SKILLS FOR CARE LTD

England & Wales · Charity number 1079836

Details

Other names	SKILLS FOR CARE
Status	Registered
Legal form	Charitable company
Company number	03866683
Registered	2000-03-14
Register	View on the Charity Commission register

Contact

Address	West Village Wellington Street Leeds LS1 4LT
Phone	01132451716
Email	info@skillsforcare.org.uk
Website	www.skillsforcare.org.uk

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Activities

Objects: TO HELP, SUPPORT AND ASSIST 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 WORKING IN THE SECTORIII) TO PROMOTE THE DEVELOPMENT OF EMPLOYMENT EDUCATION AND TRAINING AGENDAS 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; ANDC) 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.

Activities: Our aim is to develop the adult social care workforce to provide quality social care services. We do this by: developing national occupational standards and qualification frameworks; collecting and analysing workforce information and other research; implementing our national workforce development strategy for all areas of the workforce; creating employer-led workforce development infrastructures.

Classification

- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, Disability, Economic/community Development/employment
- **Who:** Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** ENGLAND
- Throughout England

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£26,118,242	£29,711,847	£42,858,478	204
2024-03-31	£41,940,367	£42,352,181	£43,313,888	213
2023-03-31	£35,315,397	£35,280,907	£40,442,770	197
2022-03-31	£38,554,066	£37,848,240	£41,378,484	192
2021-03-31	£36,167,453	£35,344,009	£30,312,292	203

Trustees

Name	Role	Appointed
John Joseph Coughlan	Chair	2022-02-21
Beverley Felicia Tarka		2024-09-01
Dr Mark Lawrence Ward		2019-07-03
Gillian Day		2022-06-06
James Alexander Bullion		2022-08-30
Naser Ulmulk Irteza Turabi		2022-11-17
Penelope Jane Machin		2022-11-17
Peter John Chambers		2024-04-01
Suzie Bailey		2018-10-24

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SKILLS FOR CARE LTD

England & Wales - Charity number 1079836

Accounts

Skills for Care Ltd

(Limited by Guarantee)

Trustees' report and consolidated financial statements

Year ended 31 March 2025

Company registered number 03866683

Charity registered number 1079836

AMENDED

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Chair and CEO foreword

We are pleased to present the Skills for Care annual trustees' report for 2024/25

In the past year at Skills for Care we've continued to see a lot of progress despite a challenging operating environment for the whole adult social care sector A very difficult fiscal context, changing political priorities, and ever-increasing pressures on the National Health Service (NHS) combined to make 2024/25 a hard year for many care employers and commissioners It is at times like this that the unique strengths of Skills for Care – our data and insight, our deep sector reach and engagement, and our unrivalled policy expertise – really come to the fore so that we can continue to support and empower social care leaders, employers and the wider workforce

The achievements in this report are testament to the passion and dedication of our entire team We note here some highlights that have been significant for Skills for Care and for the sector

We are proud to be the strategic workforce planning body for adult social care in England, but we recognise that, in a complex and fragmented system, it is only through genuine collaboration with many sector partners that we can achieve real positive change We were therefore delighted to lead the development of a new Workforce Strategy for Adult Social Care in England, which was published in July 2024 For the first time ever, the sector came together to develop the Strategy it needs to ensure we have enough of the right people with the right skills to provide the best possible care and support for the people who draw on it Its development was truly collaborative, and it couldn't have been done without the expertise, time and commitment of so many stakeholders

As we approach the first anniversary of the launch of the Workforce Strategy, we're working with partners and government on the implementation of the recommendations and commitments and are pleased to see the progress that has already been made We're hugely appreciative of the continued support of the Skills for Care board and their investment in the oversight and implementation of the Workforce Strategy, and of the support of members of the Oversight Executive Group and Sir David Pearson who has co-chaired the process from the start

This year's 'State of the Adult Social Care Sector and Workforce' in England report, which analyses the adult social care workforce and the characteristics of the 1 59 million people working in it, shows that the workforce grew to 1 71 million filled posts and vacancies fell to 131,000 on any given day for the second successive year, driven by international recruitment But the sector faces ongoing domestic recruitment and retention challenges As ever we're hugely grateful to all social care providers who give us their data by using the Adult Social Care Workforce Data Set (ASC-WDS)

We were made a producer of official statistics (added to the Official Statistics Order 2023) and in February 2025 our local authority workforce report was confirmed as 'accredited official statistics' following a successful assessment from the Office for Statistics Regulation (OSR) This was excellent news, and we were pleased to receive wonderful feedback for our Workforce Intelligence team, who were recognised as going above and beyond the expectations of the assessment requirements and demonstrating a commitment to upholding the standards of the Code of Practice for Statistics

We continue to fund and support the next phase of the Social Care Workforce Race Equality Standard (SC-WRES) improvement programme – and we were really pleased to announce recently that our board has committed to fund this important programme for a further three years We're committed to developing and improving ourselves to be a more inclusive organisation, through the way we work, and through what we do to support the sector We undertook the SC-WRES analysis internally for the first time and engaged with staff to hear their thoughts on the results It's clear from our own data that we have work to do, and we shared our own journey and reflections towards racial equality - as, through the data and

having honest and brave conversations, we can make sure that we have a society and an organisation that are anti-racist and inclusive

We took decisive action to reduce our deficit Despite receiving less grant funding from the Department of Health and Social Care (DHSC) than in previous years, we were able to end 24/25 with an overall loss of only £0 4m This required some difficult decisions, and we had to part ways with some long-standing and valued colleagues – we wish them all the very best for the future In a fiscal context that continues to be highly challenging, we intend to take further action over the coming years to grow our business development income, to strengthen both our financial resilience and sustainability

As ever we'd like to take the opportunity to thank all the passionate and committed people who work in our sector and provide quality care to those who need it What you do is incredible and we're so grateful

The work we do wouldn't be possible without the ongoing collaboration with and support of the many providers, stakeholders and organisations across the sector who we work with, including in central government and our colleagues in DHSC, and we're delighted to continue to share our journey with you The partnerships and relationships across the sector are what makes us strong and we're excited to keep working with you, building those connections, and achieving great things together in the future

Of course, a huge thank you to all our Skills for Care colleagues for your hard work and dedication throughout the year Your passion and enthusiasm for everything you do is always astounding and makes us proud to lead you and the organisation

The board and leadership team will continue to steer the organisation's direction to make sure we meet our goals while staying true to our values We've been refreshing our corporate strategy which was approved by the board in March 2025 and have agreed an ambitious plan to spend our non-ringfenced reserves on further enhancing our sector impact We're excited to continue delivering our ambitions against these strategic priorities

We hope this annual report gives you a good overview of what we've been up to over the past year and also that you'll share our ambitions for the future success of this sector and its workforce

John Coughlan CBE

Chair of the Board

Oonagh Smyth

Chief Executive Officer

Trustees' report

Incorporating the strategic report

The trustees (who are also directors of Skills for Care for the purposes of company law) are pleased to present their annual report and financial statements for the year ended 31 March 2025

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

We confirm that Skills for Care has complied with Section 4(1) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission The Commission has endorsed Skills for Care's activities as a charity to be for the public benefit, 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 they need to live life to the fullest

Our mission

Our mission is to support and empower current and future social care leaders, employers and the wider workforce

Strategic priorities

To achieve our mission and vision we have four strategic priorities

- 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

Achievements and performance

2024/25 saw real growth in Skills for Care's impact, despite a challenging operating context for the care sector and reduced grant funding from DHSC In this section we describe the six themes which powered our achievements and performance over the period These have driven forward real improvements for the care workforce, who in turn have delivered better outcomes tor people who draw on care and support in England

1. Adult Social Care Workforce Strategy

In July 2024, we launched the first national Workforce Strategy for adult social care in England It was a landmark moment that reflects our commitment to building workforce capacity, development and sustainability across the sector We developed the Strategy in close collaboration with the whole of the adult social care sector – plus partners from health and education It sets out shared priorities to attract and retain, train and transform the workforce to meet the rising demand for care over the next 15 years

The launch event brought together 833 people from across the sector, including care providers, local authorities, health organisations and national stakeholders Feedback was overwhelmingly positive

- 99% agreed that a national Workforce Strategy was urgently needed
- 88% of attendees said the event met or exceeded expectations

Attendees welcomed the strategy's alignment with the NHS Long Term Workforce Plan and its focus on learning and development, recruitment and retention, professionalisation and clear career pathways Launch event attendees said

"This is a momentous occasion for the adult social care sector and this strategy could bring about a seismic shift for the sector It is a collaborative achievement and will require continued collaboration to deliver "

"There is hope for real change and a new approach to the challenges facing adult social care "

The Workforce Strategy includes 56 recommendations and commitments Critical to its success will be sustained action from organisations across the care sector Over 40 system leaders from 32 social care sector organisations have committed to take forward action on the Strategy Many local health and social care systems across England have begun adopting elements of the Strategy, with over half of Integrated Care Systems (ICSs) mapping it to their own local plans A growing number of local authorities are also taking steps to align their approaches with the national Strategy

In 24/25, we made steady progress, with partners, across all areas Some of the key achievements so far include

- Launching public health training resources to support prevention-focused care

- Establishing the Care Workers' Wellbeing Day, now a recognised annual event
- Developing the Care Workforce Pathway (CWP), which provides a clearer structure for roles and career progression
- Piloting the Care Technologist role, which bridges care delivery with digital innovation
- Running People Promise pilots in several ICSs to improve workforce experience
- Continuing to develop delegated healthcare activities and digital skills training across the sector

In response to feedback from the sector, we created a suite of practical resources to support implementation These include

- A summary of the Strategy
- Practical implementation guidance
- Tools to help adult social care employers embed the strategy locally

We also introduced regular engagement events and progress tracking to make sure the Strategy delivers meaningful, long-term improvements for the workforce and people who draw on care and support

While the Strategy has been embraced as a much-needed source of hope, there's also a shared understanding of the scale of the challenge We know that sustained support, investment and collaboration are essential to drive meaningful change

The Strategy is our guiding light for how the care workforce needs to be developed and supported It heavily informs our External Affairs and Policy work – including our submission to the Government's Spending Review in February 2025, our work to support the Casey Commission and the Fair Pay Agreement – where we sit on multiple working groups – and our many wider conversations with stakeholders in government and the sector

We are part of the Skills for Care and Development (SfCD) Alliance and hold a close strategic relationship with the other partner organisations across the UK and Ireland In July 2024, we published a major report on the economic and social value of the UK adult social care sector The report, based on research by Alma Economics and commissioned by Skills for Care and Development, used 2022/23 data to assess the sector's value The findings are helping to inform the economic case for investment in adult social care and its workforce, as well as shaping policy decisions and national spending reviews In England alone, the sector's total direct, indirect, and induced economic value was £60 2 billion Socioeconomic benefits were estimated at £265 billion, against costs of £110 billion – demonstrating that every £1 invested in the sector delivers £2 40 in wider benefits

2 Data & Insights

In 24/25 we continued to build on our work to develop high-quality workforce data and evidence that supports effective workforce planning and collaboration across the adult social care sector We were made a producer of official statistics (added to the Official Statistics Order 2023), a significant achievement and which highlights the credibility of the comprehensive data insights we provide

We continued to raise awareness of the ASC-WDS through our established engagement channels We promoted the value of ASC-WDS data and insight to help employers and system leaders make informed decisions

ASC-WDS remains the most comprehensive workforce dataset for adult social care in England In 24/25, coverage of Care Quality Commission (CQC) regulated providers rose to 54 4%, up from 53 7%, despite continued growth in the number of providers The dataset now holds records for more than 725,000 staff employed at over 16,000 CQC locations, giving an increasingly accurate picture of the workforce

We made several improvements to ASC-WDS based on user feedback This includes

- Easier ways to update workplace information
- Better capture of reasons for leaving
- Technical upgrades to improve bulk uploads and system reliability

Feedback from users shows these changes are making a difference One registered manager said

"I'm not tech savvy, but if I can do it, anyone can do it It is honestly that easy to update all your staff files "

ASC-WDS continues to be a vital resource for policymakers and sector leaders This year, our workforce intelligence team responded to high-priority requests for data on

- international recruitment
- social worker turnover
- full-time equivalent data for NHS dashboards
- workforce trends in the unregulated sector

We also supported national programmes with insights into workforce structures, recruitment sources and management pay ASC-WDS data was critical to the success of the Adult Social Care Workforce Strategy

In our 2024 report on 'The state of the adult social care and workforce in England', we developed an improved methodology for modelling workforce turnover using longitudinal analysis and machine learning techniques While this approach does not establish direct causes, it identifies the workforce characteristics most strongly associated with staff leaving their roles We examined the combined impact of five key employment factors known to positively influence turnover earning above £10 42 per hour (during the £9 50 National Living Wage period), not being on a zero-hours contract, receiving training, holding a relevant social care qualification, and working full-time We created an overall job quality score based on these factors, providing further insight into how improvements across multiple aspects of job quality can help reduce turnover

New functionality now allows employers to assign staff to recognised CWP role categories, helping to build clearer career structures and support workforce planning

We continued to publish key workforce reports and share analysis with national stakeholders This includes

- the Local Authority Workforce Report (confirmed as 'accredited official statistics' following a successful assessment from the OSR)
- Social Worker Headlines
- insights into the occupational therapy workforce
- regular updates on apprenticeships

Our data continues to shape national conversations about the workforce and support decision-making at the highest levels, with ASC-WDS data regularly quoted in the media and in parliamentary debates and reports We're committed to making sure ASC-WDS evolves to meet the needs of the sector and helps build a sustainable, skilled adult social care workforce

3. Sector Reach & Engagement

With a large and fragmented sector, hybrid market and a large proportion of small and medium sized enterprises (SMEs) and micro-providers, our comprehensive infrastructure and engagement channels play a vital role in enabling workforce planning and development In

2024/25, we expanded both our national and local reach, and support for adult social care leaders, employers and system partners

We worked with all 42 ICS People Functions in England, helping them understand adult social care and plan more effectively for the future We were active members of 78% of ICS People Boards and contributed to more than 150 workforce-related subgroups We delivered over 95 workshops and planning sessions to support integrated workforce planning and strengthen collaboration between health and social care partners One senior ICS colleague reflected

"Thank you for bringing together key stakeholders to discuss and move forward workforce transformation across our system The meeting was very productive and you chaired it very well We look forward to the next stage "

Our networks continued to grow in reach and impact

- Our registered manager networks now have more than 6,100 members Over 3,930 individual managers attended a network meeting – exceeding last year's baseline by more than 9%
- Our deputy manager networks connected with 1,620 individuals, a 13% increase from the previous year
- Our CEO and nominated individual networks grew by 30%, reaching 1,561 leaders

Our networks and events brought together thousands of registered managers, deputies, nominated individuals and CEOs These spaces gave people the chance to share ideas, learn from each other and influence local and national priorities They helped people feel more confident, supported and informed For example, 89% of registered managers said they felt more confident in their role after attending a network meeting One registered manager (RM) described the value of these spaces

"Personally, the RM meetings for me are invaluable Being a new manager, learning from others, sharing ideas, and being kept up to date provides me with peace of mind and clarity for anything I'm unsure about "

We also extended our reach through stakeholder engagement We engaged with more than 1,000 new stakeholders each quarter and reached over 5,300 new contacts across the year We maintained regular engagement with more than 12,000 existing stakeholders

Our national campaigns and engagement activity included targeted messaging to support the recruitment and retention of men, younger people and international recruits – groups that are often under-represented in the workforce

We promoted best practice tools to help employers reduce turnover and improve vacancy rates This included

- Guidance on staff induction and leadership development
- Support to use the Care Workforce Pathway
- Campaigns and webinars on learning and development, statutory training and retention

Employers and managers told us that our resources helped them improve workforce planning and service quality Our 'Guide to improvement' was downloaded more than 1,100 times and our CQC eLearning module received a 100% usefulness rating One registered manager from a dementia care home shared that

"The Good and Outstanding (GO) Guide is invaluable to so many leaders in social care "

We helped thousands of leaders and managers feel more informed and connected After attending a webinar, 97% of participants said they felt better informed about adult social care reform

These achievements show a clear and sustained increase in our national reach, influence and ability to support the adult social care workforce By strengthening leadership, supporting integrated care and promoting best practice, we're helping to build a more confident, capable and resilient workforce

4. Skills, Learning and Development

In 2024/25, we continued to champion the development of a confident, skilled, and values-driven adult social care workforce Our work supported the sector to strengthen digital capabilities, embed inclusive and collaborative leadership, and make informed decisions through practical workforce planning tools We enabled employers to access funding for high-quality learning and development, aligned with clear career pathways that promote progression and support the delivery of outstanding care

A) Care Workforce Pathway (CWP)

We made strong progress in developing and embedding the CWP The pathway supports adult social care employers to plan and develop their workforce and gives people working in care clearer, more consistent career structures

We finalised and published four nationally recognised role categories

- Registered manager
- Deputy manager
- Personal assistant
- Enhanced care worker

These role categories were shaped by feedback from more than 650 stakeholders across England, including registered managers, care workers, learning and development leads, CEOs and nominated individuals This engagement made sure the pathway reflects the real experiences and aspirations of the workforce

Practical tools and resources to help employers use the pathway are now available on the Skills for Care website and support employers to embed the pathway into their workforce planning and development We also made immediate improvements to the pathway based on sector feedback

- Simplified the knowledge, skills and behaviours for each role
- Updated personas to reflect real-life experiences
- Developed a governance framework to keep the pathway relevant and up to date

The CWP is already helping employers plan, develop and retain their teams by providing clearer career progression for people working in care By supporting consistent, recognised career structures, the pathway contributes to improving retention, raising standards and professionalising the adult social care workforce One Early Adopter shared the positive impact

"It's been 12 months since we adopted the Pathway, still more work to do, but we estimate it's improved our retention by 40% Staff are seeing a future in care "

Another care provider highlighted how the pathway supports culture and recruitment

"I have found piloting the pathway a really useful and thought-provoking exercise, it has brought about how we can ensure a more values-based approach to our recruitment strategy in the future "

B) Quality Assured Care Learning Service

We made significant progress in transforming the learning and development landscape for adult social care through the continued rollout of the Quality Assured Care Learning Service

(QACLS) Delivered in partnership with DHSC, the QACLS represents a major step forward in ensuring that the adult social care workforce across England have access to consistently high-quality, relevant, and career-enhancing training

We launched a national quality assurance framework for training providers, setting a new benchmark for excellence in adult social care learning More than 100 training providers began the quality assurance process, helping to embed a culture of continuous improvement and accountability across the sector One Oliver McGowan Mandatory Training (OMMT) Provider said

"The QACLS application process was made significantly smoother by the exceptional communication and support from the Quality Assurance team From our first enquiry through to the final stages, the team are responsive, clear, and genuinely committed to helping us meet the standards Their willingness to clarify expectations and provide constructive feedback not only boosted our confidence but also ensured that we were continuously aligned with quality benchmarks It felt like a collaborative partnership rather than a compliance hurdle "

As part of this work, the Level 2 Adult Social Care Certificate was introduced, laying the foundation for a nationally recognised career pathway that supports progression and professionalisation

