462		74,354
. Designated funds	16		1,330,409		956,283
			<u>5,320,781</u>		<u>6,138,862</u>

Approved by the trustees
and signed on their behalf by:

Shokat Babul

Trustee

Approved on: 2 October 2008

Cash flow statement Year to 31 March 2008

	Notes	2008 £	2007 £
Cash inflow from operating activities	A	501,691	603,491
Returns on investment and servicing of finance	B	324,019	224,489
Capital expenditure	B	(167,984)	(234,505)
		657,726	593,475
Management of liquid resources	B	—	(600,000)
Increase (decrease) in cash	C	657,726	(6,525)

Notes to the cash flow statement for the year to 31 March 2008

A Adjustment of net incoming resources for the year to net cash inflow from operating activities

	2008 £	2007 £
Net incoming resources for the year	611,919	777,412
FRS17 pension charge	149,000	118,000
Interest receivable	(324,019)	(224,489)
Depreciation charge	172,058	140,755
Deficit on disposal of tangible fixed assets	—	444
Increase in debtors	(204,617)	(21,306)
Increase (decrease) in creditors	97,350	(187,325)
Net cash inflow from operating activities	501,691	603,491

B Gross cash flows

	2008 £	2007 £
Returns on investment and servicing of finance		
Interest received	324,019	224,489
Capital expenditure		
Payments to acquire tangible fixed assets	(167,984)	(234,705)
Proceeds from disposal of tangible fixed assets	—	200
	(167,984)	(234,505)
Management of liquid resources		
Cash invested in short term deposits	—	(600,000)

Cash flow statement **Year to 31 March 2008**

C Analysis of changes in net funds

	At 1 April 2007 £	Cash flows £	At 31 March 2008 £
Cash in hand and at bank	4,050	657,726	661,776
Short term deposits	6,200,000	—	6,200,000
	<u>6,204,050</u>	<u>657,726</u>	<u>6,861,776</u>

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985. Applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements.

Incoming resources

Incoming resources are recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from government and other agencies have been included as incoming resources from charitable activities as these comprise either contracts for services or they relate to specific services.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. Charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:
 - ◆ Salaries and other staff related costs;
 - ◆ Office and property related costs;
 - ◆ Costs of research commissions;
 - ◆ Publicity and dissemination costs;
 - ◆ Support costs.

The majority of costs are directly attributable to specific activities although certain shared costs are apportioned, based on the number of employees undertaking each specific activity.

Resources expended and the basis of apportioning costs (continued)

- b. Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. These costs are allocated out to the activities they are supporting on the basis described in note 6.
- c. Governance costs comprise the costs incurred which are directly attributable to the management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- ◆ Office furniture and fittings 25% per annum based on cost
- ◆ Computer and IT equipment 33.3% per annum based on cost
- ◆ Leasehold improvements over the remaining period of the lease

Fund accounting

Restricted funds comprise monies raised for, or which have their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds are monies set aside out of the general fund and designated for specific purposes by the trustees.

The tangible fixed asset fund represents the net book value of the charity's tangible fixed assets held under unrestricted funds. This fund has been separated from other unrestricted funds in order to emphasise that the assets are of fundamental importance to the charity being able to achieve its charitable objectives and, as such, their value should not be regarded as realisable.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Principal accounting policies **31 March 2008**

Pension costs

The charity contributes to a defined benefits pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held and managed separately from those of the charity.

Pension scheme assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet.

Any change in the asset or liability between balance sheet dates is reflected in the statement of financial activities in recognised gains and losses for the period.

Liquid resources

Liquid resources represent monies held on short term deposit with United Kingdom banks.

Notes to the financial statements **31 March 2008**

1 Interest receivable

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Interest receivable on bank deposits	324,019	—	324,019	224,489

2 Contracts, grants and service agreements

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Department of Health				
. Section 64 Core Grant	4,430,000	1,601,262	6,031,262	5,927,000
. Project grants	—	1,264,000	1,264,000	1,817,900
	4,430,000	2,865,262	7,295,262	7,744,900
Welsh Assembly Government	190,000	31,217	221,217	253,000
The Scottish Executive	50,000	—	50,000	50,000
Department of Health, Social Services and Public Safety (Northern Ireland)	151,063	—	151,063	151,063
IMC Information	—	53,211	53,211	—
Other funders	—	57,625	57,625	64,000
	4,821,063	3,007,315	7,828,378	8,262,963