To prepare the sector for future changes, we introduced a phased approach to funding alignment, which will ultimately link training funding eligibility to quality assurance status This ensures that public investment supports training that meets the highest standards

These developments are already reshaping the sector by

- Enhancing the credibility and consistency of care training
- Empowering care workers with clearer progression routes and recognised qualifications
- Supporting employers to retain skilled staff through better development opportunities
- Building a more resilient and professional workforce, ready to meet the evolving needs of those who draw on care and support

C) Workforce Development Fund

2024/25 marked the final year of the Workforce Development Fund (WDF), which Skills for Care has proudly administered on behalf of DHSC for over 13 years Since its inception in 2011, the fund has supported the completion of more than 128,000 qualifications, apprenticeships, learning programmes and digital modules, with a further 1 3 million individual qualification units funded prior to 2018

Over its lifetime, the fund has evolved to meet the changing needs of the sector – from an early focus on dementia care to a strong emphasis on leadership and management development since 2019 More than 39,000 adult social care employers accessed the fund, with large employers accounting for nearly half of all claims in the final two years Its partnership delivery model helped maximise reach and impact

WDF also played a critical role during the COVID-19 pandemic, enabling rapid access to funding for over 171,000 essential training programmes for new staff and volunteers

The fund leaves a lasting legacy

- 91% of employers reported improvements in the quality of care
- 93% reported a more skilled and qualified workforce
- Independent analysis estimated that every £1 invested through WDF over the life of the fund generated £7 20 in wider economic benefits for the sector

In its final year, we ensured that employers could continue to invest in workforce development during the transition to the new Learning and Development Support Scheme (LDSS), now delivered by NHS Business Services Authority We disbursed the full £3 million allocation, with an additional £300,000 made available to meet high demand

D) Individual Employer and User-Led Organisation Workforce Development Fund

In 2024/25, we were able to provide an unprecedented level of support to individual employers (IEs) and user-led organisations (ULOs), with £1 million in funding available to invest in learning and development This funding helped more personal assistants (PAs) and IEs build their skills and confidence, ultimately leading to better outcomes for the people they support

We received 157 applications to the IE Fund, of which 127 were approved, resulting in the disbursement of £243,448 This funding enabled

- 625 personal assistants and 14 individual employers to access training
- Training to be funded through a mix of personal health budgets, adult social care direct payments, and self-funding

All funding for the ULO Fund was successfully disbursed, totalling £756,513 across 25 organisations Through this investment

- 4,690 learning outcomes were delivered
- 1,349 individual employers and personal assistants accessed training via ULOs
- 2,649 personal assistants, including 108 self-employed PAs, received training
- Additional funding was awarded to six ULOs to meet high demand

Feedback from participants consistently highlighted the value of peer-led learning and *the confidence gained from training delivered by people with lived experience This approach* not only helped develop skills but also fostered a sense of community and empowerment among those who give and receive care

E) Digital Skills

We launched a suite of free, bitesize digital skills eLearning modules to support the adult social care workforce to build confidence and capability in using digital technology

Commissioned by the NHS Transformation Directorate (NHSTD) and aligned to the Digital Skills Framework, the seven modules were co-developed with care providers, people who draw on care and support, local authorities, and subject matter experts

The modules cover key areas including person-centred care, communication, technical skills, data management, online safety, ethical use of technology, and digital learning and wellbeing Together, they support staff to use digital tools safely and effectively in everyday practice – enhancing the quality of care and improving outcomes for the people they support Users reported an average increase of 31% in their digital knowledge and 30% in their confidence using digital tools and concepts after completing the e-learning modules

F) Leadership Development Programmes

Inclusive and collaborative leadership is vital to the delivery of high-quality, person-centred care and creating workplaces where everyone can thrive Our leadership development programmes help current and future leaders grow their confidence, drive improvement, and champion inclusion across the sector

Our Allyship programme equips colleagues to take meaningful action in supporting and championing people from marginalised groups, fostering a more inclusive, equitable, and respectful workplace culture In 2024/25, we successfully piloted the programme with internal Skills for Care staff, receiving positive feedback and strong engagement A full evaluation is

now underway, with the intention to expand the programme externally and increase its impact across the sector

In 2024/25, we delivered six cohorts of the Moving Up programme, supporting Black and Asian managers and aspiring managers across health and social care to overcome barriers and progress their careers The programme reached 240 participants, contributing to a more diverse leadership pipeline Moving Up continues to sell out and remains oversubscribed, highlighting both its positive reputation and the critical need for targeted support to promote inclusion and career progression

We developed and piloted our RM12 programme - a practical, 12-month leadership development programme designed specifically for registered managers, aspiring managers, and deputies in adult social care It offers structured, expert-led sessions focused on real-world challenges, with an emphasis on building confidence, practical skills, and peer connections Participants consistently reported that RM12 builds their confidence and leads to tangible improvements in how they lead One manager said

"The last session helped me transform the business – I received great feedback from our Provider Assessment and Market Management Solution (PAMMS) inspector about my supervision process "

RM12 is designed to strengthen leadership while also supporting wellbeing As one participant reflected

"This is not just helping me in my work life but helping me to think about my personal life and get a better balance "

The principles of collaborative and inclusive leadership have been embedded across our existing leadership development offers This aligns with our broader approach, as outlined in the 2023/24 report, where we committed to reviewing and updating all leadership programmes to ensure they incorporate principles of equality, diversity, and inclusion (EDI) These values continue to underpin our leadership development strategy and are reflected in the design and delivery of our current offers

5. Other support for the Adult Social Care Workforce

In 2024/25, we continued to support a fairer, more inclusive adult social care workforce by embedding equality, equity, diversity, and inclusion across everything we do Our work included ongoing implementation of the Messenger Review recommendations and increased participation with the SC-WRES We also provided targeted support for the regulated professional workforce, helping to strengthen leadership, accountability, and professional development across the sector

A) Messenger Recommendations

In 2024/25, we made strong progress in delivering the Messenger programme, supporting leadership development, high-quality induction and inclusive workplace cultures across adult social care

We launched the Managers' Induction Toolkit in April 2024 to support a consistent, high-quality induction for people working in adult social care The toolkit helps employers retain staff by supporting them to settle into their roles The toolkit webpage received over 63,000 views in 10 months and the toolkit was downloaded 58,000 times Our induction webinar was viewed over 1,000 times and received a satisfaction score of 9 1 out of 10

We also released a co-designed ICS induction session to help new managers build connections across health and social care to support integrated working and collaboration

We worked closely with NHS England to support the development of a Management and Leadership Code of Practice for Health and Social Care We provided expert input from across

adult social care, engaging with registered managers, CEOs, directors and social workers to shape the code

B) Social Care Workforce Race Equality Standards (SC-WRES)

In 2024/25, the SC-WRES programme continued to grow and strengthen its role in supporting local authorities to improve race equity across the adult and children's social care workforce The programme is built on a continuous improvement model, combining data, peer support and action planning to drive meaningful change

76 local authorities took part in the SC-WRES programme in 2024/25, up from 23 in 2023-24 and 18 in the original test phase These local authorities represent 97,900 staff – 43% of the adult social care local authority workforce The programme now covers every region in England, with significant growth in London, the North West and North East

The programme collected data across nine indicators, including pay, recruitment, disciplinary processes, access to continuing professional development (CPD), and senior leadership representation Key findings include

- Staff from Black, Asian or minority ethnic backgrounds were 48% less likely to be appointed from shortlist and 45% less likely to be in senior management roles
- They were 37% more likely to enter formal disciplinary processes and 8% more likely to enter fitness to practise procedures
- Access to CPD was slightly higher for minority ethnic staff, but disparities remain in progression and leadership

These insights are helping local authorities identify where change is needed in order to take targeted action

Monthly Community of Practice sessions provided a safe space for over 120 participants to share learning, problem-solve and build confidence Confidence in using the SC-WRES framework increased across all sessions, with participants reporting greater understanding of data, action planning and implementation Regional meetings and a buddy system were introduced to support local authorities with lower capacity

Local authorities developed action plans based on their data, supported by Skills for Care's structured templates and guidance Common themes included

- Inclusive recruitment and leadership development
- Anti-racism training and mentoring
- Improved data literacy and staff engagement

Case studies from Leeds, Lancashire, Lincolnshire and others show how SC-WRES is helping to embed equity into everyday practice

Skills for Care established a cross-sector WRES network with NHS England, Association of Directors of Adult Social Services (ADASS), CQC and the Equality and Human Rights Commission to align approaches and share learning The programme is increasingly being used to inform CQC assessments and wider workforce strategies

C) Assessed and Supported Year in Employment (ASYE)

The Assessed and Supported Year in Employment (ASYE) programme helps newly qualified social workers (NQSWs) build their skills and confidence during their first year in practice, providing a clear framework for assessment, supervision and development

In 2024/25, the programme supported 2,599 NQSWs in child and family services (funded by the Department for Education (DfE)) and disbursed almost £2m to 172 organisations in adult services (funded by DHSC)

Survey feedback from ASYE leads, assessors and NQSWs shows high levels of confidence and understanding in the programme Over 94% of respondents understood the assessment arrangements well, and more than 96% were confident in the capability of assessors and supervisors NQSWs also reported high satisfaction with supervision and assessment One NQSW said

"Being part of the ASYE has supported me to build my confidence, develop my knowledge and skills The ASYE leads are very supportive, caring and approachable "

The programme continues to make a positive difference In adult services, 96% of ASYE leads said it improved NQSWs' practice confidence, and 90% said it helped with retention In child and family services, 98% of leads said it improved practice confidence, 83% said it supported retention, and 90% said it helped with recruitment

Support from Skills for Care continues to be valued Over 90% of ASYE leads and assessors said our resources are useful One ASYE assessor said

"Accessing the ASYE programme helps NQSWs reflect on their progress during their first year, with the support of their assessor "

D) Commissioners

Commissioning underpins effective market shaping and workforce planning, creating the conditions needed to improve outcomes for people who draw on care and support

In 24/25, we continued to promote the Level 5 Commissioning for Wellbeing qualification, supporting the development of commissioning skills across the sector Through national information sessions, we engaged over 250 people, helping them to build their skills, knowledge and confidence During the year, 93 learners began the qualification with two of our endorsed Learning Providers – 59 started the mainstream version and 34 started the learning disability and autism version One Commissioning Officer who completed the qualification used her learning to embed co-production in her role, resulting in new outcome-focused, accessible funding for local groups supporting people with dementia and sensory impairments She shared

"Without this course, I didn't have the knowledge to embed co-production like I do now I now try to approach everything I do with that in mind "

Our Commissioner Peer Network now has more than 800 members It provides a space for peer learning and development, helping commissioners share ideas and improve practice Over the year, we delivered six peer learning events and eight masterclasses on topics including prevention, co-production and human rights Feedback shows strong engagement Commissioners told us the sessions helped them build skills, improve commissioning practice and drive better outcomes

6. Our Enabling Group

The above would not have been possible without the continued hard work and support of colleagues across our internal Enabling Group, which includes our People, Finance, Technology and Governance & Compliance teams Last year we launched our Building our Future internal transformation programme, which is optimising how we are organised and the way we work together to best achieve our strategic priorities The programme helped us to identify £2 5m in efficiency savings and, drawing on extensive engagement with colleagues across the organisation, it has set out the steps we will take over the coming months and years to further strengthen our sector impact, to improve our financial sustainability, and to evolve our "one team" culture Our new technology strategy, and accompanying planned investment in our IT and how we use our data, will be a critical part of this journey

As part of our ongoing colleague engagement plan and in response to insights from our last Best Companies survey, we have implemented a series of targeted actions informed by the survey results and the valuable reflections shared by our teams To track our progress and

better understand how colleagues were feeling at the start of the Building our Future programme, we conducted a series of follow-up pulse surveys These focused on colleagues' sentiments around change and their overall engagement The results revealed encouraging shifts in perception as colleagues reported feeling more involved and engaged as the programme progressed 79% of respondents to an October 2024 survey said they understood the need for making changes and 84% of respondents said they felt involved in them

Forward look 25/26

Looking ahead to 2025/26, Skills for Care will continue to lead and support the sector in delivering the commitments set out in the Adult Social Care Workforce Strategy Building on the progress of 2024/25, our focus is on working in partnership across the sector to attract, retain and develop the workforce, ensuring people working in care feel recognised, valued, and supported

A) National Adult Social Care Workforce Strategy

The Workforce Strategy represents the foundation for long-term workforce transformation, and we remain committed to working with the sector, partners and government to turn the recommendations and commitments into action Our priorities for 2025/26 include launching the Workforce Strategy Impact Fund to support innovative, tech-driven workforce projects, further embedding equity, diversity, and inclusion across the sector, and targeted support for the "small but mighty" workforce – the regulated and registered professionals who represent just 6% of the workforce but whose role is critical to the delivery of high-quality care.

B) Skills for Care Corporate Strategy 2025-2030

Our new corporate strategy sets a clear direction for Skills for Care over the next five years, guiding our decisions and aligning our work with our 2030 goals At its heart is a continued commitment to the people who draw on care and support, and to those who deliver it, ensuring our efforts are focused where they can have the greatest impact

This refreshed strategy reflects both the significant changes in the world since our last strategy, developed during the COVID-19 pandemic, and our growth as an organisation In that time, we've delivered on key priorities and launched ambitious programmes, including the adult social care Workforce Strategy, which now serves as our 'North Star'

Our corporate strategy and the Workforce Strategy are closely aligned Together, they shape the work we lead and the work we support across the sector, providing clarity, consistency and a shared sense of purpose

Developed in collaboration with colleagues and informed by engagement across the sector, our corporate strategy responds to new challenges and opportunities It provides long-term direction while remaining flexible to adapt as policy and context evolve Now is the right time for a renewed strategy – one that builds on progress and positions us to lead and support the sector with confidence

Our three strategic priorities for 2025-2030 are

1 Continue to shape and deliver workforce reform and secure a mandate for our system leadership role

Our goal is to influence, shape and deliver workforce reform, with a focus on delivering the short-term Workforce Strategy recommendations and to begin fulfilling our system leadership role with an official mandate

2 Accelerate workforce development and improvement across all parts of the workforce

Our goal is to have a holistic career framework in place for the adult social care workforce, supported by clear standards, funding and a sustainable supply of the right development opportunities

3 Transform Skills for Care to achieve greater impact

Our goal is to transform the organisation to increase our impact and build a sustainable, high performing organisation that can better support the adult social care workforce now and in the future We intend to use our non-ringfenced reserves to bolster our sector impact in key areas aligned to our corporate strategy and Workforce Strategy

C) Planned progress for 2025/26

Priority 1. Continue to shape and deliver workforce reform

In 25/26 we will

- Focus on securing the DHSC tender for a 3-year contract to continue our work supporting the adult social care workforce
- Strengthen our role in strategic workforce planning by setting up the right functions, relationships, and methods and defining good practice
- Ensure all members of the Workforce Strategy Oversight Executive Group (OEG) have made commitments against the short-term priorities of the adult social care Workforce Strategy
- Strengthen how the Workforce Strategy reflects the importance of equality, equity, diversity, and inclusion in workforce and system outcomes
- Strengthen our engagement with local skills systems by building relationships with all Local Skills Improvement Plan (LSIP) custodians

Priority 2. Accelerate workforce development and improvement across all parts of the workforce

In 25/26 we will

- Position the CWP as the central standard and framework for the adult social care workforce
- Act as the sector's qualification custodian by leading the development, review, and approval of core and subject-specific qualifications that reflect the evolving needs of the adult social care workforce
- Increase the number of training providers applying to our quality assurance service to give DHSC confidence in the supply of approved training, enabling the transition to only approved training being eligible for LDSS funding

Priority 3. Transform Skills for Care to achieve greater impact

In 25/26 we will

- Strengthen partnerships and collaboration to maximise collective impact in supporting the adult social care workforce
- Increase investment in initiatives that strengthen workforce support and sector sustainability
- Develop a People Plan that ensures our workforce has the skills, support, and clarity needed to advance our mission
- Publish transparent data on workforce equality (WRES) and demonstrate measurable progress, reinforcing our commitment to an inclusive and equitable workplace

Financial review

The effective management of our finances is critical to realising our strategic priorities Most of our income comes from government departments and totals £23 4m We also have a small business development function generating £2 0m

2024/25 was a challenging year because our DHSC income decreased significantly, from £30 2m in 2023/24 to £13 5m plus £3 4m charitable income this year This contributed to our structural deficit (the difference between our income and cost, before investment income, dilapidations and positive decisions to fund certain activity from our strategic reserves) We took extensive action over the course of 2024/25 to reduce the size of our structural deficit, including making headcount reductions, reducing our third-party spend and awarding a non-consolidated pay rise for most colleagues

We do not want to rely on investment income or our charitable reserves to deliver our core activity We therefore intend to take further action to remove our structural deficit entirely, through a combination of further cost reductions and by significantly growing our business development income Balancing the pace and nature of these changes with the ongoing stability and positive impact of the organisation will be a critical consideration We will continue to seek to secure DHSC funding for its adult social care workforce improvement programme, whether that is commissioned in the future through grant or competitive tendering

To enable the realisation of the above we have further strengthened our financial reporting, oversight and controls in 2024/25

In 2024/25 we exited the West Yorkshire Pension Fund (WYPF), which has released us from significant and long-standing pension liabilities We are now in the position to use the released charitable reserves to further enhance our impact An oversight group of trustees and leadership team colleagues has been established to inform, review and assure business cases and to monitor the impact of our reserve spend

Financial internal control environment

Each year trustees approve the Standing Financial Instructions (SFIs) which set out the operational procedures and internal controls for financial management, in support of the delegations of responsibility and accountability for funds set out in the Scheme of Delegation To enable colleagues to comply with these instructions we have a number of policies, processes and standard operating procedures in place underpinned by guidance including roles and responsibilities provided to our budget holders and budget keepers

Trustees seek assurance on the management of risks and where greater assurance is needed, we seek independent assurance from specialist consultants, including legal advice from lawyers, treasury management from CCLA our investment manager, and our internal and external auditors

Internal audit assurance: RSM continued as our internal auditor during 2024/25 to provide independent assurance and advice on the operation of the internal controls The annual audit programme is agreed and overseen by the Finance & Audit (F&A) Committee throughout the year, and no concerns were noted Following an exploration of different options, in March 2025 the board agreed to take a hybrid approach to internal audit going forward where we will undertake some audits in-house and appoint third-party specialists when we require subject experts or where we need a greater level of independence The F&A Committee will continue to regularly review the audit plan, and we will flex the audit plan to respond to emerging risks

External audit assurance: We reappointed Brown Butler as external auditors Their report following last year's audit states that they have not identified any significant deficiencies in internal controls during their audit work and believe that the controls evidenced during their work are adequate for the group and that we appear to be working proactively, with the use of external advice to seek continuous improvement

External audit assurance is also required by our funding contracts and grant agreements including the DfE ASYE disbursement funding contract

The detail within notes 4 and 14 of the financial statements includes detail on the DHSC grant and contract funding in line with the DHSC funding agreements