The above contracts, grants and service agreements related to the following charitable activities:

	£	£	£	£
. Collating the knowledge base	1,160,529	185,831	1,346,360	1,296,266
. Translating the knowledge base into policy guidance and practice	1,547,372	1,643,162	3,190,534	3,516,721
. Promoting guidance in order to enhance quality	2,113,162	1,178,322	3,291,484	2,938,576
. Capital Refurbishment	—	—	—	489,600
. Other	—	—	—	21,800
	4,821,063	3,007,315	7,828,378	8,262,963

3 Other incoming resources

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Net return on pension scheme	64,000	—	64,000	44,000
Other income	92,905	37,738	130,643	26,843
	156,905	37,738	194,643	70,843

4 Cost of charitable activities

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Collating the knowledge base				
. Staff costs	444,100	18,644	462,744	480,086
. Office costs	39,650	—	39,650	36,172
. Premises costs	71,121	—	71,121	70,561
. Commissioning costs	124,675	758	125,433	129,518
. Publicity and dissemination	76,297	3,175	79,472	109,141
. Support costs	603,100	34,971	638,071	631,108
	<u>1,358,943</u>	<u>57,548</u>	<u>1,416,491</u>	<u>1,456,586</u>
Translating the knowledge base into policy guidance and practice				
. Staff costs	626,320	108,596	734,916	925,513
. Office costs	52,867	—	52,867	49,483
. Premises costs	94,828	—	94,828	94,081
. Commissioning costs	231,840	707,502	939,342	952,946
. Electronic access and publication costs	456	—	456	53
. Publicity and dissemination	57,101	33,904	91,005	168,506
. Support costs	804,133	46,627	850,760	841,452
	<u>1,867,545</u>	<u>896,629</u>	<u>2,764,174</u>	<u>3,032,034</u>
Promoting guidance in order to enhance quality				
. Staff costs	567,564	534,754	1,102,318	947,419
. Office costs	70,489	567	71,056	62,161
. Premises costs	126,437	—	126,437	117,601
. Commissioning costs	95,803	448,995	544,798	555,719
. Electronic access and publication costs	122,637	—	122,637	140,921
. Publicity and dissemination	19,947	34,445	54,392	26,044
. Support costs	1,072,179	65,224	1,137,403	1,051,869
	<u>2,075,056</u>	<u>1,083,985</u>	<u>3,159,041</u>	<u>2,901,734</u>
Care services development initiative				
. Staff costs	—	37,367	37,367	48,234
. Office costs	—	—	—	593
. Commissioning Costs	—	159,847	159,847	181,864
. Publicity and dissemination	—	51,321	51,321	29,248
	<u>—</u>	<u>248,535</u>	<u>248,535</u>	<u>259,939</u>
Total	<u>5,301,544</u>	<u>2,286,697</u>	<u>7,588,241</u>	<u>7,650,293</u>

Notes to the financial statements **31 March 2008**

5 Governance costs

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Legal and professional fees	8,725	—	8,725	9,794
Trustees' expenses, payments to trustees and other trustee related costs (note 9)	75,081	2,704	77,785	71,222
Partners' Council costs	59,595	—	59,595	48,958
Miscellaneous	775	—	775	616
	144,176	2,704	146,880	130,590

6 Support costs

	Collating the knowledge base £	Translating the knowledge base £	Promoting guidance £	Governance £	2008 Total funds £	2007 Total funds £
Staff costs	402,691	536,922	715,895	—	1,655,508	1,543,657
Premises costs	51,899	69,199	92,265	—	213,363	203,842
Refurbishment costs	34,972	46,627	62,170	—	143,769	116,546
Office costs	28,934	38,578	51,438	—	118,950	104,496
Electronic access and publication costs	37	50	67	—	154	14,947
Publicity and dissemination costs	115,108	153,477	204,637	—	473,222	528,548
Other costs	4,430	5,907	10,931	2,704	23,972	12,393
	638,071	850,760	1,137,403	2,704	2,628,938	2,524,429

Support costs are allocated to the activities they are supporting on the basis of the numbers of staff working in each activity.

7 Net incoming resources for the year before transfers

This is stated after charging (crediting):

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Staff costs (note 8)	3,305,578	711,737	4,017,315	3,953,231
Auditors' remuneration				
. Statutory audit services	8,725	—	8,725	9,794
Depreciation	71,702	100,356	172,058	140,755
(Deficit) on disposal of tangible fixed assets	—	—	—	(444)
Operating lease rentals	412,667	—	412,667	333,765

8 Employees and staff costs

Staff costs during the period were as follows:

	2008 £	2007 £
Wages and salaries	2,573,860	2,338,578
Social security costs	226,133	209,278
Other pension costs	435,335	361,485
	3,235,328	2,909,341
Payments to agency staff and consultants	626,715	750,523
Other staff related costs	155,272	293,367
	4,017,315	3,953,231

Other pension costs includes FRS 17 pension charge of £213,000 (2007 – pension charge of £162,000).

Payments to agency staff during the period reflect the need to have personnel in post in order to progress the work of SCIE whilst recruitment for permanent staff is in progress. Other staff related staff costs include expenditure in respect of staff training and reimbursed out-of-pocket expenses.

The average number of employees during the period, and analysed by function was as follows:

	2008 No.	2007 No.
Charitable activities		
. Collating the knowledge base	16	16
. Translating the knowledge base into policy guidance and practice	27	31
. Promoting guidance in order to enhance quality	29	28
	72	75

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2008 No.	2007 No.
£70,001 - £80,000	1	1
£80,001 - £90,000	1	—
£90,001 - £100,000	—	—
£100,001 - £110,000	1	1

Contributions were made to a defined benefit pension scheme in respect of all the above employees.

9 Trustees' remuneration

In accordance with the charity's memorandum and articles of association, the Chair of the trustees was paid £32,685 (2007 - £31,580) during the year for services undertaken in the administration of the charity. Two other trustees were paid a total of £8,637 (2007: 1 trustee – £6,316) on the same basis. The payment for such services has been authorised by the Charity Commission.

Notes to the financial statements 31 March 2008

9 Trustees' remuneration (continued)

Out of pocket travelling expenses totalling £16,785 (2007 - £10,783) were reimbursed to 13 (2007 – 11) trustees during the year.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £1,613 (2007 - £1,698) provides cover of up to a maximum of £2 million (2007 - £2 million).

10 Taxation

SCIE is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

SCIE is not registered for VAT and therefore is unable to reclaim VAT suffered on expenditure.

11 Tangible fixed assets

	Unrestricted fund assets		Restricted fund assets			Total £
	Computer and IT equipment £	Office furniture and fittings £	Computer and IT equipment £	Leasehold improvements £	Office furniture and fittings £	
Cost						
At 1 April 2007	369,422	77,457	56,987	137,484	53,548	694,898
Additions	26,354	13,456	39,744	79,446	8,984	167,984
At 31 March 2008	<u>395,776</u>	<u>90,913</u>	<u>96,731</u>	<u>216,930</u>	<u>62,532</u>	862,882
Depreciation						
At 1 April 2007	300,140	72,385	22,946	34,371	13,387	443,229
Charge for year	63,265	8,437	30,491	54,232	15,633	172,058
At 31 March 2008	<u>363,405</u>	<u>80,822</u>	<u>53,437</u>	<u>88,603</u>	<u>29,020</u>	615,287
Net book values						
At 31 March 2008	<u>32,371</u>	<u>10,091</u>	<u>43,294</u>	<u>128,327</u>	<u>33,512</u>	247,595
At 31 March 2007	<u>69,282</u>	<u>5,072</u>	<u>34,041</u>	<u>103,113</u>	<u>40,161</u>	251,669

12 Debtors

	2008 £	2007 £
Prepayments and accrued income	122,501	64,716
Other debtors	267,509	120,677
	390,010	185,393

Notes to the financial statements **31 March 2008**

13 Creditors: amounts falling due within one year

	2008	2007
	£	£
Expense creditors	213,876	142,228
Other creditors	122,125	13,984
Rent and service charge payable	49,599	18,945
Accruals	27,500	108,218
Deferred income (see note 14)	87,500	119,875
	500,600	403,250

14 Deferred income

	2008	2007
	£	£
Balance at 1 April 2007	119,875	60,000
Income received in advance	125,000	119,875
Released to statement of financial activities	(157,375)	(60,000)
Balance at 31 March 2008	87,500	119,875