Group financials

For 2024/25, we planned and agreed an annual budget to manage our charitable resources within indicative funding available, and the board agreed to fund up to £6 8m from charitable reserves to resource activities to support our strategic priorities In addition, we set aside £5 6m pending valuations from WYPF following our withdrawal The final valuation was in our favour resulting in a credit of £2 6m

Actual group financial performance for 2024/25 compared to budget is an improved position, as set out on the Statement of Financial Activities (SOFA), resulting in £3 6m reserves utilised (before pension and investment gains), which is below budget as we paused some reserve funded activities during the year to focus on updating our corporate strategy

Incoming resources

Before FRS 102 pension interest, our group income decreased by 38% and costs reduced by 30% compared to last year This was not unexpected and formed the basis of our financial planning The detail of income is set out in note 4

Net incoming resources after FRS102 pension interest income and before 'other comprehensive income' is a net £3 3m loss on unrestricted funded activities and £0 3m loss on restricted funded activities, resulting in an overall £3 6m loss (*2024 £0 4m loss*)

Other comprehensive income was £3 1m (*2024 £3 3m*) made up of an unrealised investment gain of £0 5m (*2024 £3 3m*) as set out in notes 9 and 14 and a £2 6m WYPF exit rebate Both are outside of the trustees' control

The overall group financial result is a £0 4m loss (2024 £2 9m surplus) net movement in funds

Charitable activities

DHSC funded activities: As our main funder, DHSC provided restricted grants and two significant commercially funded contracts for the delivery of their adult social care workforce improvement programme The total funds received from DHSC for the year was £17 4m (*2024 £27 9m*), a 38% decrease on last year

Other charitable activities. We were successful in securing £6 2m charitable restricted funding (*2024 £6 9m*) This includes £5 8m (*2024 £6 1m*) for a Department for Education (DfE) contract to disburse the Child and Family Assisted Year in Employment (ASYE) funding

Trading activities

Trading activity accounted for in the subsidiaries is set out in notes 3, 10 and 14 We generated £1 6m income (*2024 £2 2m*) which is a 27% decrease on the prior year

In addition, £0 6m income (*2024 £0 9m*) was secured relating to future delivery, so deferred in group creditors as detailed in note 12

Pension: During the year there was £0 6m FRS102 pension interest (*2024 £2 2m*) We withdrew from the defined benefit pension scheme on 30 June 2024 so there is no further liability connected to this scheme

Resources expended

As a charitable group, we expended £29 7m resources on our strategic priorities, compared to £42 4m last year This was expected and within the parameters of our agreed budget There were no significant extraordinary costs incurred during the year

In line with our strategy, we make sure that we assess and plan financial resources People, 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 allocate our resources where appropriate to ensure

we deliver priorities within budget, provide value for money and ensure spend is eligible, within funder's terms

Total funds carried forward

The SOFA shows all funds received during the year and expenditure incurred, and movement in specific restricted and unrestricted funds is detailed in note 14

Reserves policy

We have a charitable reserves policy of maintaining unrestricted charitable reserves The F&A Committee monitor the reserves policy and underlying assumptions and make recommendations on the designation of charitable reserves to the board, on at least an annual basis

Charitable reserves

As of 31 March 2025, we have charitable reserves of £40 9m (*2024 £38 7m*), excluding £2 0m (*2024 £4 3m*) fixed asset reserve

£8 7m are accumulated to fund the cost of minimum potential liabilities and not to exceed the estimated maximum costs including statutory redundancy, six month's operational staff and third-party costs, where applicable, including a period of consultation for all staff, and to cover necessary costs and commitments during an unforeseen period of financial difficulty

We have restricted reserves of £Nil (*2024 £0 32m*) which was funding carried forward to support DHSC activities planned for the following year

Unrestricted charitable reserves are designated by the trustees for specific purposes, and this is set out in note 14c

Investment powers and policy

We have appointed CCLA Investment Management Limited to manage our investment portfolio, within parameters agreed by the board, and it is invested in a blend of CCLA 's specialist Charities Official Investment Fund (COIF) charity funds

We have an unrealised gain of £0 5m and the total return on our investments during the year was 1 4% The primary investment objective is to achieve long term growth while also maintaining the real spending power of our reserves, though we recognise that the rate of return depends on market conditions

The F&A Committee receives briefings from CCLA and monitor the performance of the portfolio and the return on the invested funds, comparing against relevant market indices We receive regular valuation updates from CCLA

Funds that are not invested with the investment manager and not immediately required for cash flow purposes, are placed in deposit accounts

Structure, governance and management

Skills for Care is a company limited by guarantee and is 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 trustees on 31 March 2025 was 9 *(2024 8)*

The Board of Trustees lead the organisation and oversee the work of Skills for Care They meet at least four times a year to make strategic decisions for the organisation, and we have a governance structure in place to enable effective decision making We have standing committees which cover Finance & Audit (until 1 May 2024 these were separate Finance & People (F&A) and Audit & Risk (A&R) Committees) and Remuneration and Nominations (R&N)

The CEO is appointed by trustees to manage day-to-day operations and has delegated authority, within the terms of the scheme of delegation approved by the trustees, for operational matters The CEO is supported by the Deputy CEO and the Leadership Team (LT)

Trustees are appointed through a recruitment process and a role specification is used in the selection process The Chair leads the recruitment process, and within its remit, the R&N Committee considers succession planning and the skills and knowledge of trustees to identify any gaps and feed into recruitment Trustees can serve up to two three-year terms (with an additional term in exceptional cases agreed by the board), this includes the Chair The membership of the board is kept under review and re-aligned as appropriate

New trustees receive an induction, so they have a clear understanding of our work and their duties as a trustee During the induction they will be introduced to all levels of the organisation and meet with the Chair, CEO, Leadership Team colleagues and other trustees, and are provided with the trustee handbook Trustees are encouraged to attend meetings and events across Skills for Care to increase their knowledge and understanding of us and the sector, and we're developing a learning and development plan to offer training to aid the continuous development of their role

We have adopted the principles of the Charity Governance Code and assess our governance against the principles each year and have a three-year evaluation cycle in place with differing levels of depth In 2024/25 we undertook a full review of our governance arrangements with a view to identify and plan for continuous improvement, ensure that we continue to comply with the law and relevant regulations and promote a culture where the organisation functions in a way that works towards meeting our organisation vision and mission The key findings and recommended actions are to be presented to the board in July 2025

The board continues to regularly evaluate its ongoing performance by reviewing the effectiveness of every board and committee meeting to ensure they meet objectives Trustees are also encouraged to feedback on the performance of the board and to suggest any improvements through one-to-one discussions with the Chair

The key management personnel are the trustees together with the CEO, Deputy CEO and LT Trustees do not receive any remuneration for their role as trustees, with the exception of the Chair who receives an honorarium (see Note 7 for details) Any payments to trustees for services provided outside their trustee role, and all related party transactions, are disclosed separately in the financial statements Salaries are reviewed and benchmarked against similar roles to ensure they are fair, competitive, and appropriate for the size and complexity of our organisation The remuneration of the CEO is reviewed annually by the R&N Committee and approved by the board The Committee also receives proposals from the CEO for changes to the LT structure or salaries

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

The Trustees have considered the disclosure requirements of The Companies (Miscellaneous Reporting) Regulations 2018 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) and Regulations 2018 and how they apply to the Skills for Care Group While we are not mandated to make such disclosure, we believe it is best practise to report what actions we are currently taking to comply with them

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

As our main funders move to a competitive tender model 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 have calculated our carbon footprint across scope 1, 2 and partial 2 carbon emissions and have achieved public procurement PPN 06/21 compliance using the Government approved Green House Gases (GHG) Protocol and have been able to pinpoint the carbon hotspots within our organisation to develop a PPN 06/21 compliant carbon reduction plan which is available on our website for external stakeholders

Internally we have developed an implementation plan with steps to reduce our emissions year on year, overseen by our Enabling Leadership Team (ELT) taking forward the actions and championing our approach

Reference and administrative information

On 31 March 2025, we had nine trustees on the board

Trustees	**Date of appointment or resignation**
John Coughlan *(Chair)*	
Suzie Bailey	
James Bullion	
Peter Chambers	Appointed 1 April 2024
Gillian Day	
Penelope Machin	
William Mumford	Resigned 30 November 2024
Beverley Tarka	Appointed 1 September 2024
Naser Turabi	
Mark Ward	

Chief Executive Officer (CEO)
Oonagh Smyth

Deputy CEO
Tristram Gardner

Audit & Risk Committee (until 1 May 2024)
Suzie Bailey (Chair)
William Mumford (resigned 30 November 2024)
Peter Chambers (from 1 April 2024)

The A&R Committee was responsible for reviewing the annual trustees' report and financial statements, ensuring there was an effective system of internal control and risk management, ensuring compliance policies and procedures are followed and relevant legislation and statutory requirements are adhered to

Finance & People Committee (until 1 May 2024)
Gillian Day (Chair)
James Bullion
Naser Turabi
Mark Ward

The F&P Committee had oversight of our finances to ensure sustainability in line with the organisational strategy It monitored the quarterly management accounts and charitable reserves and liabilities, escalating issues to the board It made recommendations to the board for agreement on the annual budget and the year-end financials included in the trustees' report and financial statements and accounting policies It maintained an overview of investments and treasury management

The Committee also oversaw people and culture activity associated with the strategy including workforce planning and key organisation developments, employee engagement, learning and development It reviewed the financials associated with people activity including headcount and benefits

Finance & Audit Committee (from 1 May 2024)
Gillian Day (Chair)
Suzie Bailey
Peter Chambers
Naser Turabi
Mark Ward

On 27 March 2024, the board agreed to establish a new F&A Committee in the place of the F&P and A&R Committees, from 1 May 2024 The purpose of the Committee is to review, scrutinise and monitor all issues relating to the financial position of the organisation, and to ensure the board meets their responsibilities in gaining the assurance needed on compliance, risk management, internal controls, and on the integrity of the annual report and accounts, and through the supervision of the quality, independence and effectiveness of both the internal and external auditors

Remuneration & Nominations Committee
John Coughlan (Chair)
Suzie Bailey
James Bullion

The R&N Committee makes recommendations to the board on the remuneration of the Chair and CEO and looks at any changes to the LT pay and structure based on proposals from the CEO It leads the process of recruiting new trustees to the board, including choosing a new Chair, bringing in other trustees to sit on the interview panel as needed, and makes recommendations to the board on appointments The committee also looks at succession

planning and the makeup of the board to ensure it has the skills and knowledge to continue to operate effectively

Company references

- Skills for Care Ltd, 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 Ltd, Company number 13778192 *(Dormant)*

All accounts are drawn up to 31 March

Principal and 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

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

Auditors

The trustees extended the appointment of Brown Butler as external auditor for the group for the audit of the financial year ended 31 March 2025

A tender process is planned to take place during 2025/26

Approval

The trustee's report, which includes the Strategic report, is approved by the Board of Trustees on 7 October 2025 and is signed on its behalf

By order of the board

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 Ltd (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 Ltd

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 2025, 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 2025 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

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, 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 Statement of Trustees' Responsibilities set out on page 24, 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 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 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

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, the Charities Act 2011, pension and tax legislation 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 company's ability to operate or to avoid a material penalty including 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 – Octobre 2019) 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 and discussed identified laws and regulations and potential fraud risks with 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 We also discussed related party relationships and transactions involving them

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

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

Use of our report

This report is made solely to the 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

Nicola Taylor FCA (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

Date 08/10/25

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

	Note	2025 Unrestricted £	2025 Restricted £	2025 Total £	2024 Total £
Income					
Charitable activities	*4*	**4,082,988**	**19,690,629**	**23,773,617**	37,425,459
Trading activities	*4*	**1,644,558**	**-**	**1,644,558**	2,247,217
Investments	*4*	**115,067**	**-**	**115,067**	43,691
Pension	*4, 17*	**585,000**	**-**	**585,000**	2,224,000
Total income	*4, 14*	**6,427,613**	**19,690,629**	**26,118,242**	41,940,367
Raising funds	*5*	**1,133,213**	**-**	**1,133,213**	1,307,700
Investments	*5*	**4,306**	**-**	**4,306**	4,101
Charitable activities	*5*	**8,032,318**	**19,926,010**	**27,958,328**	39,029,380
Pension	*5, 17*	**616,000**	**-**	**616,000**	2,011,000
Total resources expended	*5*	**9,785,837**	**19,926,010**	**29,711,847**	42,352,181
Net (outgoing) resources before transfers		**(3,358,224)**	**(235,381)**	**(3,593,605)**	(411,814)
Transfers and designations	*14 e*	**84,321**	**(84,321)**	**-**	-
Net incoming resources		**(3,273,903)**	**(319,702)**	**(3,593,605)**	(411,814)
Other comprehensive income					
Pension exit credit	*14, 17*	**2,636,000**	**-**	**2,636,000**	-
Net unrealised investment gain	*9, 14*	**502,195**	**-**	**502,195**	3,282,932
Net movement in funds		**(135,708)**	**(319,702)**	**(455,410)**	2,871,118
Total funds brought forward	*14*	**42,994,186**	**319,702**	**43,313,888**	40,442,770
Total funds carried forward	*14*	**42,858,478**	**-**	**42,858,478**	43,313,888

The notes on pages 32 to 51 form part of the financial statements

Consolidated group balance sheet

At 31 March 2025	*Note*	**2025** £	**2025** £	2024 £	2024 £
Fixed assets					
Intangible assets	*8*	**1,831,820**		4,191,003	
Tangible assets	*8*	**200,040**		173,199	
Investments	*9*	**37,316,752**		36,814,557	
			39,348,612		41,178,759
Current assets					
Stock		**3,165**		7,945	
Debtors due within one year	*11*	**3,322,329**		1,799,524	
Cash at bank and in hand		**4,946,456**		13,954,662	
		8,271,950		15,762,131	
Creditors amounts falling due within one year	*12*	**(4,662,084)**		(13,527,002)	
Net current assets			**3,609,866**		2,235,129
Total assets less current liabilities			**42,958,478**		43,413,888
Provision for liabilities and charges	*13*		**(100,000)**		(100,000)
Net assets			**42,858,478**		43,313,888
Funds					
Unrestricted funds	*14*		**42,858,478**		42,994,186
Restricted funds	*14*		**-**		319,702
Total group funds			**42,858,478**		43,313,888

The notes on pages 32 to 51 form part of the financial statements

These financial statements were approved by the Board of Trustees on 7 October 2025 and were signed on its behalf by

John Coughlan CBE

Trustee and Chair of the Board

Company registered number. 03866683

Company balance sheet
At 31 March 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Intangible assets	*8*	**1,831,820**		4,183,100	
Tangible assets	*8*	**200,040**		173,199	
Investments	*9*	**37,316,752**		36,814,557	
Investment in subsidiaries	*10*	**20,000**		20,000	
			39,368,612		41,190,856
Current assets					
Debtors due within one year	*11*	**4,359,577**		3,371,331	
Cash at bank and in hand		**3,982,067**		12,492,594	
		8,341,644		15,863,925	
Creditors. amounts falling due within one year	*12*	**(4,758,179)**		(13,647,294)	
Net current assets			**3,583,465**		2,216,631
Total assets less current liabilities			**42,952,077**		43,407,487
Provision for liabilities and charges	*13*		**(100,000)**		(100,000)
Net assets			**42,852,077**		43,307,487
Funds					
Unrestricted funds	*14*		**42,852,077**		42,987,785
Restricted funds	*14*		-		319,702
Total charitable company funds			**42,852,077**		43,307,487

The notes on pages 32 to 51 form part of the financial statements

These financial statements were approved by the Board of Trustees on 7 October 2025 and were signed on its behalf by

John Coughlan CBE

Trustee and Chair of the Board

Company registered number 03866683

Consolidated cash flow statement

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

	Note	**2025** £	2024 £
Net (Outgoing) resources before transfers		**(3,593,605)**	(411,814)
Adjustment for			
Depreciation and amortisation	*5, 6, 8*	**3,225,401**	2,557,562
Interest income	*4,6*	**(115,067)**	(43,691)
		(483,271)	2,102,057
(Increase)/decrease in debtors	*11*	**(1,522,805)**	3,745,188
Decrease/(increase) in stock		**4,780**	(641)
(Decrease) / increase in creditors	12	**(8,864,918)**	1,500,422
Increase in dilapidations provision	*13*	**-**	(139,345)
Net cash from operating activities		**(10,866,214)**	7,207,681
Cash flows from investing activities			
Interest received	*4,6*	**115,067**	43,691
Pension exit	*14, 17*	**2,636,000**	-
Acquisition of intangible fixed assets	*8*	**(780,541)**	(2,324,581)
Acquisition of tangible fixed assets	*8*	**(112,518)**	(30,482)
Net cash from investing activities		**1,858,008**	(2,311,372)
Net (decrease)/increase in cash and cash equivalents		**(9,008,206)**	4,896,309
Cash and cash equivalents at 1 April		**13,954,662**	9,058,353
Cash and cash equivalents at 31 March		**4,946,456**	13,954,662

Analysis of changes in net debt

	1 April 2024 £	**Cash flow** £	**31 March 2025** £
Cash and cash equivalents	**13,954,662**	**(9,008,206)**	**4,946,456**

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) 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 (Note 12)

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

Management regularly reviews the development of its major depreciable asset, ASC-WDS to estimate its useful life and the amortisation of the asset is calculated as costs are incurred (Note 8)

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 (FRS102) (effective 1 January 2022) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006 Skills for Care meets the definition of a public benefit entity under FRS102 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 Our DHSC sponsor has agreed the funding arrangements for 2025/26 along with two other commercial contracts and we have a significant contract with another government department in place for 2025/26

The charity also has unrestricted charitable reserves as at 31 March 2025 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 (SfCSL) and Affina Organisation Development Ltd (AOD) which are made up to 31 March Subsidiary results are set out in note 10 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 SOFA has been presented for the company alone

The net movement in funds for the company only for the year is a loss of £0 45m *(2024 £2 71m)*

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

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

All grant 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 Delivery Plan with the DHSC, other funding agreements and the business plan as agreed by the Board

Business leads are allocated specific resources in order to deliver the required outcomes

Activities requiring commissioned work with outstanding milestones as at 31 March 2025 or relating to the outcomes of the 2024/25 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, 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 A three-year lease exists for office space in Leeds which was signed in March 2022 A one-year extension to this lease was signed with plans in place to move out of this office by March 2026

1 8 Pensions

Up to the exit on 30 June 2024 the company made contributions to 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 period to exit, together with the cost of any benefits relating to the past service, if the benefits have vested, is charged to the SOFA

A exit credit equal to the increase in the present value of the scheme liabilities 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 SOFA

The company also had 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 SOFA represents the contributions payable to the scheme in respect of the accounting period A new provider 'Smart Pensions' for the stakeholder scheme was agreed from 1 April 2025 This scheme allows for salary sacrifice contributions thereby benefitting both the company and the employee A full consultation process was undertaken before the move was agreed

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 SOFA 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 as set out in note 9

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 transitional changes, strategy developments, potential closure costs and periods of financial uncertainty, in accordance with the charitable reserves policy At 31 March 2025, the unrestricted funds are sufficient to fund the estimated potential closure liabilities as detailed in note 14