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	At 1 April 2007 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2008 £
Care Services Development Initiative	419,449	—	(248,536)	—	170,913
E-learning strategy in social care	1,551,194	1,130,903	(1,021,816)	(234,167)	1,426,114
Leadership Programme	680,995	531,304	(391,606)	(82,500)	738,193
Options for Excellence	15,064	—	(7,978)	—	7,086
Service user and carer involvement in social work education	192,163	180,000	(22,577)	(16,988)	332,598
Common Assessment Framework (Wales)	253,549	31,218	(114,580)	—	170,187
Recovery Project	10,420	2,000	(8,271)	(4,149)	—
Mental Capacity Act Training	1,000,687	1,000,000	(327,562)	(10,000)	1,663,125
Capital refurbishment	373,054	—	(146,472)	—	226,582
Housing project	—	19,000	—	—	19,000
Dignity in care	—	15,000	—	(15,000)	—
Creative communities	—	6,800	—	(2,800)	4,000
ASW development	—	7,500	—	(2,500)	5,000
Parental mental health and child welfare guidelines	—	60,000	—	(10,000)	50,000
Research register database	—	19,000	—	(19,000)	—
JIP website	—	19,000	—	(19,000)	—
Benefits helpline	—	15,825	—	(15,825)	—
NI user involvement consultancy	—	7,500	—	(7,500)	—
	4,496,575	3,045,050	(2,289,398)	(439,429)	4,812,798

15 Restricted funds (continued)

The specific purposes for which the funds are to be used are as follows:

- i. Care Services Development Initiative
This fund represents monies to be used to establish a Care Services Development Initiative in partnership with the Department of Health to address the care services agenda in England.
- ii. E-learning strategy in social care
This fund represents monies obtained from the Department of Health to create an e-learning strategy for social care.
- iii. Leadership Programme
This fund represents monies from the Department of Health to fund the creation of a development programme for social care leaders.
- iv. Options for Excellence
This fund represents monies from the Department of Health to fund consultations with service users and carers on the quality of practice and of social care workers.
- v. Service user and carer involvement in social work education
This fund represents monies from the Department of Health to build and sustain strategies and practice for user and carer participation in the social work degree, through supporting the development of service user and carer controlled organisations.
- vi. Common Assessment Framework (Wales)
This fund represents monies from the Welsh Assembly Government to develop and pilot a common assessment framework and information index in Wales.
- vii. Recovery Project
This fund represents monies from the Department of Health to produce a position paper showing the benefits of adopting recovery as the guiding principle for mental health practice and services.
- viii. Mental Capacity Act Training
This fund represent monies paid to SCIE by the Department of Health to develop a training programme as well as training materials to support the induction of Independent Mental Capacity Advocates as set out in the Mental Capacity Act 2005.
- ix. Capital refurbishment
This fund represents monies from the Department of Health to enable SCIE to adequately be supported by IT equipment and office space.
- x. Housing project
This fund represents work that SCIE commissioned to provide guidance on good practice in the provision of housing for people with learning disabilities and advice to their families and carers.

15 Restricted funds (continued)

- xi. Dignity in care
This fund represents grant monies from the Department of Health to contribute towards the updating of a SCIE publication Practice Guide 9 – Dignity in Care.
- xii. Creative communities
This fund is for a project to bring together a wide range of stakeholders to share and work on ideas that will lead to creating a joint position paper. This paper will in turn lead into future work on related issues.
- xiii. Approved Social Work development and implementation
This fund represents a contribution towards a position paper on Leadership on Mental Health Social Care and Social Work.
- xiv. Parental Mental Health and Child Welfare guidelines
This fund represents a commission to produce a report on a systematic review of evidence and existing practice by health and social care services in parenting needs, including meeting the needs of ethnic minority parents, and to publish new guidelines.
- xv. Research register database
This fund represents work that will result in the creation of a web based research register, hosted on SCIE's Social Care Online website, to address the absence of a national research database for capturing and sharing information about social care research.
- xvi. JIP website development
This project is about developing a Joint Improvement Partnership website which will include user log-in, three self assessment tools and links to improvement resources. Ongoing support and maintenance will also be provided by SCIE.
- xvii. Benefits helpline
This fund represents a contribution towards a benefits helpline for the involvement of users and carers who use social services.
- xviii. NI user involvement consultancy
This fund represents work undertaken to ensure that there is effective participation and increasing involvement of users and carers in their organisations in Northern Ireland, and in order to determine the best way forward some consultancy work focusing on investigating user involvement was commissioned.