1 11 VAT

A significant proportion of input Value Added Tax (VAT) is not recoverable by the charity as this is classified as non-VAT business, and as such is included in the relevant gross costs in the SOFA Activities which are classified as vat business, fully recover input vat where relevant

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 Intangible assets and goodwill

1.13 1 Goodwill

Goodwill is stated at cost less any accumulated amortisation

1.13 2 Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the SOFA as an expense as incurred

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

1.13.3 Amortisation

Amortisation is charged to the SOFA 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 life of ASC-WDS has been reduced from three years to two years with the rest of intangible assets remaining at three 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 5 years

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 of FRS102 - Impairment of assets when there is an indication that goodwill or an intangible asset maybe impaired

2. Stock

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

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

4 Income

	Group 2025 £	Group 2024 £
Restricted		
DHSC	**13,527,827**	30,239,228
Other funders	**6,162,802**	6,891,444
Total restricted income	**19,690,629**	37,130,672
Unrestricted		
Charitable income	**4,082,988**	294,787
Trading income	**1,644,558**	2,247,217
Bank interest	**115,067**	43,691
FRS102 pension income *(note 17)*	**585,000**	2,224,000
Total unrestricted income	**6,427,613**	4,809,695
Total income	**26,118,242**	41,940,367

5. Total resources expended

	Note	Staff costs £	Other costs £	Group Total 2025 £	Staff costs £	Other costs £	Group Total 2024 £
Trading activity cost of raising funds	*14*	**585,333**	**547,880**	**1,133,213**	889,652	418,048	1,307,700
Investments		**4,306**	**-**	**4,306**	4,101	-	4,101
Charitable activities		**10,561,425**	**17,396,903**	**27,958,328**	10,809,488	28,219,892	39,029,380
Pension	*17*	**190,000**	**426,000**	**616,000**	414,000	1,597,000	2,011,000
Charitable activities	*5b*	**10,755,731**	**17,822,903**	**28,578,634**	11,227,589	29,816,892	41,044,481
Total resources expended	*5a/14*	**11,341,064**	**18,370,783**	**29,711,847**	12,117,241	30,234,940	42,352,181
Unrestricted		**2,876,972**	**6,908,865**	**9,785,837**	425,234	7,117,945	7,543,179
Restricted		**8,464,092**	**11,461,918**	**19,926,010**	11,692,007	23,116,995	34,809,002
Total resources expended		**11,341,064**	**18,370,783**	**29,711,847**	12,117,241	30,234,940	42,352,181

5a) Total resources expended

	Notes	2025 £	2024 £
Payroll (inc pension)	*7, 17*	**11,341,064**	12,117,241
Other staff costs		**765,804**	615,996
Disbursements		**10,883,095**	21,447,261
Depreciation and amortisation	*8*	**3,225,401**	2,585,051
Commissioned work		**1,348,955**	1,938,071
IT Software, telecoms and leases		**731,937**	960,315
Travel and events		**481,265**	635,553
Other operating costs		**508,326**	455,693
Pension interest		**426,000**	1,597,000
Total resources expended		**29,711,847**	42,352,181

5b) 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 below A different approach to identifying our indirect costs was taken in 24/25 meaning more costs appear as indirect than in previous years

	2025 £	2024 £
Charitable activities	1,871,761	680,421
Trading activities	150,510	70,367
Investment activities	4,306	4,101
	2,026,577	754,889

6 Net incoming resources before transfers as shown in the consolidated statement of financial activities is stated after charging and crediting as follows:

	Group 2025	2024
After charging	£	£
Auditors' remuneration - audit of these financial statements	**41,650**	41,650
Auditors' remuneration - audit of financial statements of subsidiaries	**14,750**	14,750
Auditors' remuneration - taxation and compliance services	**12,150**	4,800
Internal audit services	**7,258**	51,344
Legal fees	**28,430**	72,059
Operating lease rentals - buildings and equipment	**160,355**	95,033
Amortisation of goodwill and intangible assets and depreciation of tangible fixed assets *(note 5, 8)*	**3,225,400**	2,585,051
Other pension interest *(note 17, 5)*	**395,000**	1,597,000
And after crediting		
Bank interest receivable *(note 4)*	**115,067**	43,691
Other income - FRS 102 interest adjustment (note 4, 17)	**585,000**	2,224,000

7. Staff numbers and costs

	2025	2024
Average staff numbers	**204**	213
Equates to full time equivalents	**198**	205

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

	2025	2024
	£	£
Gross salaries	**9,260,703**	9,360,190
Employer's social security costs	**1,139,103**	1,137,047
Employer's pension costs *(before FRS102 adjustments)*	**1,011,258**	993,004
	11,411,064	11,490,241
Employer's pension contributions including one off lump sum payments	**(291,000)**	(1,418,000)
Current service cost	**72,000**	354,000
Past service cost	**149,000**	60,000
Unrecognised loss on assumption changes	**-**	1,631,000
	11,341,064	12,117,241

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

	2025	2024
£ 60,001 - £70,000	**20**	22
£ 70,001 - £80,000	**-**	1
£ 80,001 - £90,000	**-**	-
£90,000 - £100,000	**6**	6
£100,000 - £110,000	**2**	1
£110,001 - £120,000	**-**	-
£130,001- £140,000	**1**	1

The key management personnel compensation, for the leadership team and the trustees, for the year is £1,180,967 (*2024 £1,251,970*)

Total pension contributions for the above employees totalled £181,309 (*2024 £312,868*)

The charity operates a stakeholder pension scheme See note 17 for more information about the pension schemes

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	**2025**	2024
	£	£
Aggregate emoluments (including employer's NIC) (pension £nil)	**38,732**	38,576

8. Fixed assets

Intangible and tangible assets

	ICT software and licenses	ASC-WDS	**Company intangible assets**	*Goodwill & other*	**AOD Intangible Assets**	**Group intangible assets**	Office furniture & equipment	ICT hardware & *project* development	AOD Assets	***Group & Company tangible assets***	**Group intangibles & tangible assets**
	£	£	£	£	£	£	£	£	£	£	£
Cost											
At beginning of year	1,510,062	11,406,962	**12,917,024**	109,116	8,621	**13,034,761**	127,158	202,860	4,680	**334,698**	**13,369,459**
Additions	-	780,541	**780,541**	-	-	**780,541**	-	112,518	-	**112,518**	**893,059**
At end of year	**1,510,062**	**12,187,503**	**13,697,565**	**109,116**	**8,621**	**13,815,302**	**127,158**	**315,378**	**4,680**	**447,216**	**14,262,518**
Depreciation and amortisation											
At beginning of year	903,739	7,830,185	**8,733,924**	109,116	718	**8,843,758**	89,360	67,459	4,680	**161,499**	**9,005,257**
Charge for the year	277,209	2,854,612	**3,131,821**	-	7,903	**3,139,724**	17,361	68,316	-	**85,677**	**3,225,401**
At end of year	**1,180,948**	**10,684,797**	**11,865,745**	**109,116**	**8,621**	**11,983,482**	**106,721**	**135,775**	**4,680**	**247,176**	**12,230,658**
Net book value											
At 31 March 2025	**329,114**	**1,502,706**	**1,831,820**	-	-	**1,831,820**	**20,437**	**179,603**	-	**200,040**	**2,031,860**
At 31 March 2024	*606,323*	*3,576,777*	*4,183,100*	-	*7,903*	*4,191,003*	*37,798*	*135,401*	-	*173,199*	*4,364,202*

9. Investments

Group and Company	2025 Cost £	2025 Bid value £	2024 Cost £	2024 Bid value £
At beginning of year	**21,471,432**	**36,814,557**	21,471,432	33,531,625
Unrealised gain in year	**-**	**502,195**	-	3,282,932
At end of year	**21,471,432**	**37,316,752**	21,471,432	36,814,557

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 2025 and 2024		**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	04644495	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

Summary profit and loss accounts of the subsidiaries

	SfCSL £	AOD £	2025 Total £	2024 Total £
Turnover	**920,352**	**724,206**	**1,644,558**	2,323,840
Cost of sales	**(394,198)**	**(305,572)**	**(699,770)**	(819,237)
Gross profit	**526,154**	**418,634**	**944,788**	1,504,603
Administrative expenses	**(69,516)**	**(363,791)**	**(433,307)**	(486,961)
Operating profit	**456,638**	**54,843**	**511,481**	1,017,642
Interest receivable	**17,668**	**1,925**	**19,593**	10,495
Profit before taxation	**474,306**	**56,768**	**531,074**	1,028,137
Tax on profit on ordinary activities	**-**	**(136)**	**(136)**	(1,502)
Profit for the year	**474,306**	**56,632**	**530,938**	1,026,635
Distribution	**(474,306)**	**(56,632)**	**(530,938)**	(1,020,234)
	-	**-**	**-**	6,401

Assets and liabilities

	SfCSL £	AOD £	2025 Total £	2024 Total £
Fixed assets	-	-	-	7,903
Current assets	749,519	625,072	1,374,591	1,865,411
Current liabilities	(739,519)	(608,671)	(1,348,190)	(1,846,913)
Total net assets	10,000	16,401	26,401	26,401
Called up share capital	10,000	10,000	20,000	20,000
Profit and loss account	-	6,401	6,401	6,401
Shareholders' funds	10,000	16,401	26,401	26,401

11. Debtors

	Group		Company	
	2025 £	2024 £	2025 £	2024 £
Trade debtors	2,463,226	718,475	2,080,798	366,992
Group undertakings	-	-	1,444,273	1,962,116
Prepayments	25,671	45,714	21,196	40,734
Accrued income	833,432	1,035,335	813,310	1,001,489
	3,322,329	1,799,524	4,359,577	3,371,331

12. Creditors: amounts falling due within one year

	Group		Company	
	2025 £	2024 £	2025 £	2024 £
Trade creditors	292,782	99,390	239,704	55,812
Other creditors	653,310	1,837,285	541,072	1,690,240
Group undertakings	-	-	886,299	1,021,881
Accruals	3,139,972	10,750,448	3,062,281	10,640,007
Deferred income	576,020	839,879	28,823	239,354
	4,662,084	13,527,002	4,758,179	13,647,294

13 Provision for liabilities and charges

	2025 £	2024 £
At beginning of year	100,000	239,345
Decrease in provision for Leeds office	-	(139,345)
At end of year	100,000	100,000

14. Reserves

	B/f April 2024	Incoming resources	Resources expended	Gift aid payment	Unrealised gain	Transfers and designations	C/f March 2025
Restricted	£	£	£	£	£	£	£
DHSC							
Revenue grant	89,595	5,202,631	(4,755,710)	-	-	(536,516)	-
Capital grant	35,843	-	(35,843)	-	-	-	-
	194,264	-		-	-	(6,967)	-
Others (prev ASC-WDS cor tract)			(187,297)				
Transition grant	-	8,134,786	(8,134,786)	-	-	-	-
NHS-TD grant	-	190,410	(58,984)	-	-	(131,426)	-
Restricted Grants	**319,702**	**13,527,827**	**(13,172,620)**	**-**	**-**	**(674,909)**	**-**
Dept for Education	-	5,811,035	(5,650,286)	-	-	(160,749)	-
Charitable trading	-	351,767	(1,103,104)	-	-	751,337	-
Other restricted funding	**-**	6,162,802	(6,753,390)	-	-	590,588	-
Total restricted funding	**319,702**	**19,690,629**	**(19,926,010)**	**-**	**-**	**(84,321)**	**-**

14. Reserves *(continued)*

	B/f April 2024	Incoming resources	Resources expended	Gift aid payment	Unrealised gain	Transfers and designations	C/f March 2025
Unrestricted reserves	£	£	£	£	£	£	£
Unrealised investment reserve	15,479,706	-	-	-	502,195	-	**15,981,901**
Fixed asset reserve	4,337,424	-	(2,654,420)	-	-	893,059	**2,576,063**
Closure reserve	*9,444,533*	-	-	-	-	*(748,698)*	***8,695,835***
Strategy & business continuity	12,647,417	231,568	(3,217,498)	-	-	4,978,423	**14,639,910**
Other charitable reserves	1,078,705	82,636	(59,605)	530,938	-	(674,306)	**958,368**
Charitable trading	-	3,864,258	(2,105,101)	-	-	(1,759,157)	-
Unrestricted reserves before pension	42,987,785	4,178,462	(8,036,624)	530,938	502,195	2,689,321	**42,852,077**
Pension	-	3,221,000	(616,000)	-	-	(2,605,000)	-
Unrestricted reserves	42,987,785	7,399,462	(8,652,624)	530,938	502,195	84,321	**42,852,077**
Carried forward funds	**43,307,487**	**27,090,091**	**(28,578,634)**	**530,938**	**502,195**	-	**42,852,077**
SfCSL	-	938,020	(463,714)	(474,306)	-	-	-
AOD	6,401	726,131	(669,499)	(56,632)	-	-	**6,401**
Total aggregate funds	**43,313,888**	**28,754,242**	**(29,711,847)**	-	**502,195**	-	**42,858,478**
Consolidating adjustments	-	-	-	-	-	-	-
Total group funds	**43,313,888**	**28,754,242**	**(29,711,847)**	-	**502,195**	-	**42,858,478**

14 a) *Unrestricted charitable reserves*

The charity has a policy of maintaining free unrestricted reserves in order to meet any potential funding gap in accordance with the Skills for Care reserves policy The F&A Committee monitor the reserves policy and underlying assumptions each quarter

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

The F&A 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 are £8 7m (*2024 £9 6m*) At 31 March 2025, charitable reserves of £24 3m (*2024 £23 2m*) were sufficient to fund the maximum potential liabilities and designated requirements agreed by Trustees

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

	2025	2024
	£	£
Unrestricted reserves	**42,858,478**	42,987,785
Investment reserve	**(15,981,901)**	(15,479,706)
Fixed asset reserve	**(2,576,063)**	(4,337,424)
Designated reserves	**24,300,514**	23,170,655

14 b) Specific reserves

Investment reserve: The 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: The value of our fixed assets less accumulated depreciation charged to date This is an accounting reserve only It will reduce to nil when the capitalised assets have been fully depreciated

14 c) Charitable reserves designations to fund:

	2025	2024
	£	£
Strategy & business continuity	**14,639,910**	12,647,417
Closure	**8,695,835**	9,444,533
Other charitable reserves	**964,769**	1,078,705
	24,300,514	23,170,655

14 d) Reserves designations

General Funds: 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

Closure reserve: Funds designated by the Trustees to fund potential closure costs which may be incurred if the company ceased activities in the future

Other Charitable reserves: include funds accumulated from AOD trading subsidiary and reserves to cover core planned activity delivered as part of SfCD

14 e) Transfers

The following transfers were made during the year

Restricted Funds £0.08m (*2024 £2 3m*) **transferred from unrestricted funds are:**

£0 67m represents a charge to DHSC grants for our indirect costs less £0 59m which represents the cost of our unfunded charitable activities

15 Commitments and contingent liabilities

15 a) Commitments under non-cancellable operating leases are as follows:

	2025		2024	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases where payments are due				
Within one year	79,052	39,884	79,052	38,321
Within second to fifth years	-	15,666	-	46,847
	79,052	**55,550**	79,052	85,168

16. Analysis of group net assets between funds

	Restricted	*Unrestricted funds*	*Total*
	£	£	£
Tangible fixed assets	-	**200,040**	**200,040**
Intangible assets	-	**1,831,820**	**1,831,820**
Investments	-	**37,316,752**	**37,316,752**
Current assets	**4,017,409**	**4,254,541**	**8,271,950**
Creditors falling due within one year	**(4,017,409)**	**(644,675)**	**(4,662,084)**
Creditors falling due after more than one year	-	**(100,000)**	**(100,000)**
Net assets as at 31 March 2025	-	**42,858,478**	**42,858,478**
Net assets as at 31 March 2024	319,702	42,994,186	43,313,888

17. Pension schemes

17 a) 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 *(2024 £0 3m)*

17 b) West Yorkshire Pension Fund (WYPF)

Some 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

At the end of the prior year, the trustees had made the decision to exit the scheme The exit from the pension scheme occurred on the 30 June 2024 and a pension exit credit of £2 636m was received in the year

At the prior year-end date, under FRS 102 basis of calculation, the Fund Actuary has calculated the FRS102 valuation of the pension fund position to be a surplus of £17 3m

The recognition of the prior year asset is governed by FRS102 by the amount of economic benefit the Trustees believe will be received by the charity either through a direct refund or through a reduction in future contributions

The Local Government Pension Scheme Regulations do not permit the re-payment of contributions or surplus assets to employers whilst they are an ongoing employer in the fund as was the position at the year-end date However, the Regulations do permit a payment of an "exit credit" to an employer who exits the Fund Therefore, the Trustees considered this position in the prior year in order to obtain this economic benefit for the charity whilst market conditions are favourable

The basis on which an exit position was calculated in the prior year is very different from the basis used for FRS102 calculations The Trustees have therefore previously asked for the value of the exit position to assist in their decision making

Based on the information provided at the triennial valuation at 31 March 2022 and information submitted to enable the FRS102 calculation to be made, the Actuary has calculated the exit position would be a deficit position in the region of c£0 2m in the prior year This is considerably lower than the indicative figure in the triennial valuation due to a change in the Orphan exit criteria

This estimation in the prior year led to the conclusion that no refund from the Fund could be made to support the FRS102 calculated asset being recognised in the balance sheet under the direct refund basis

Under FRS102, for recognition of the asset, we also need to consider the second basis for recognition being whether economic benefit could be gained from a reduction in future contributions The Actuary had not calculated this position

This did not reflect any minimum funding requirement in place therefore any "prospective payments under an existing Rates and Adjustments Certificate could have led to a loss of economic value", giving rise to an uncertainty about the asset value

This calculation was also based on the assumptions that the charity would remain in the scheme until the final active member leaves the Fund, which is estimated at 8 3 years, and that the charity would be able to reduce contributions to the Fund, neither assumption being able to be supported with certainty particularly as current contribution rates include past service deficit funding and are set by the Fund Trustees every three years The decision to exit the scheme in June 2024 meant such economic benefit will not be achieved

Therefore, as the assumptions could not be supported with certainty the Trustees did not believe it is appropriate to recognise the FRS 102 calculated asset in the prior period as realisation of such an asset is uncertain

The Trustees have therefore concluded in the prior year, due to the uncertainty detailed above, to report neither an asset nor a liability at the comparative year-end date The FRS102 calculation for the exit in the year has been reflected for the current year, as detailed in 17c

17c) WYPF actuarial assumptions

The latest formal triennial actuarial valuation of Skills for Care's liabilities took place as at 31 March 2022 In the prior period, liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method

The orphan exit basis deficit valuation as at 31 March 2022 included on the triennial valuation received in December 2022 was £8 48m *(2019 valuation £13 114m)* The ongoing orphan funding target was £6 591m (*2019 valuation £8 836m*)

The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were

Key assumptions (% per annum)	**30 June 2024**	**2024**	2023
Discount rate for liabilities	**5 1**	4 8	4 7
Customer Price Index (CPI) inflation	**2.6**	2 6	2 7
Pension increases	**2 6**	2 6	2 7
Pension accounts revaluation rate	**2 6**	2 6	2 7
Salary increases	**3 85**	3 85	3 95
At last full actuarial valuation			
Duration of liabilities	16 45 years		
Contributions next year	£1 407m		

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	**30 June 2024**	2024
Males		
Member aged 65 at accounting date	**20.8**	21 0
Member aged 45 at accounting date	**21 7**	22 3
Females		
Member aged 65 at accounting date	**24 0**	24 2
Member aged 45 at accounting date	**24 7**	25 2

Asset allocation	**30 June 2024**	2024
	%	%
Equities	**79 5**	79 4
Property	**2 8**	2 8
Government bonds	**7 5**	8 5
Corporate bonds	**4 1**	4 2
Cash	**3 5**	1 8
Other**	**2.6**	3 3
Total	**100**	100

Reconciliation of funded status to balance sheet	**2025**	2024
	£'000	£'000
Fair value of assets	**-**	51,010
Present value of defined benefit obligation	**-**	(33,680)
Unrecognised (asset) see note 17b	**-**	(17,330)
Asset / (liability) recognised on the balance sheet	**-**	-

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

	30 June 2024	2024
	%	%
Active members	25	25
Deferred pensioners	22	22
Pensioners	53	53

Amount recognised in the income statement	**2025**	2024
	£'000	£'000
Operating cost		
Current service cost	**72**	354
Past service cost	149	60
Financing cost		
Interest on net defined benefit liability	**(190)**	(627)
Pension expense recognised in profit and loss	**31**	213
Allowance for administration expenses in current service cost £'000	**3**	5

Amounts recognised in other comprehensive income	**2025**	2024
	£'000	£'000
Asset gains / (losses) arising during period	**406**	2,198
Actuarial (gains) / losses due to changes in financial assumptions	**1,604**	1,164
Actuarial (gains) / losses due to changes in demographic assumptions	**263**	534
Actuarial (gains) / losses due to changes in liability experience	**(51)**	(351)
Total not recognised in SOFA/profit and loss account	**(2,222)**	(3,545)
Pension exit credit	**2,636**	-
Total amount recognised in other comprehensive income and (charged) / credited to SOFA	**2,636**	-

Changes to the present value of defined benefit obligation	**2025**	2024
	£'000	£'000
Opening defined benefit obligation	**33,682**	34,898
Prior year adjustment	**(2)**	-
Current service cost	**72**	354
Interest expense on defined benefit obligation	**395**	1,597
Contributions by participants	**37**	142
Actuarial (gains) / losses due to changes in financial assumptions	**(1,604)**	(1,164)
Actuarial (gains) / losses due to changes in demographic assumptions	**(263)**	(534)
Actuarial (gains) / losses due to changes in liability experience	**51**	351
Net benefits paid out	**(273)**	(2,022)
Past service cost	**149**	60
Settlement	**(32,244)**	-
Closing defined benefit obligation	**-**	33,682

	Skills for Care Ltd *Year ended 31 March 2025*	
Changes to the fair value of assets	**2025**	2024
	£'000	£'000
Opening fair value of assets	**51,010**	47,544
Interest income in assets	**585**	2,224
Re-measurement gains/(losses) on assets	**406**	1,708
Contributions by employer	**291**	1,416
Pension exit credit	**(2,636)**	-
Contributions by participants	**37**	142
Net benefits paid	**(273)**	(2,024)
Settlement	**(49,420)**	-
Closing fair value of assets	**-**	51,010

Actual return on assets	**2025**	2024
	£'000	£'000
Interest income on assets	**585**	2,224
(Losses) / gains on assets	**406**	2,198
Actual return on assets	**991**	4,422

Amount credited to other income	**2025**	2024
	£'000	£'000
Interest income on assets	**585**	2,224
Interest cost	**(395)**	(1,597)
Net expected return on pension assets	**190**	627
Current service cost	**(72)**	(354)
Past service cost	**(149)**	(60)
Net amount (charged) to statement of financial activities (SOFA)	**(31)**	213

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	2025	2024
				£	£
John Coughlan	Birmingham City Council	Independently commissioned to SEND for DfE and part of a commission by the Ministry of Housing, Communities and Local Government (MHCLG) on a corporate best value programme	ASYE Adults (Disbursements)	29,894	17,658
	Bournemouth and Poole Council	Independently commissioned to SEND and social care for DfE	ASYE Adults (Disbursements)	9,494	-
			ASYE Child & Family (Disbursements)	25,000	-
Suzie Bailey	The Kings Fund	Employed as Director of Leadership & Organisational Development	Contract for Services	22,890	-
			Contract for Services	7,800	-
			Delegate place at the annual leadership and workforce summit 2025	204	-
James Bullion	Norfolk County Council	Seconded employee (until June 2024)	ASYE Adults (Disbursements)	31,270	18,000
			ASYE Child & Family (Disbursements)	32,000	64,000
			Secondment costs	54,995	-
			Contract for Services	68,780	-
			Contract for Services	3,864	-
Beverley Tarka	Haringey Council ADASS	Employee (until March 2025) Trustee	ASYE Adults (Disbursements)	7,469	-
			Delegate place at the ADASS Spring Seminar 2025	675	-
			Delegate place at the National Children & Adult Services Conference 2025	606	-

19 Comparative consolidated statement of financial activities

	Note	2024 Unrestricted £	2024 Restricted £	2024 Total £
Income				
Charitable activities	*4*	294,787	37,130,672	37,425,459
Trading activities	*4*	2,247,217	-	2,247,217
Investments	*4*	43,691	-	43,691
Pension	*4, 17*	2,224,000	-	2,224,000
Total income	*4*	4,809,695	37,130,672	41,940,367
Raising funds	*5*	1,307,700	-	1,307,700
Investments	*5*	4,101	-	4,101
Charitable activities	*5*	4,220,378	34,809,002	39,029,380
Pension	*5, 17*	2,011,000	-	2,011,000
Total resources expended	*5*	7,543,179	34,809,002	42,352,181
Net (outgoing) / incoming resources before transfers		(2,733,484)	2,321,670	(411,814)
Transfers	*14e*	2,284,692	(2,284,692)	-
Net incoming / (outgoing) resources before		(448,792)	36,978	(411,814)
Other comprehensive income				
Actuarial gain on pension		0	0	-
Net unrealised investment gain	*9*	3,282,932	0	3,282,932
Net movement in funds		2,834,140	36,978	2,871,118
Total funds brought forward		40,160,046	282,724	40,442,770
Total funds carried forward	*14*	42,994,186	319,702	43,313,888

Glossary of terms

A&R	Audit and Risk Committee
ASC-WDS	Adult Social Care Workforce Data Set
ADASS	Association of Directors of Adult Social Services
AMHP	Approved Mental Health Professional
AOD	Affina Organisation Development Ltd
ASYE	Assessed and Supported Year in Employment
CEO	Chief Executive Officer
COIF	Charities Official Investment Fund
CPD	Continuing Professional Development
CQC	Care Quality Commission
CWP	Care Workforce Pathway
DHSC	Department of Health and Social Care
DWP	Department for Work and Pensions
EDI	Equality Diversity and Inclusion
ELT	Enabling Leadership Team
F&A	Finance & Audit Committee
F&P	Finance and People Committee
GHG	Green House Gases
GO	Good and outstanding care
ICS	Integrated Care System
IE	Individual Employer
LDSS	Learning & Development Support Scheme
LSIP	Local Skills Improvement Plan
LT	Leadership Team
NHS	National Health Service
NHSTD	NHS Transformation Directorate
NIC	National Insurance Contribution
NQSW	Newly Qualified Social Worker
OEG	Oversight Executive Group
OMMT	Oliver McGowan Mandatory Training
OSR	Office for Statistics Regulation
PA	Personal Assistant
PAMMS	Provider Assessment and Market Management Solution
PPN	Procurement Policy Note
QACLS	Quality Assured Care Learning Service

R&N	Remuneration and Nominations Committee
RM	Registered Manager
SC-WRES	Workforce Race Equality Standard for Social Care
SfC	Skills for Care
SfCD	Skills for Care and Development
SfCSL	Skills for Care Solutions
SFIs	Standing Financial Instructions
SME	Small and Medium-sized Enterprise
SOFA	Statement of Financial Activities
ULO	User-Led Organisation
VAT	Value Added Tax
WDF	Workforce Development Fund
WYPF	West Yorkshire Pension Fund

SKILLS FOR CARE LTD

England & Wales - Charity number 1079836

Accounts

Docusign Envelope ID: F60B96D3-DA9D-44F7-909E-5B138745B4A2

Skills for Care Ltd

(Limited by Guarantee)

Trustees' report and consolidated financial statements

Year ended 31 March 2024

Company registered number 03866683

Charity registered number 1079836

Docusign Envelope ID: F60B96D3-DA9D-44F7-909E-5B138745B4A2

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Chair and CEO foreword

We are pleased to present the Skills for Care annual trustees' report for 2023/24. This past year has been one of both significant progress and ongoing change for Skills for Care – matching the challenges and aspirations of the whole sector.

The achievements included in this report and accomplished throughout the year are, I believe, testament to the dedication and strategic vision of our entire team, from trustees to all Skills for Care employees.

The publication of our annual report "The State of the Adult Social Care Workforce in England" has been very influential in supporting policy development for the workforce. We have seen 65% growth in the reach of the report from 3,449 in the six months after the 2022 report to 5,696 in the six months after the 2023 report, due to the hard work from teams in Skills for Care. Thank you to the 20,500 social care providers who give us their data by using the Adult Social Care Workforce Data Set (ASC-WDS).

The Skills for Care Board and executive team will continue to lead and guide the strategic direction of the organisation to ensure we can deliver our strategic aims in line with our organisational values and especially on behalf of the people who rely on us, from every employer and commissioner to every person who draws on support.

At Skills for Care, we know that the work we do would not be possible without the support of providers, stakeholders, and organisations across the adult social care sector, including in central government and especially our colleagues in the Department for Health and Social Care (DHSC).

I am also extremely grateful for the 1.52 million people working with diligence and compassion in the adult social care sector and providing quality care to those who need it.

We continue a journey of great change and have had to sadly say goodbye to dear colleagues and friends in the year due to changes in the way Skills for Care is funded. Looking ahead we are also excited to see what opportunities the future will bring. The next year will bring a general election and we are determined, as ever, to work tirelessly with the government of the day, officials and politicians, to champion what we know to be one of the most important and largest sectors and workforces in the country.

In October 2023, we were delighted to announce plans to develop a new workforce strategy for adult social care to be launched in July 2024. The strategy, which is being so warmly welcomed and supported across the sector, will identify the adult social care workforce needs over the next 15 years and set out a plan for ensuring the sector has enough of the right people with the right skills. We are incredibly grateful for the many individuals and organisations who have worked with us and fed into the development of the strategy, as we know it will only succeed if it is created by the many organisations and people that have a stake in the future of social care.

Next year, in 2024/25, we will keep working on our four strategic priorities (supporting workforce capabilities and culture and diversity, increasing workforce capacity, and improving the social care system). In March 2025 we will publish our next strategy, which will be informed by outcome of the workforce strategy. Internally, I expect our journey of change to continue as we respond to changes in the way we are funded and a changing social care sector.

On behalf of Skills for Care, we would like to say thank you to all providers and employees working in the sector for your hard work and commitment in supporting and providing high-quality care to those who draw on social care services.

We would also like to thank all the partners we work with as so much of our work is enriched by the strong partnerships and relationships with both individuals and organisations from all

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across the sector. We look forward to continuing working with you, to continue building those relationships, and achieving great things together in the future.

Finally, we would like to thank all Skills for Care colleagues for their hard work and dedication in contributing to our work and achieving so much throughout the year. With their expertise and enthusiasm, we can continue to make a real difference to the social care sector.

We hope you find this annual report to be a helpful summary of what we have been doing in the past year – and where we see our collective future. We also hope you will share our ambitions for the future success of this sector and its workforce which are so central to the needs of so many citizens who deserve the best possible service.

Signed by:
John Coughlan
6B61D53E33A3418...

John Coughlan CBE

Chair of the Board

Signed by:
Oonagh Smyth
8202AF854D7947C...

Oonagh Smyth

Chief Executive Officer

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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 2024.

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(1) of the Charities Act 2011 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 they need to live life to the fullest.

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Our mission

Our mission is to support and empower current and future social care leaders, employers and the wider workforce.

Strategic priorities

To achieve our mission and vision we have four strategic priorities:

- 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.

Achievements and performance

Capability

Supporting workforce capability: why is this important?

We know that when people working in care and support roles have the right skills and knowledge, they are more likely to stay in their jobs. For example, care workers who had regular training were less likely to leave their roles than those who didn't. There was a 31.6% turnover rate for those workers with training recorded compared to 40.6% for those who did not have training recorded. Care workers with social care qualifications were also less likely to leave their roles (37% turnover rate for those with no relevant qualification, compared to 26.5% of those that did have a qualification). With almost 30% of people working in social care leaving each year, keeping people in roles is really important.

We want the social care workforce to have the right skills, knowledge, competencies, and behaviours to meet the current and future needs of the population that they serve. To facilitate this, we want employers and decision-makers to see the importance of investing in learning and development. Our role covers three key areas:

- Defining good standards of practice, including developing skills frameworks and qualification specifications.
- Providing workforce development solutions to address any gaps in provision of learning to support good practice.
- Developing the learning market by using levers to encourage delivery and take up of training. This encompasses the availability of funds to make sure that training is accessible and our quality assurance of learning providers.

Our capability work in 2023/4

Our work continued to span all roles that make up the social care workforce. This includes regulated professionals such as social workers, nurses and occupational therapists. Highlights this year include our partnership with the DHSC to develop a Care Workforce Pathway and our commission from the NHS Transformation Directorate (NHS-TD) to increase the digital skills of the sector, both of which are key to achieving the outcomes in our 21-25 strategy.

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Defining good standards of practice: Care Workforce Pathway

We have been working with the DHSC on the Care Workforce Pathway. The pathway sets out the knowledge, skills, values and behaviours that are needed to work in adult social care along with a career structure that shows people how they can develop and progress in their social care careers. It will map existing learning and development and define how that supports entry and progression. It will set priorities for government funding so that more people access the development that they need. We will continue to work collaboratively with key partners on this important piece of work for the sector 2024/25.

Workforce development solutions: Commissioning offer, Digital Skills, Commissioners peer network

Digital skills

In December 2021, People at the Heart of Care and the Adult Social Care Technology and Digital Skills Review were published. Skills for Care did a review of digital skills in social care with IPSOS Mori and NHSX in November 2021. We found that people thought digital technology was important in adult social care but was not being utilised, often because of a lack of confidence, skills and leadership. We developed the Digital Skills Framework (a free resource to help support the development of digital skills in adult social care) with NHS TD. This year we have focused on translating the framework into practical support for the sector and so we worked with NHS TD to develop seven bitesize modules to support the workforce. 50% of participants in the pilots say they are more likely to consider further digital skills training and/or qualifications than they were before doing the modules.

CQC resources

The Care Quality Commission (CQC) are a driver of care quality improvement, and employers value our resources and development support to meet their inspection requirements. This year we developed and delivered a range of tools aimed at supporting managers to adopt the CQC's new inspection framework. Our 'Good and outstanding care' (GO) section of our website, received over 100,000 webpage views; with the most used product being the *GO Online: Inspection toolkit* attracting 60,000 users alone. In addition, our new Delivering outstanding care seminar was launched in January 2024, with the two open-access events delivered to over 70 frontline managers. Our Being prepared for CQC inspection and Improving your CQC rating seminars attracted over 200 bookings across the year. This high uptake was enabled by our marketing activity which saw 73% of all new managers contacted throughout the year.

We have received the following feedback from registered managers about our CQC resources:

"I feel more prepared and less anxious about my next visit due to having a better understanding of the changes" and "The new assessment framework was made easy to understand".

Our Delivering outstanding care seminar similarly attracted positive feedback from frontline managers keen to achieve or retain this rating accolade:

"Very interactive. It was well delivered, and we could contribute with ease. I took lots if examples away"

"The facilitators interacted really well. They knew their stuff. It will be a massive help to our next inspection. I will use everything I gained from it."

Information in Inspection report: *"All staff training was in line with the recommendations of Skills for Care, and the provider had regular contact with their local Skills for Care representative who signposted them to appropriate training."*

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Role specific development

Skills for Care delivers workforce development for specific roles that, represent a relatively small proportion of the adult social care workforce, have potential to disproportionately affect the social care system.

Commissioners are an important part of the workforce because when good services are commissioned then the lives of people drawing on social care will be improved. This is why we have supported 75 people to do our Level 5 Commissioning for Wellbeing Qualification. We have also set up a peer network for commissioners which we launched in December 2023 and by the end of March 2024 we have had 560 commissioners register. Following a commissioners' peer learning event, 88% of attendees rated the session as 'very' or 'extremely' useful.

We gathered five case studies to understand how this learning has been embedded in practice. Below is some of the key learning that those completing the qualification have taken from the course:

"I'm now looking through all the tenders to provide commissioning support that I'm involved in, either leading or contributing to, and looking more at shared outcomes for people. I'm looking at 'I statements' again, considering how we can incorporate them in specifications and how we can monitor them."

"I would strongly advocate more care provider organisations to have the opportunity of doing the commissioning qualification. It's helped me to better understand commissioning strategy, which means I can ensure that our service development plan is fit for purpose and is meeting the needs of the individuals accessing support."

"It certainly has made me engage with the local authority much more proactively and positively…the commissioning qualification has specifically helped me really engage with our local authority's focus on optimising what we are doing and delivering, and how that can increase capacity. That's had an immediate benefit to the individuals that I'm privileged to support."

Developing the learning market:

Disbursement of WDF and ASYE funds

Assessed and Supported Year in Employment

Our Assessed and Supported Year in Employment (ASYE) is a 12-month programme of support and assessment that supports newly qualified social workers in the first year of their career, helping them to stay and develop in social care. The annual evaluation of the ASYE programme continues to demonstrate positive impact for employers and Newly Qualified Social Workers (NQSWs). 85% of local authority employers agree/strongly agree that the programme has had a positive impact on the recruitment of NQSWs. Additionally, 100% of employers agree/strongly agree that the programme has had a positive impact on their practice confidence. We saw an increase of registrations to both the ASYE – adults and child and families increase by around 13% in 2023/4 compared with 2022/23. This indicates a growing demand for this support.

"In the current climate of challenges in respect of recruitment and retention I think we underestimate the impact of the AYSE and how vital it has been on contributing to both…We have amazing social workers who wouldn't have remained in our local authority were it not for the support they have found through the programme." (Child and Family ASYE Lead)

"…a big thank you to the Skills for Care ASYE team who provide support for me (and my support staff), the Assessors and the NQSWs themselves." (Adult ASYE Lead)

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One of our strategic objectives is to provide access to quality learning and development, while reducing financial barriers where possible. We have continued to disburse the Workforce Development Fund (WDF) on behalf of the DHSC and the ASYE adults and child and families on behalf of the Department for Education (DfE).