Transfers in the year relate to general overhead costs.

Notes to the financial statements **31 March 2008**

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	At 1 April 2007 £	New designations £	Utilised/ released £	At 31 March 2008 £
Project fund	956,283	374,126	—	1,330,409

The project fund represents monies set aside to fund projects which were ongoing at 31 March 2008.

17 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Designated funds £	Restricted funds £	Total 2008 £
Fund balances at 31 March 2008					
Are represented by:					
Tangible fixed assets	—	42,462	—	205,133	247,595
Current assets	1,226,212	—	1,330,409	4,695,165	7,251,786
Creditors: amounts falling due within one year	(413,100)	—	—	(87,500)	(500,600)
Total net assets excluding pension liability	813,112	42,462	1,330,409	4,812,798	6,998,781

18 Leasing commitments

Operating leases

At 31 March 2008 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008 £	2007 £	2008 £	2007 £
Operating leases which expire:				
Within two to five years	397,984	397,984	14,641	9,399
Thereafter	—	—	—	706
	397,984	397,984	14,641	10,105

19 Pension commitments

The charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separate from those of the charity, being invested with the Essex County Council Pension Scheme. The contributions are determined on the basis of triennial valuations by a qualified actuary using the projected unit method.

The most recent valuation, at 31 March 2007, showed that the market value of the scheme's assets was £3,043 million and that the actuarial value of those assets represented 79.6% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The principal assumptions made were that the investment returns would be 6.5% per annum and that salary increases would average 4.25% per annum. No allowance was made for possible discretionary increases in pensions beyond those prescribed in the scheme rules.

FRS 17

Financial Reporting Standard 17 "Retirement Benefits" (FRS 17) requires the surplus or deficit on the Scheme as at 31 March 2008, calculated in accordance with the requirements of FRS 17, to be included on the balance sheet. For the purpose of FRS 17, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

In order to assess the actuarial value of the charity's assets and liabilities as at 31 March 2008, the actuaries have rolled forward the actuarial value of the assets and liabilities at 31 March 2007.

Notes to the financial statements **31 March 2008**

19 Pension commitments (continued)

FRS 17 (continued)

The major assumptions used by the actuary in preparing the FRS 17 figures were:

	2008 % per annum	2007 %	2006 %
Rate of increase in salaries	5.1	4.6	4.4
Rate of increase in pension payments	3.6	3.1	2.9
Discount rate	6.1	5.4	5.4
Inflation assumptions	3.6	3.1	2.9

The charity's share of the assets in the scheme and the expected rates of return were:

	Expected return at 31 March 2008 %	Value at 31 March 2008 £'000	Expected return at 31 March 2007 %	Value at 31 March 2007 £'000	Expected return at 31 March 2006 %	Value at 31 March 2006 £'000
Equities	7.5	4,511	7.5	4,141	7.0	3,662
Government bonds	4.6	60	4.7	59	4.3	540
Other bonds	6.1	42	5.4	37	4.9	291
Property	6.5	68	6.5	74	6.0	603
Cash	5.25	19	5.25	12	4.5	99
Total market value of assets		6,421		5,983		5,195

	31 March 2008 £'000	31 March 2007 £'000
Charity's estimated asset share	6,425	5,987
Present value of scheme liabilities	(8,103)	(6,086)
Deficit in the scheme	(1,678)	(99)

	31 March 2008 £'000	31 March 2007 £'000
Funds and reserves		
Funds excluding FRS 17 pension liability	6,999	6,238
Net pension liability	(1,678)	(99)
Funds including FRS 17 pension liability	5,321	6,139

19 Pension commitments (continued)

FRS 17 (continued)

On the 27 November 2007, Essex County Council reported that the provisional outcome of the triennial actuarial review at 31 March 2007 was that the SCIE pension scheme had a deficit of approximately £265,000. At its meeting on the 27 March 2008, the Board reviewed the pension scheme offered to staff and agreed:

- ◆ To continue with the final salary pension scheme for existing and new staff;
- ◆ That the deficit of £265,000 identified in the triennial review be met from the reserves of the charity accrued for that purpose in one lump sum payment, and that reserves continue to be built up to cover future deficits;
- ◆ That the situation be kept under review with regular reports to the Audit Committee and the Board;
- ◆ That there should be discussion with the Department of Health (DH) regarding the implications of continuing to build up reserves to meet future deficits which may arise from continuing with the final salary scheme, or indeed to meet costs arising from any change to or closure of the scheme;
- ◆ That the Board's decision be communicated to staff.