Through disbursing funding we facilitated:

- 2,036 workplaces to claim mainstream WDF which equates to over 9,500 learners to successfully complete qualifications and learning modules.
- 346 personal assistants and 9 individual employers to achieve over 1,000 learning outcomes.
- 4,379 rapid inductions and 25,156 refresh training courses to be completed.
- 1,718 newly qualified social workers and 175 organisations have registered for ASYE adults funding

We have received positive feedback about the availability of WDF funding:

"Thank you for the meeting yesterday on the Workforce Development Fund. Joining my current organisation led me to seek further training in adult social care, and after researching what was available, I found Skills for Care. Through Skills for Care and discovering the ASC-WDS I was able to access funding for the Level 5 Leadership and Management for Adult Social Care course. The process was seamless and after completing the course, I was successfully able to claim the money back. I found the course highly informative and enjoyable, and I would highly recommend it to other managers in the field."

Quality Assurance of learning providers

Running in parallel with the range of learning and development offer, we also endorse learning providers that deliver courses and qualifications that meet our quality standard. Skills for Care's endorsement badge incentivise learning providers to improve the quality of their provision. In the past three years, we have retained 80% of learning providers. Going into financial year 2024/5, we have 178 endorsed providers on our database. This year DHSC appointed Skills for Care to develop a new endorsed provider offer as part of an ongoing programme of workforce reforms. We anticipate this new offer will be available to training providers in 2024.

Digital skills

Skills for Care did a review of digital skills in social care with IPSOS Mori and NHSX in November 2021. We found that people thought digital technology was important in adult social care but was not being utilised, often because of a lack of confidence, skills and leadership. We developed the Digital Skills Framework (a free resource to help support the development of digital skills in adult social care) with NHS TD. This year we have focused in translating the framework into practical support for the sector and so we worked with NHS TD to develop seven bitesize modules to support the workforce. 50% of participants in the pilots say they are more likely to consider further digital skills training and/or qualifications than they were before doing the modules.

Commissioners

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Future areas of focus for our capability work

We will continue to work with DHSC and sector partners to deliver the next phase of the workforce pathway and guide the investment of government funds so that people are supported with training and professional development that enables progression along the pathway.

Developing the learning market: CQC resources, WDF, ASYE

We will continue to disburse funds for the sector through the WDF and ASYE for newly qualified social workers and will launch our new quality assurance offer for learning providers.

Workforce development solutions: Commissioning offer, Digital Skills, Commissioners peer network

We will promote the uptake of the Level 5 commissioning qualification and the commissioners peer network and launch the Digital Skills bitesize modules.

Capacity

Increasing workforce capacity: why is it important?

We want to make sure enough people are working in social care with the right values, now and in the future. We know that finding and keeping workers (recruitment and retention) are two of the most significant issues facing adult social care. While our analysis shows that the workforce grew by 1% and vacancy rates reduced from 10.6% to 9.9% in 2022/3, there are still around 152,000 vacant posts (State of the adult social care workforce in England, 2022/23) and have a turnover rate of just under 30%.

We want social care to be better understood, more valued and seen as a career of choice to attract more people into the sector. By increasing workforce capacity in adult social care, we can meet growing need, improve quality of care and improve workforce wellbeing. We aim to make a real impact on increasing capacity in the sector through:

- Supporting workforce planning by providing data and evidence about supply and demand and what works.
- Defining good practice by using data and evidence about what works in recruitment and retention.
- Workforce development by creating and maintaining products, resources and training that improves practice

Our capacity work in 2023/4

We have set out on our website our policy position on workforce capacity and what we think needs to happen to make sure that we have the capacity that we need in social care. Our capacity work in 2023/24 focused on supporting the recruitment of under-represented demographics from the UK, and international recruits. We wanted to learn more so that we could support employers to recruit new demographics of recruits.

New Demographics into Care

We know that men and young people are under-represented in adult social care. Due to perceptions of care, the workforce is made up of only 19% of those identifying as men and 8% of those who are under 25 years old. Our New Demographics in Care project took a test-and-learn approach to help develop a recruitment pipeline for target demographics in future years.

We worked with 5 large employers (who employ approximately 25,000 people between them) and 24 intermediary organisations with access to our target demographics. User research with 46 men and young people fed into specific content which were tested with the target cohorts and shared back with the large employers. The findings from the user research, digital

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recruitment and partnerships with career intermediaries fed into recommendations and prototypes for DHSC to take forwards in future years.

When evaluating the usefulness of this project, all the large employers surveyed agreed that the project had potential to be sustained to recruit target demographics longer term, and that the recommendations from the user research and marketing concepts were useful.

Feedback from Youth Development Lead, The Prince's Trust (a career intermediary):

"[Large employer] were great at our Get Hired event. I really like their ethos and communication and they offer the right level of support for young people and the jobs are not domiciliary care which makes them so much more accessible. We have had five [job] offers and a couple of young people still to get interview feedback for, so a good start and I hope we can build our partnership with them."

Large employers involved in the project have said:

"It's been good having those meetings with our peers that feel like quite open, safe forums … Let's share some best practice…We are all experiencing the same challenges. There's been a good vibe amongst everybody. That sort of camaraderie and happy to help mentality."

"We plan to make changes to our recruitment practice based on what we've learned now that information has come to us."

"There's been a lot of insight and there's been a lot of value … We haven't really scratched the surface in terms of what we can do and what we will do on the back of this."

To disseminate learning from this project, we developed a guide to support employers to recruit men and young people. This was promoted through our Registered Manager newsletter. The combined open rate for the newsletter over a two-month period was 3,182.

International recruitment

International recruitment was a key DHSC priority in 2023/24, with significant growth in the numbers of international recruits coming into the sector via the shortage occupation list. Skills for Care played a key advisory role via the DHSC National International Recruitment Steering Group. Skills for Care's unique positioning and ability to bring quantitative and qualitative insights has enabled the promotion of good and ethical practice and provided a mechanism for DHSC to engage with the sector.

With partners, we developed an international recruitment toolkit to help employers understand how to recruit and to do so ethically. This was launched in the final quarter of 2023/24 following ministerial sign off. At the time of writing, the toolkit has already been accessed 1,283. We have noted that visits to the international recruitment webpages have increased by 81% in the past year from 10,084 in 2022/23 to 18,246 in 2023/24. A series of webinars for employers on best practice in international recruitment were attended by over 600 participants across the year, with a total of 67% of respondents stated that they were more confident about recruiting from abroad after attending the events.

Recruitment and retention

We have provided 13 webinars and 3 online resources to the sector during this year to engage on existing evidence-based recruitment and retention good practice. Our 'What works' offer for employers has seen us deliver workshops to cover a variety of different areas to help employers understand different approaches to recruitment and retention, including mandatory areas. This offer has included workshops on core topics employers tell us they need help with:

- Safe and Fair recruitment
- Disclosure and Barring Service (DBS) checks
- Disability Confident Webinar

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- Values based recruitment toolkit
- Flexible recruitment guide
- Social media recruitment
- Retention webinars

A total of 80% of attendees that joined the Disability Confident webinar reported feeling more confident to look at different approaches to support disabled colleagues after the event.

Our values-based recruitment toolkit has received over 73,700 impressions across various social media platforms.

Over 81% of employers who attended our retention webinar agreed that the content would help them review practice.

Future areas of focus for our capacity work

Capacity will be a central focus in driving implementation of the workforce strategy; working with sector partners on plans to grow and retain the workforce to meet demand modelled in our strategy. We are pleased to have laid the foundation for a sustainable recruitment pipeline for under-represented demographics in 23-24 and have plans to expand strategic engagement around recruitment and retention of new demographics, including international recruits. We will also continue to support employers to access our data and insights and adopt best practice tools and resources to reduce staff turnover and improve vacancy rates.

Culture and Diversity

Supporting culture and diversity: why is it important?

We want to see a more equal, diverse and inclusive workforce that builds positive workplace cultures and represents the communities that it serves. A culture of inclusion promotes employee engagement, satisfaction and retention. When this culture is present, it fosters a sense of belonging among employees. We want to see a workforce that provides opportunities for underrepresented groups to progress in their chosen careers and works to eradicate discrimination, bullying and harassment.

Our analysis of the ASC-WDS dataset and insights from our 'State of the adult social care workforce' publication reveal disparities in the demographic makeup of different job functions. Notably, there is overrepresentation of males and individuals of white ethnicity in senior positions compared to frontline roles. Senior roles, such as registered managers and senior managers are occupied by around 18% of minority ethnic groups, when these groups represent 26% of the workforce as a whole.

Our culture and diversity work

The Messenger Review was commissioned by the Government in October 2021 to make recommendations on improvements to how health and social care is led and managed in England, and we supported to realise the recommendations on equality, diversity inclusion and leadership. This year we significantly contributed to the sector's evidence base to support practice. We also delivered and augmented existing products to include anti-racist practice and specific advice relating to LGBTQIA+ groups and were a key partner in the Messenger Implementation group.

Social Care Workforce Race Equality Standards (SC-WRES)

We see a diverse workforce in social care as a source of capacity and retention for the sector and therefore central to our outcomes for the workforce. Following the closure of the DHSC funded pilot, we continued working with local authorities to sustain the use of SC-WRES in the social care sector. We supported 23 local authorities to submit data against indicators that measure race equality by comparing the experiences of white staff with those from a minoritised ethnic background.

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We published the findings in our National SC-WRES Annual Report (2023), which showed that people from a minoritised ethnic background were disproportionately more likely to encounter bullying, harassment, formal disciplinary procedures, and fitness-to-practice processes, and less likely to move into Leadership roles.

While the SC-WRES Annual Report gave a national picture of issues around race disparities, Skills for Care supported the local authorities to develop specific action plans through community of practice sessions, resources and advice. Action plans are a vital output of the SC-WRES because they are used to drive improvements. All 23 local authorities have considered revisiting existing or developing new action plans and 22 of the 23 are planning to submit them to Skills for Care for review.

A selection of feedback from participating Local Authorities:

"Being part of the SC-WRES means we have the framework and support from Skills for Care to analyse our data and take meaningful actions. Which we hope will have a positive impact for our workforce and the communities we support."

"Being part of the SC-WRES...has enabled us as a [Leeds] council to hold a mirror up to ourselves and deal with what we have uncovered, warts and all. It has also given a 'voice' to social care staff from ethnically diverse backgrounds, to share their experience of racism that they have encountered in the course of undertaking their social work role as well as the disadvantage and bias they have faced in their career progression. The biggest measure of success is going to be measured by our ethnically diverse staff reporting that their experience has improved as a result of the work we will be delivering through the WRES Action Plan".

Leadership and EDI

We have reviewed and updated all our leadership programmes to ensure that they incorporate principles of equality, diversity, and inclusion (EDI) and ran a campaign focused on workplace culture, highlighting the important role of leaders, measures to promote equality, diversity, and inclusion, and the benefits of a positive workplace culture. We had 1,884 views on the campaign landing page in June. Our blogs and articles during this campaign attracted a total of 1,535 unique page views. An example resource the campaign signposted to is our Wellbeing Resource Finder, which 80% of respondents rated as extremely useful.

Moving up

We continued to provide the Moving Up programme, which supports individuals from Black and Asian minority ethnic backgrounds to develop leadership skills and confidence to access more senior roles within the social care sector. Compared to the previous year, we have expanded our reach by increasing the number of cohorts accepted from one to six. Each cohort consisted of 40 participants.

Some of the feedback from programme attendees include:

"The host and team are amazing. would love to have a reunion in the future"

"A really good course delivered a great manner-all presenters were really good and engaging made me and the wider group feel comfortable with sharing our experiences"

"Excellent program, should continue, very much needed. would be great to connect attendees with opportunities at the end, e.g. board positions, leadership roles"

Future areas of focus for our culture and diversity work

It can be hard to measure culture to make the invisible, visible. That is why we applaud local authorities who participate in the SC-WRES, publish their findings publicly and collaborate on developing action plans. In 2024, we will work with more Local Authorities, establishing regional support for the quality improvement programme.

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The coming year will see further development our Allyship Programme, Collaborative & Inclusive Leadership and innovative Registered Managers' mid-career development programme. We will also promote and deliver further Moving Up cohorts, as well as continued support for Messenger implementation.

Systems

Improving the social care system: why is it important?

Our long-term strategic objective is to see a social care system that is well funded and reformed so that we have the right number of people with the right skills, in the right jobs. In 2023 the DHSC published its Next Steps for Putting People at the Heart of Care. This has provided us with a set of reforms that we have worked collaboratively with all our partners to take the steps to deliver improved outcomes for those who draw on care and support.

Our role in the systems space is to:

- Workforce planning to work with systems bodies across sector boundaries to support work
- Develop the data and evidence to define what good practice looks like in this space by maintaining and reporting on the ASC-WDS system
- Develop the workforce and plugging gaps as required to achieve this

We want to work with colleagues in health and other stakeholders to ensure that those involved in the integration of health and social care understand the importance of social care. People's needs are changing in our communities, and we need to make sure that they get joined up, quality health and social care support.

Our systems work in 2023/4

Workforce planning: Integrated Care System (ICS) engagement, networks

We want to support health and social care systems at a national and local level to use our data and insight to shape effective workforce planning and commissioning practices. This will in turn raise the standards in this area, allowing a properly resourced workforce to meet the needs of the people they support.

ICS engagement

We have kept representation on 75% of people boards and 65% of advisory boards and taken every opportunity to promote social care to colleagues working in integration, meeting chief people officers and workforce transformation leads and speaking at events including at the NHS Confederation Expo. We have:

- Improved engagement with ASC across 8 prioritised ICSs, with quarterly reporting against internally set baselines and baseline production for all 42 ICSs.
- Organised two national webinars/events showcasing emerging best practices in engaging ASC, with 80% of attendees reporting improved understanding or insight into engaging the sector.
- Presented at a minimum of six national ICS/System Integration conferences/events, contributing to enhanced ICS knowledge and understanding of adult social care engagement.
- Produced 10 additional best practice case studies, attracting 1,138 visits to the case studies page on the website. The Integration webpage saw an increase of 112% compared to the previous financial year.

Networks

We continue to support our Registered Manager (RM), Duty Manager and Chief Executive Officer (CEO)/ Nominated Individual (NI) networks. Given their central role to social care, we

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maintain a series of channels, which allows managers and leaders to convene. Through the networks, members can benefit from:

- Informal peer support
- Share market intelligence
- Highlight best practice
- Discuss tools that develop strategy, commission and workforce planning

We have facilitated ICS attendance at 48 registered manager networks, increasing provider involvement in ICS activity. Efforts to engage registered managers, nominated individuals, and CEO networks have resulted in all networks having awareness of the integration agenda and being actively interested in engaging with local ICSs. Our 'Understanding integration' campaign aimed to enhance understanding and engagement with ICSs among social care providers. To accompany this, we held webinars for registered managers to share practical ways to build relationships with ICSs have help build relationships across the sector.

Develop data and evidence: ASC-WDS

We continued to develop data and evidence that supports workforce planning and collaboration across systems, defining and promoting good practice and providing workforce development to achieve it. This work is vital to achieve workforce capacity and development aims. We have engaged with the sector using our established communication channels to promote awareness and understanding.

ASC-WDS develop & maintain service delivery

Our ASC-WDS service continues to collect the raw data from which we create our insights used by decision-makers in the sector. We have achieved 53% coverage of registered CQC providers – a 2% increase on the previous year despite a growth in providers – this allows us to create analytical outputs that reflect the workforce in the regulated market at present. We have improved the service by introducing questions on international recruitment and allowing people to record digital training and digital job roles.

The analysis carried out on the ASC-WDS dataset is used by Government and sector. Recent uses include the Independent Chief Inspector of Borders and Immigration Inspection report on the immigration system and Social Care Minister, Helen Whately (MP) during a debate in Parliament. We published our two flagship reports for the sector again this year called 'The state of the adult social care workforce in England' and the 'The size and structure of the adult social care sector and workforce in England' Downloads of these reports have grown each year of our 21-25 strategy. Following the online launch of our 'State of adult social care workforce in England' report, 94% of those that attended said that they were 'likely' or 'very likely' to use this data as part of their role.

Many of the direct quotes that we gathered from those in attendance echo this sentiment:

"Such an important source of data that will help to continue driving the ASC sector and workforce in the right direction."

"The speakers were excellent and each offered unique insights and perspectives in answering the questions after the main findings. Kings Fund and NHS perspectives also helped a great deal."

"How continually important this data and a workforce strategy is to continue elevating the positive impact that social care has on people's lives and the economy. Without robust data we cannot drive forward change and sustainability."

"All the info shared from within the report is relevant to my role. Really interested to hear more about the workforce strategy."

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We launched our marketing campaign 'Making a difference with data' to promote the launch of the two reports to the sector. This promotional activity saw the 'State of adult social care in England' report viewed 11,105 times during this period alone.

We have continued to offer analytical services to organisations that seek to commission outputs from our team. We strive to provide a service where raw data is transformed into actionable insight. We have supplied analytical reporting for organisations such as local authorities, universities and private sector companies.

Future areas of focus for our systems work

We will launch the social care workforce strategy in 2024 and continue to support integrated care systems to plan for the adult social care workforce. We will keep our high levels of engagement and networks and continue to promote our high-quality data and intelligence to shape effective, integrated workforce planning in health and social care.

Related parties and strategic partnerships

As part of the Skills for Care and Development Alliance, our close strategic relationship with the other six partner organisations continues to grow. This important relationship allows us 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 continued to work with colleagues at DHSC to influence the development of a range of activities, particularly within the workforce reform agenda, including the Care Workforce Pathway for adult social care and the Care Certificate qualification. We also engaged with other government departments including the DfE and the Department of Work and Pensions (DWP).

Through our role leading the development of a workforce strategy for adult social care we have engaged with a very wide range of individuals and organisations from across the sector – including organisations representing care providers, commissioners, care workers, regulated professionals and people who draw on care and support, as well as sector bodies including the CQC. We also met with Government ministers and representatives from all political parties, to keep them up to date with the insights coming from this work.

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 and the organisations that represent them. This engagement enables us to seek to ensure that policy decisions will achieve positive outcomes for all.

We work closely with the Association of Directors of Adult Social Services (ADASS) at a national and local level and the Local Government Association (LGA) to align our work across the sector. Our strategic relationship with the National Care Forum (NCF) continues with a view to furthering the good history of collaboration between our two organisations.

Key activities included: convening roundtables with the leaders of large national employers focusing on the development of the workforce strategy; the delivery of The Managers Conference in partnership with NCF, which attracted over 250+ frontline managers; close partnership working with The Outstanding Society including co-producing an updated edition of the Good and Outstanding care guide ahead of changes to CQC inspection changes; working with DHSC and sector partners to co-develop voluntary guiding principles to support person-centred, safe and effective delegation of healthcare activities to care workers, including personal assistants; delivery of engagement activity on behalf of/in partnership with, NHS-TD, to specific audiences including: ICS Chief People Officers; Registered Managers; Digital Champions. We continue to meet regularly with NHS Employers, as well as Partners in Care & Health to discuss commonality, develop joint resources and share learning. In March

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we published our Culture Benchmarking Tool for ICS's. We continue to meet with NHSE System Transformation (now System Architecture) Team.

We continue to convene frontline care workers on a quarterly basis as part of our delivery of a Care Worker Forum (CWF) – in 2023/24 this included close work with the Care Workers Charity to recruit and run sessions involving DHSC focused on the Care Workforce Pathway; the participation of the DHSC in forums and groups convened by us including our Registered Manager Reference Group (RMRG); and delivery of our third annual national event for nominated individuals, with a focus on digital transformation and digital skills.

Skills for Care's area teams continue to maintain close relationships with key stakeholders and continue to have an important role at a local level in informing, intervening and influencing on behalf of the sector.

We engage with every ICS in England and are represented on or have recently been invited to join 78% People Boards / Workforce Steering Groups. Area teams report Skills for Care's ability to influence is 'good' or that we are occasionally able to influence for 93% of ICS people functions. Alongside representation of strategic workforce groups, we are members of almost 150 operational workforce sub-groups across the 42 ICS's.

Area teams continue to work closely with local partners, including providers, care associations and others in the delivery of local / regional networks.

Throughout 23/24, Skills for Care locality teams reported extensive or moderate engagement with all 151 Local Authorities in England, ensuring we effectively deliver the Skills for Care offer and wider DHSC initiatives & priorities.

This engagement activity and the achieving of DHSC work programme KPIs involves close collaborative working with Directors of Adult Social Services (DASS's), AD's, commissioners, procurement and workforce development leads across the country, supporting their strategic workforce planning, workforce shaping with the use of our ASC-WDS data and with integrated working with their ICS system.

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

Structure, governance and management

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 2024 was 8 *(2023: 10)*.

Appointment of Trustees

As set out in the Memorandum and Articles of Association, the board appoints the Chair of the Board of Trustees. Trustees are appointed through a recruitment process and a role specification is used in the selection process. The Chair of the Board leads the recruitment process, and the Remuneration and Nominations Committee (R&N) regularly considers succession planning and the skills and knowledge of trustees to identify any gaps and feed into recruitment. Trustees can serve up to two three-year terms (with an additional term in exceptional cases agreed by the board), this includes the Chair. The membership of the board is kept under review and re-aligned as appropriate.

Trustee induction and training

The Chair and CEO 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

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and decision-making process, the DHSC 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 meetings and external meetings and events where these will facilitate the undertaking of their role.

Organisational structure

The Board of Trustees administer the charity and meet at least four times a year to make strategic decisions regarding the charity. There are standing committees covering Finance and People (F&P), Audit and Risk (A&R), and Remuneration and Nominations (R&N). From 1 May 2024, the board has agreed to combine the Finance & People and Audit & Risk Committees into one Finance & Audit Committee (F&A).

A CEO is appointed by 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 CEO is supported by the Deputy CEO and the Leadership Team (LT).

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 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 either a trustee questionnaire, a self-assessment by executive colleagues, or a full external evaluation. All three evaluations are an assessment against the Charity Governance Code principles and identify areas for improvement.

In 2023/24 we undertook a light touch evaluation review which consisted of the Governance team updating the self-assessment and trustees and LT colleagues completing a survey to give their views of how our governance rates against the principles of the Charity Governance Code and were invited to give feedback and make suggestions for continuous improvement. The findings were presented to trustees in March 2024, where a series of recommendations were agreed. The immediate actions identified are being completed over the course of the following 12 months, and some longer-term considerations will feed into the full governance review process which is planned for later in 2024/25.

The board continues to regularly evaluate its ongoing performance by reviewing the effectiveness of every board and committee meeting to ensure they meet their objectives. Trustees are also encouraged to feedback on the performance of the board and to suggest any improvements through one-to-one discussions with the Chair of the Board.

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

The trustees have considered the disclosure requirements of The Companies (Miscellaneous Reporting) Regulations 2018 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) and Regulations 2018 and how they apply to the Skills for Care Group. While we are not mandated to make such disclosure, we believe it is best practise to report what actions we are currently taking to comply with them.

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 Skills for Care Ltd and its subsidiaries, Affina Organisation

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Development Limited and Skills for Care Solutions Limited (Collectively known as the Group), 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 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 employees,

(c) the need to foster the Group's business relationships with suppliers, customers and others,

(d) the impact of the Group's operations on the community and the environment,

(e) the desirability of the Group to maintain a reputation for high standards of business conduct, and

(f) the need to act fairly as between management members of the Group.

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 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.

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. We remain flexible in our approach to delivery and engaged with all concerned 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 embrace using Teams and Zoom for our meetings with our colleagues which ensure we are engaging not only with our own team but also 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, now to be Finance and Audit 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

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by the A&R committee (now to be the Finance and Audit committee) to ensure all objectives are aligned and risks mitigated for each individual organisation within the group.

As our main funders move to a competitive tender model 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 have calculated our carbon footprint across scope 1, 2 and partial 2 carbon emissions and have achieved public procurement PPN 06/21 compliance using the Government approved Green House Gases (GHG) Protocol and have been able to pinpoint the carbon hotspots within our organisation to develop a PPN 06/21 compliant carbon reduction plan which is available on our website for external stakeholders.

Internally we have developed an implementation plan with steps to reduce our emissions year on year, overseen by our Enabling Team taking forward the actions and championing our approach.

Streamlined Energy and Carbon Reporting

The company consumes less than 40,000 kWh of energy each year, therefore energy efficiency disclosures under the Streamlined Energy and Carbon Reporting (SECR) regulations are not disclosed. On a consolidated basis, there is no additional disclosure on the basis that all subsidiary companies are not required to report under the SECR in their own right due to either being non-large companies or consuming less than 40,000 kWh of energy annually.

We continue to review ways in which we can reduce our carbon footprint and the business miles we incur. We have continued working from home for the majority of staff, we have maintained our smaller Leeds office of 24 desks and one meeting room reducing the number of colleagues working in an office environment. We continue to review the way we work and engage with the sector to reduce our emissions. We are looking at our third-party suppliers to ensure that we engage with suppliers who are committed to reducing their carbon emissions.

Risk management

Skills for Care has a defined risk management framework to assess, 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 with associated escalation processes.

Throughout the year LT reviewed the significant risks and uncertainties facing the organisation through the corporate and directorate risk registers. Regular in-depth reviews were undertaken by LT for known key risks and emerging risks, looking at cause and effect and looking at key mitigations. LT reviews key risks monthly as a minimum and more frequently should key risks change significantly or as emerging risks are identified either from projects, the sector or wider funding landscape. Risks are reported to and reviewed quarterly by the A&R Committee, their remit is to seek assurance that risks are being well managed and ensure that any major risks requiring further consideration or further actions are reported to the board. A&R members are also responsible for identifying, with LT, a number of activities for internal audit each year as part of the risk assurance framework; 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.

Risks are reported by exception to both A&R and the board, any risks that exceed the risk appetite of the organisation are reported along with new and emerging risks. The risk appetite for the organisation has been set and agreed jointly by the board and the leadership team.

At each A&R meeting, members review the corporate risks, appraising key risks facing the organisation together with any emerging risks, for example project risks escalated by LT. Each quarter A&R members review an area of key risk in more depth undertaking a “deep dive” to gain greater insight and assurance of the risks facing the organisation.

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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 aware of, are reported as part of the CEO report.

Both trading subsidiary companies have risk registers which are reviewed by each individual company board and routinely reviewed by the F&P Committee. The risk registers for both subsidiaries follow the risk management framework but have different risk appetites appropriate to the differing objectives of the subsidiaries.

During the year, the major risks reported to the board arose from uncertainty around future funding from our main funder, most notably WDF. The majority of work historically funded by grant funding will now be tendered therefore our funding risk has remained high throughout the year and the true impact of this may not be clear until 2024/25 is in progress. There has been a transitional agreement for some areas of work for 2024/25. The impact of the uncertainty increases the risk to our reserves whilst Skills for Care bids for tenders and we balance the need to retain skills to deliver any potential contracts. Skills for Care is undertaking further strategic review to ensure we retain the right skills and capacity to deliver our strategic objectives.

Reference and administrative information

On 31 March 2024, there were 8 board members.

Trustees	**Date of appointment or resignation**
John Coughlan *(Chair)*	
Suzie Bailey	
Louise Bladen	Retired 19 July 2023
James Bullion	
Peter Chambers	Appointed 1 April 2024
Gillian Day	
Penelope Fell	
William Mumford	
Amanda Thorn	Retired 27 March 2024
Naser Turabi	
Mark Ward	

Chief Executive Officer (CEO)
Oonagh Smyth

Deputy CEO
Tristram Gardner

Audit & Risk Committee
Louise Bladen (Chair) (until 19 July 2023)
Suzie Bailey (Chair) (from 19 July 2023)
Penelope Fell (until 19 July 2023)
William Mumford
Peter Chambers (from 1 April 2024)

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
Gillian Day (Chair)
James Bullion
Amanda Thorn (until 27 March 2024)

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Naser Turabi
Mark Ward

The Finance & People Committee oversees the group's 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.

On 27 March 2024, the board agreed to establish a new Finance & Audit Committee in the place of the Finance & People and Audit & Risk Committees, from 1 May 2024. The purpose of the Committee is to review, scrutinise and monitor all issues relating to the financial position of the organisation, and to ensure the board meets their responsibilities in gaining the assurance needed on compliance, risk management, internal controls, and on the integrity of the annual report and accounts, and through the supervision of the quality, independence and effectiveness of both the internal and external auditors.

The membership of the committee will be:

Finance & Audit Committee (from 1 May 2024)
Gillian Day (Chair)
Suzie Bailey
Peter Chambers
Naser Turabi
Mark Ward

The terms of reference will be agreed at the first meeting of the committee in July 2024.

Remuneration & Nominations Committee
John Coughlan (Chair)
Suzie Bailey
James Bullion

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.

Company references

- Skills for Care Ltd; 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 Ltd; Company number 13778192 *(Dormant)*

All accounts are drawn up to 31 March.

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Principal and 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

Auditors

The trustees appointed auditors for the group for a period of five years to act for the audit of the financial years up to and including the audits for the year ending as follows:

- Brown Butler as external auditors 31 March 2024.
- RSM as internal auditors 31 March 2025.

As the end of the appointed terms are coming to an end, new tenders are being planned to take place during 2024/25.

Financial review

Skills for Care's strategic priorities and annual deliverables set out in detail within the Trustees' report Strategic review section above are underpinned by our strategic enabling priorities.

Risk management, financial internal control environment and assurance

The Skills for Care board operate within a defined risk management and governance framework and internal control environment and seek appropriate assurance on our management of strategic and enabling operational risks.

To manage SfC financial risks, the board approve the budget and standing financial instructions (SFIs) each year which set out the context of our internal control environment from scheme of delegation through to signatories on bank transactions. To enable colleagues to comply with these instructions we have several policies, processes and standing operating

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procedures in place underpinned by guidance including roles and responsibilities provided to our budget holders and budget keepers.

The Skills for Care board seek assurance on the management of risks including financial from a combination of first- and second-line internal assurance, including review of financials and treasury management by the F&P Committee. Where first and second line is insufficient, we seek third line independent assurance from relevant specialist consultants, including legal advice from lawyers, treasury management from CCLA our investment manager and our internal auditor and external auditor appointments.

Independent assurance was sought last year on GDPR and Data protection risks by commissioning Evalian to support the development of a remediation plan to implement the recommendations, which was completed this year.

Internal audit assurance: Skills for Care reappointed RSM as internal auditors to provide independent assurance and advice on the operation of the internal control environment. An annual audit programme taken from our rolling five-year plan, overseen by the A&R Committee, was agreed for 23/24 to include five compliance audits: disbursements, creditors & procurement, treasury, debtors & cash management, compliance and digital cyber security controls. There was also one advisory review of implementation of our performance reporting framework developed this year and a follow up on 16 recommendations from prior audits. Five of these recommendations related to cyber security which were included in this year's audit and the remainder were satisfactorily implemented.

External audit assurance: Skills for Care reappointed Brown Butler as external auditors and while they perform the statutory audit as part of this, they highlight areas for improvement in our internal financial controls on which they report to the board, and we address each year. Their report following last year's audit states that they have not identified any significant deficiencies in internal controls during their audit work and believe that the controls evidenced during their work are adequate for the group and that the group appears to be working proactively, with the use of external advice to seek continuous improvement.

On the introduction of the new combined Finance and Audit Committee and new board membership from April 2024, we are now reassessing the 24/25 annual risk and assurance plan, including the existing five-year rolling assurance plan. This plan will include financial controls and high-risk areas where we may require further third line assurance.

External audit assurance is also required by our funding contracts and grant agreements. In particular, Brown Butler perform a separate external audit assurance certificate for the DfE ASYE disbursement funding contract. Skills for Care does not carry out any significant fundraising activities to raise funds from the public.

Note 4 and 14 of the financial statements is detailed so it includes sufficient detail of DHSC grant and contract funding in line with the DHSC funding agreements.

Group financials

We continued to plan for potential future financial funding scenarios for 24/25. Future scenario and financial planning will continue with management and the board in line with our strategy.

For 23/24, we planned and agreed an annual budget for the group to manage its charitable resources within indicative funding available and the Board agreed to fund up to £5.4m from charitable reserves to resource 23/24 strategic priorities in line with our agreed strategy.

Actual group financial performance for 23/24 compared to budget is an improved position as set out on the Statement of Financial Activities (SOFA) on page 32, resulting in £0.4m reserves utilised, which is below budget.

Incoming resources

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Before FRS 102 pension interest, the Skills for Care Group achieved a 16.6% increase in income and 21.2% increase in use of resources compared to last year. There was a £5.6m (17.9%) increase in restricted income and £0.06m (2.7%) reduction in trading income, although this exceeded the budget. The detail of income is set out in note 4.

Within restricted activities, DHSC income increased by 21% largely due to £5m additional Workforce Development funding we received and disbursed out to the sector.

Net incoming resources after FRS102 pension interest income and before 'other comprehensive income' is a net £0.45m loss on unrestricted funded activities and £0.04m surplus on restricted funded activities resulting in an overall £0.41m loss (*2023: £0.03m surplus*).

Other comprehensive income/spend was £nil (*2023: gain £0.5m* - pension actuarial gain explained in note 14 and 17) There was an unrealised investment gain of £3.3m *(2023: loss £1.5m)* as set out in note 9 and 14. Both are outside the trustees' control.

The overall group financial result is a £2.9m surplus (*2023: deficit £0.9m*) net movement in funds.

Incoming resources

We invested resources into our commercial function as our financial operating model is changing from largely a DHSC grant funded model to bidding to secure commercial tender income. Of our commercial budgeted income of £11m we achieved £9.3m including £6.9m in non DHSC restricted income and £2.2m trading subsidiary income. See note 4 for details.

Charitable activities

DHSC funded activities: Our main client, continued to provide restricted grants and some commercial funding for the delivery of our extensive annual work programme aligned to their priorities. Total funds for the year were £27.9m (*2023: £22.4m*), a 24% increase on last year. This is due to an additional grant of £5m to uplift the funding available for WDF. The total cost of the DHSC work programme was funded by DHSC and by Skills for Care securing some sector co-funding as set out in note 14. £2.2m ASC-WDS activity is funded by a DHSC commercial contract.

Other charitable activities: We were successful in securing £6.9m charitable restricted funding (*2023: £6.5m*) an increase of 6% (*2023: 14% decrease*). This includes £6.1m (*2023: £5.9m*) DfE contract to disburse the Child and Family ASYE.

Skills for Care and Development (SfCD) UK activity generated £0.09m (*2023: £0.09m*) from its UK partners where Skills for Care is the host and England partner.

In addition, charitable funding from other funders of £0.05m (*2023: £0.6m*) was deferred in creditors as activity relates to next year, as set out in note 12.

Trading activities

Trading activity accounted for in the subsidiaries is set out in notes 3, 10 and 14. We generated £2.3m (*Budget £1.9m) (2023: £2.3m*) a nil% decrease *(2023: 30%)* on prior year.

In addition, £0.6m (*2023: £1.2m*) income was secured relating to 2024/25 delivery, so deferred in group creditors as detailed in note 12.

Our activity within Affina Organisation Development Ltd (AOD) reduced as 2023 was an exceptional year when we exceeded £1m income barrier for the first time since inception.

Pension £2.2m *(2023 £1.3m)* FRS102 pension interest and the Trustees considerations for the treatment of the pension asset is set out in note 17, the detailed figures disclosed being provided by the Actuary.

Resources expended

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The charitable group expended £42.4m resources on its strategic priorities, compared to £35.3m last year. The main increase was because we were successful in securing £5m additional WDF DHSC funding, which we then disbursed to the sector.

In line with our strategy, we make sure that we assess and plan financial resources. People, 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 allocate our resources where appropriate to ensure we delivered priorities within budget, provide value for money and ensure spend is eligible, within funder's terms.

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

Throughout the year, we maintained a continuous effort to manage our third-party costs, our people, digital and other essential corporate enabling resources, by seeking competitive tenders, delivering in-house or changing the scope to achieve value for money. We ceased some activity and paused some to defer to next year such as Digital investments and the Pension exit, which means that actual 23/24 reserves spend was less than the agreed budget.

Our disbursement funding to the sector continued to be carefully managed, in line with grant arrangements and tenders.

Our key resource asset base, excluding disbursements, is largely people. Whilst some people savings were made in the last quarter of the year, due to a recruitment freeze, People spend this year was significantly more than last year, as set out in note 7.

Our People Directorate continued to oversee our People strategy and all people related activity. Priorities continue to support delivery of our strategy by attracting and retaining highly talented, engaged and committed people. We continued to focus on personal development and growth specifically with our Senior Management Team. We have completed a consultation process to exit our existing defined benefit local government pension scheme and it has been agreed that we will transition affected colleagues onto an alternative defined contribution scheme (Note 17).

Our Belonging strategy – which is our internal equality, diversity and inclusion activity has focused on Allyship and Neurodiversity.

Following the investment in our internal operational infrastructure including transitioning to a new HR system we have been cleansing our data and implementing the functionality of the system to support internal operations. This has complemented the introduction of our revised performance management process IMPACT to encourage greater support, development and performance management of our People.

Continual growth and positioning Skills for Care well for the future in a changing external context to achieve greater focus on impact, increasing our commercial offer and transforming our digital ambition, the leadership team embarked on an organisational change programme which has included responding with changes to roles and responsibilities and structures to support a new way of working. We have invested in new digital roles, centralised our commercial delivery team and expanded our strategic operations and project management teams to support a programme of internal improvements.

Total funds carried forward

All funds received during the year and expenditure incurred are shown in the Statement of Financial Activities.

The detailed movements in specific restricted and unrestricted funds are shown in note 14.

Reserves policy

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The charity has a charitable reserves policy of maintaining unrestricted charitable reserves. The Finance and People Committee (Finance & Audit Committee from 1 May 2024) 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

Unrestricted Charitable reserves of £43.0m (*2023: £40.2m*) 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 financial difficulty.

There are sufficient charitable reserves to fund the actual and potential liabilities as set out in note 14 and estimated pension liability in note 15b now a decision has been taken to exit the pension fund in June 2024.