The £1,678,000 deficit on the SCIE Pension Scheme at 31 March 2008 as per the FRS17 valuation is attributable largely to the following factors:

- ◆ The poor investment performance in 2007/08.
- ◆ Change in assumptions used in the valuation at 31 March 2008 - two main factors being rising bond yields offset by increased life expectancy post retirement.

Trustees will receive regularly reports on the pension scheme and monitor its performance. The outcome of the triennial review was reported to the DH at the SCIE Accountability review meeting held in May 2008. The board has agreed a policy of building a reserve to meet its potential future liabilities.

Notes to the financial statements 31 March 2008

19 Pension commitments (continued)

FRS 17 (continued)

In accordance with FRS 17 the following components of pension charge have been recognised in the statement of financial activities for the year ended 31 March 2008:

	Year ended 31 March 2008 £'000	Year ended 31 March 2007 £'000
Analysis of the amount charged to the statement of financial activities		
Service cost	(341)	(355)
Past service loss	(86)	—
Total operating charge	<u>(427)</u>	<u>(355)</u>
Analysis of net return on pension scheme		
Expected return on pension scheme assets	405	331
Interest on pension liabilities	(341)	(287)
Net return on assets	<u>64</u>	<u>44</u>
	Year ended 31 March 2008 £'000	Year ended 31 March 2007 £'000
Amount recognised in the statement of total recognised gains and losses (STRGL)		
Actual return less expected return on pension scheme assets	(658)	41
Experience gains and losses arising on the scheme liabilities	(330)	—
Changes in financial assumptions underlying the present value of the scheme liabilities	(442)	356
Actuarial (loss) gain recognised in the STRGL	<u>(1,430)</u>	<u>397</u>
Movement in deficit during the year		
Deficit at 1 April 2007	(99)	(378)
Current service cost	(341)	(355)
Employer contributions	214	193
Past service loss	(86)	—
Net return on assets	64	44
Actuarial (loss) gain	(1,430)	397
Deficit at 31 March 2008	<u>(1,678)</u>	<u>(99)</u>

Notes to the financial statements **31 March 2008**

19 Pension commitments (continued)

FRS 17 (continued)

	Year ended 31 March 2008 £'000	Year ended 31 March 2007 £'000	Year ended 31 March 2006 £'000	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
History of experience gains and losses					
Difference between the expected and actual return on assets	658	41	790	144	248
Value of assets	6,425	5,987	5,195	3,865	2,443
Percentage of assets	10.2%	0.68%	15.2%	3.7%	10.2%
Experience (losses) gains on liabilities	(330)	—	(188)	259	(170)
Present value of liabilities	8,103	6,086	5,573	4,382	3,434
Percentage of the present value of liabilities	(4.0%)	0%	(3.4%)	5.9%	5.0%
Actuarial (loss) gain recognised in STRGL	(1,430)	397	104	45	(49)
Present value of liabilities	8,103	6,086	5,573	4,382	3,434
Percentage of the present value of liabilities	(17.6%)	6.5%	1.9%	1.0%	1.4%

Appendix A: Explanation of SCIE's resources

What is a knowledge review?

Knowledge reviews pull together knowledge from service user, research and practice. They describe what knowledge is available, highlight the evidence that has emerged and draw practice points from the evidence. Knowledge reviews are available both in hard copy and online.

What is a position paper?

Position papers present a summary of a particular policy question, for example whether service user involvement has made a difference to social care services. They identify issues and key messages and are available both in hard copy and online.

What is a practice guide?

Practice guides are online resources which bring together information, research and current good practice about particular areas of social care. The guides give users the opportunity to develop their own knowledge about what works well and apply it effectively in their day-to-day work.

What is a resource guide?

Resource guides direct people to information about a particular area of social care, especially where there is a lot of information and it is hard to know what information to use, or where there is a new area of social care, such as social care education, that people need to know about. Resource guides are available both in hard copy and online.

What is a report?

SCIE produces reports from time-to-time about various areas of social care. SCIE's reports are available both in hard copy and online.

What is a research briefing?

A research briefing is a summary of information on a particular topic to update practice at the health and social care interface. It is a concise document summarising the knowledge base in a particular area to act as a 'launch pad' or signpost to more in-depth material.