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.

The company has restricted reserves of £0.32m *(2023 £0.20m)* funding carried forward to support DHSC activities planned for the following year.

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 throughout the year was CCLA Investment Management Limited, who manage the portfolio on a discretionary basis within agreed risk and return objectives. The portfolio is invested in a blend of CCLA 's specialist COIF charity funds. The Funds held during the year were the Ethical Investment Fund (annual management charge (AMC) 0.60% rebated to 0.50% for balances over £10m); the Fixed Interest Fund (AMC 0.22%) and the Charities Property Fund (AMC 0.65%).

We have an unrealised gain of £3.3m as shown in note 9. The total return on our investments during the year was 9.5%. The investment objective is to achieve long term growth to maintain the real spending power of our reserves; the rate of return in any one year will depend substantially on market conditions in the underlying asset classes.

At approximately 46% 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 therefore substantially reflects the strong returns from equity markets over a period in which inflation and interest rates were moderating and company earnings held up well on average. 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. These other asset classes had some weakness during the period due to interest rates and inflation remaining higher for longer than anticipated by markets.

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

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from CCLA and if funds decrease by £0.1m between valuations, the Chair of F&P Committee is provided with an explanation.

The Company has a policy of placing funds which are 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 3.95% - 5.15% (*2023: 0.05% - 1.0%*) on cash balances.

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.

Approval

The trustee's report, which incorporates the Strategic report, is approved by the Board of Trustees on 21 August 2024 and is signed on its behalf.

By order of the board

Signed by:
John Coughlan
6B61D53E33A3418...

John Coughlan CBE
Chair of the Board

West Gate
6 Grace Street
Leeds
LS1 2RP

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Statement of responsibilities of the trustees of Skills for Care Ltd (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.

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

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 2024, 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 2024 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.

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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 Statement of responsibilities of the trustees 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.

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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. 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 including 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). 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. We also discussed related party relationships and transactions involving them.

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.

Brown Butler

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

Date: 28 August 2024

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

	Note	2024 Unrestricted £	2024 Restricted £	2024 Total £	2023 Total £
Income					
Charitable activities	4	**294,787**	**37,130,672**	**37,425,459**	31,733,997
Trading activities	4	**2,247,217**	**-**	**2,247,217**	2,308,461
Investments	4	**43,691**	**-**	**43,691**	15,939
Pension	4, 17	**2,224,000**	**-**	**2,224,000**	1,257,000
Total income	4, 14	**4,809,695**	**37,130,672**	**41,940,367**	35,315,397
Raising funds	5	**1,307,700**	**-**	**1,307,700**	1,141,019
Investments	5	**4,101**	**-**	**4,101**	3,906
Charitable activities	5	**4,220,378**	**34,809,002**	**39,029,380**	32,179,982
Pension	5, 17	**2,011,000**	**-**	**2,011,000**	1,956,000
Total resources expended	5	**7,543,179**	**34,809,002**	**42,352,181**	35,280,907
Net (outgoing) / incoming resources before transfers		**(2,733,484)**	**2,321,670**	**(411,814)**	34,490
Transfers and designations	14 e	**2,284,692**	**(2,284,692)**	**-**	-
Net incoming resources		**(448,792)**	**36,978**	**(411,814)**	34,490
Other comprehensive income					
Actuarial gain / (loss) on pension scheme	14, 17	**-**	-	**-**	487,000
Net unrealised investment gain /(loss)	9, 14	**3,282,932**	-	**3,282,932**	(1,457,204)
Net movement in funds		**2,834,140**	**36,978**	**2,871,118**	(935,714)
Total funds brought forward	14	**40,160,046**	**282,724**	**40,442,770**	41,378,484
Total funds carried forward	14	**42,994,186**	**319,702**	**43,313,888**	40,442,770

The notes on pages 36 to 61 form part of the financial statements.

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Consolidated group balance sheet

At 31 March 2024

	Note	2024	2024	2023	2023
		£	£	£	£
Fixed assets					
Intangible assets	8	**4,191,003**		4,374,238	
Tangible assets	8	**173,199**		192,463	
Investments	9	**36,814,557**		33,531,625	
			41,178,759		38,098,326
Current assets					
Stock		**7,945**		7,304	
Debtors due within one year	11	**1,799,524**		5,544,712	
Cash at bank in hand		**13,954,662**		9,058,353	
		15,762,131		14,610,369	
Creditors: amounts falling due within one year	12	**(13,527,002)**		(12,026,580)	
Net current assets			**2,235,129**		2,583,789
Total assets less current liabilities			**43,413,888**		40,682,115
Provision for liabilities and charges	13		**(100,000)**		(239,345)
			43,313,888		40,442,770
Pension liability	15b,17b,c		**-**		-
Net assets after pension			**43,313,888**		40,442,770
Funds					
Unrestricted (*before pension*)	14		**42,994,186**		40,160,046
Pension liability	14		**-**		-
Unrestricted funds	14		**42,994,186**		40,160,046
Restricted funds	14		**319,702**		282,724
Total group funds			**43,313,888**		40,442,770

The notes on pages 36 to 61 form part of the financial statements

These financial statements were approved by the Board of Trustees on 21 August 2024 and were signed on its behalf by:

Signed by:
John Coughlan
6B61D53E33A3418...

John Coughlan CBE

Trustee and Chair of the Board

Company registered number: 03866683

Docusign Envelope ID: F60B96D3-DA9D-44F7-909E-5B138745B4A2

Company balance sheet
At 31 March 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Intangible assets	8	**4,183,100**		4,374,238	
Tangible assets	8	**173,199**		192,463	
Investments	9	**36,814,557**		33,531,625	
Investment in subsidiaries	10	**20,000**		20,000	
			41,190,856		38,118,326
Current assets					
Debtors due within one year	11	**3,371,331**		5,193,524	
Cash at bank and in hand		**12,492,594**		7,642,962	
		15,863,925		12,836,486	
Creditors: amounts falling due within one year	12	**(13,647,294)**		(10,272,697)	
Net current assets			**2,216,631**		2,563,789
Total assets less current liabilities			**43,407,487**		40,682,115
Provisions for liabilities and charges	13		**(100,000)**		(239,345)
Net assets before pension			**43,307,487**		40,442,770
Pension liability	15b, 17		**-**		-
Net assets after pension liability			**43,307,487**		40,442,770
Funds					
Unrestricted *(before pension)*	14		**42,987,785**		40,160,046
Pension liability	14		**-**		-
Unrestricted funds	14		**42,987,785**		40,160,046
Restricted funds	14		**319,702**		282,724
Total charitable company funds			**43,307,487**		40,442,770

The notes on pages 36 to 61 form part of the financial statements

These financial statements were approved by the Board of Trustees on 21 August 2024 and were signed on its behalf by:

Signed by:
John Coughlan
6B61D53E33A3418...

John Coughlan CBE

Trustee and Chair of the Board

Company registered number: 03866683

Docusign Envelope ID: F60B96D3-DA9D-44F7-909E-5B138745B4A2

Consolidated cash flow statement

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

	Note	2024 £	2023 £
Net incoming resources		**(411,814)**	34,490
Adjustment for:			
Depreciation and amortisation	*5, 6, 8*	**2,557,562**	2,488,552
Impairment of investment	*9*	**-**	136,581
Interest income	*4,6*	**(43,691)**	(15,939)
Net pension movement	*14, 17*	**-**	-
		2,102,057	2,643,684
Decrease/(Increase) in debtors	*11*	**3,745,188**	(159,377)
(Increase)/Decrease in stock		**(641)**	4,917
Increase / (decrease) in creditors	*12*	**1,500,422**	(2,085,031)
(Decrease) in dilapidations provision	*13*	**(139,345)**	-
Net cash from operating activities		**7,207,681**	404,193
Cash flows from investing activities			
Interest received	*4,6*	**43,691**	15,939
Acquisition of intangible fixed assets	*8*	**(2,324,581)**	(2,393,612)
Acquisition of tangible fixed assets	*8*	**(30,482)**	(144,801)
Net cash (outflow) from investing activities		**(2,311,372)**	(2,522,474)
Net increase/(decrease) in cash and cash equivalents		**4,896,309**	(2,118,281)
Cash and cash equivalents at 1 April		**9,058,353**	11,176,634
Cash and cash equivalents at 31 March		**13,954,662**	9,058,353

Analysis of changes in net debt

	1 April 2023	Cash flow	Other non-cash change	31 March 2024
	£	£	£	£
Cash and cash equivalents	9,058,353	4,896,309	-	**13,954,662**

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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

As a result of changes to the actuarial assumptions and favourable market conditions, Skills for Care board agreed that it would be prudent to consider withdrawal from the scheme and undertook a consultation of all the remaining scheme members who subsequently agreed to accept becoming deferred members of the scheme and have been offered a 15% increased contribution to the stakeholder pension. The potential deficit valuation is provided by AON who are independent actuaries. The FRS102 liability as at 31 March 2024 accrued as a liability is £nil *(2023: £nil)*.

The orphan exit deficit valuation as at 31 March 2024 is £0.2m is disclosed in note 15b.

The Trustees designated reserves towards funding the pension exit valuation as detailed in note 14.

(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 £0.8m *(2023: £1.8m) (Note 12)*.

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

Management regularly reviews the development of its major depreciable asset, ASC-WDS to estimate its useful life and 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 *(2023: £2.3m).*

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. Whilst our DHSC sponsor has agreed a much lower funding level of £13.5m for 2024/25, approval of the third year of the ASC-WDS contract for £2.2m has been received and the contract is due to be signed. We have also maintained the Department for Education (DfE) contract for £6m *(2024: £6m)*

The charity also has unrestricted charitable reserves as at 31 March 2024 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

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Trustees believe it is appropriate to prepare the accounts on a going concern basis, supported by the budgets for the 24/25 period.

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 (SfCSL) and Affina Organisation Development Ltd (AOD) which are made up to 31 March. Subsidiary results are set out in note 10. 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 a loss of £2.71m *(2023: loss £0.93m)*

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 note 10).

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. 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 as agreed by the board.

Budget holders are allocated specific resources in order to deliver the required outcomes.

Activities requiring commissioned work with outstanding milestones as at 31 March 2024 or relating to the outcomes of the 23/24 work programme are accounted for on an accruals basis and the costs relating to these milestones are included in the accounts.

Commitments to meet future outcomes are not included in the financial statements and are shown in note 14 (f).

Governance costs are those incurred in connection with the strategic management of Skills for Care resources, 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

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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. A three-year lease exists for office space in Leeds which was signed in March 2022.

1.8 Pensions

The company made 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 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 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.

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.

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 as set out in note 9.

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 transitional changes, strategy developments, pension liabilities, potential closure costs and periods of financial uncertainty, in accordance with the charitable reserves policy. At 31 March 2024, the unrestricted funds are sufficient to fund the estimated potential closure liabilities as detailed in note 14.

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1.11 VAT

A significant proportion of input Value Added Tax (VAT) is not recoverable by the charity as this is classified as non-VAT business, and as such is included in the relevant gross costs in the Statement of Financial Activities. Activities which are classified as vat business fully recover input vat where relevant.

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
- 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 that are 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 life of all intangible assets including ASC-WDS is three 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 5 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.

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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 the acquisition is five 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.

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4. Income

	Group 2024 £	Group 2023 £
Restricted		
DHSC	**30,239,228**	24,981,940
Other funders	**6,891,444**	6,507,135
Total restricted income	**37,130,672**	31,489,075
Unrestricted		
Trading income (less trading bank interest included below)	**2,247,217**	2,308,461
Bank interest	**43,691**	15,939
Charitable income	**294,787**	244,922
FRS 102 pension income *(note 17)*	**2,224,000**	1,257,000
Total unrestricted income	**4,809,695**	3,826,322
Total income	**41,940,367**	35,315,397
Workforce revenue grant (inc NHST-D)	**27,269,645**	21,956,341
Workforce capital grant	**591,639**	447,467
ASC-WDS contract	**2,163,560**	2,293,356
ASC Workforce redesign contract	**214,384**	-
Neurodiversity, Disability and Learning Disability	**-**	180,000
Office of the Chief Social Worker grant	**-**	110,000
Office of the Chief Social Worker - WRES contract	**-**	70,000
Liberty Protection Safeguard repayment	**-**	(75,224)
Total DHSC restricted income	**30,239,228**	24,981,940
Dept for Education	**6,052,272**	5,924,724
NHS England	**255,614**	107,936
Health Education England	**196,265**	292,801
National Care Association	**166,497**	-
Secondment fees	**142,088**	-
Registered Nursing Home Association	**-**	77,236
Capita Business Services	**28,064**	-
Local Authorities	**17,444**	60,000
Others	**33,200**	44,438
Total other restricted income	**6,891,444**	6,507,135
Total restricted income	**37,130,672**	31,489,075
Total unrestricted and restricted income	**41,940,367**	35,315,397

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5. Total resources expended

	Note	**Staff costs 5 (a) £**	**Other costs £**	**Group Total 2024 £**	Staff costs 5 (a) £	Other costs £	Group Total 2023 £
Trading activity cost of raising funds	*14*	**889,652**	**418,048**	**1,307,700**	494,735	646,284	1,141,019
Investments	*5b*	**4,101**	**-**	**4,101**	3,906	-	3,906
Charitable activities		**10,809,488**	**28,219,892**	**39,029,380**	8,720,186	23,459,796	32,179,982
Pension	*5f, 17*	**414,000**	**1,597,000**	**2,011,000**	708,000	1,248,000	1,956,000
Charitable activities	*5c*	**11,227,589**	**29,816,892**	**41,044,481**	9,432,092	24,707,796	34,139,888
Total resources expended	*7,14*	**12,117,241**	**30,234,940**	**42,352,181**	9,926,827	25,354,080	35,280,907
Unrestricted		**425,234**	**7,117,945**	**7,543,179**	239,673	6,106,530	6,346,203
Restricted		**11,692,007**	**23,116,995**	**34,809,002**	9,687,154	19,247,550	28,934,704
Total resources expended	*5d*	**12,117,241**	**30,234,940**	**42,352,181**	9,926,827	25,354,080	35,280,907

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 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:

	2024 £	2023 £
Charitable activities	680,421	535,185
Trading activities	70,367	68,618
Investment activities	4,101	3,906
Total	**754,889**	607,709

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

5e) Disbursements of £21.4m (*2023: £18.1*m) include £13.8m (*2023: £10.8m*) WDF, £2.0m (*2023: £1.9m*) Adults ASYE, £5.5m (*2023: £5.2m*) DfE Child & Family ASYE, £0.1m (*2023: £0.04m*) Approved Mental Health Professional (AMHP) and £0.1m (*2023: £0.16m*) other.

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5. Total resources expended *(continued)*

	Notes	2024 £	2023 £
Payroll (inc pension)	*7, 17*	**12,117,241**	9,926,827
Agency	*7*	**308,713**	353,918
Learning, development and recruitment		**307,283**	173,411
Travel		**317,369**	216,222
Commissioned work		**1,938,071**	1,554,625
Disbursements	*5e,12a*	**21,447,261**	18,096,160
Workshops and meetings		**144,209**	92,442
Board and committees		**8,321**	17,088
Conferences and exhibitions		**173,975**	76,349
Rent, rates and utilities		**104,186**	183,665
Dilapidation released		**(139,345)**	-
Insurance		**36,468**	35,401
Cleaning and maintenance		**20,521**	9,610
Software, telecoms and equipment		**424,949**	103,891
IT leases, rentals, and licenses		**535,366**	188,406
Postage and courier		**30,092**	28,107
Printing and stationery		**30,853**	29,846
Subscriptions and publications		**50,798**	82,664
Promotion and advertising		**92,304**	119,455
Fees paid to external auditors	*6*	**67,861**	48,895
Internal audit, taxation services and legal costs	*6*	**154,050**	85,018
Bad debt		**(1,918)**	(12,188)
Pension interest	*17c*	**1,597,000**	1,248,000
(Profit) on sale of assets	*8d*	**-**	(2,038)
Impairment of investment	*9*	**-**	136,581
Corporation Tax		**1,502**	-
Depreciation and amortisation	*8*	**2,585,051**	2,488,552
Total resources expended		**42,352,181**	35,280,907

6. Net incoming resources before transfer is stated as follows:

	Group 2024 £	2023 £
After charging:		
Auditors' remuneration - audit of these financial statements	**41,650**	37,510
Auditors' remuneration - audit of financial statements of subsidiaries	**14,750**	11,385
Auditors' remuneration - taxation and compliance services	**4,800**	13,280
Auditors' remuneration - internal audit services	**51,344**	50,996
Operating lease rentals - buildings and equipment	**95,033**	79,964
Amortisation of goodwill and intangible assets and depreciation of tangible fixed assets *(note 5, 8)*	**2,585,051**	2,488,554
Impairment of investment *(note 9)*	**-**	136,581
(Profit) on disposal of assets *(note 8d)*	**-**	(2,038)
Other pension interest *(note 5,17c)*	**1,597,000**	1,248,000
And after crediting:		
Bank interest receivable *(note 4)*	**43,691**	15,939
Other income - FRS 102 interest adjustment *(note 4, 17)*	**2,224,000**	1,257,000

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7. Staff numbers and costs

The Remuneration & Nominations Committee determine all 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 the Skills for Care 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 £653,821 *(2023: £259,271)*. The average number of staff employed by the group during the year, analysed by category, was as follows:

	2024	2023
Key management personnel (Leadership team)	**10**	10
Engagement including Marketing and Communications	**89**	75
Strategy, Impact and Policy	**31**	35
Operations	**27**	28
Digital, Data and Technology (DDaT)	**13**	11
People, Finance, Procurement, Disbursement, Risk & Compliance, Governance, Facilities, Corporate resource and Business services support inc information line support	**36**	31
Business Development inc AOD	**6**	8
SfCD UK partnership hosted staff	**1**	1
	213	199

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

	2024	2023
	£	£
Gross salaries	**10,656,609**	8,987,189
Labour costs capitalised	**(1,296,419)**	(1,163,221)
	9,360,190	7,823,968
Employer's social security costs	**1,137,047**	1,001,928
Employer's pension costs (*before FRS102 adjustments*)	**993,004**	1,091,931
	11,490,241	9,917,827
Employer's pension contributions including one off lump sum payments	**(1,418,000)**	(1,630,000)
Current service cost	**354,000**	708,000
Past service cost	**60,000**	-
Overpaid deficit contributions (note 11b) and other (note 17)	**-**	931,000
Unrecognised loss on assumption changes	**1,631,000**	-
	12,117,241	9,926,827

The above payroll costs exclude agency and secondment staff costs of £0.3m *(2023: £0.4m)*. Agency costs supported activities as a recruitment freeze was in place until DHSC agreed the work programme.

The above costs include £0.03m *(2023 £0.1m)* in relation to the costs of redundancy, settlements, notice pay and pension payments relating to one member of staff.

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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:

	2024	2023
£ 60,001 - £70,000	***22**	9
£ 70,001 - £80,000	**1**	2
£ 80,001 - £90,000	**-**	6
£90,000 - £100,000	**6**	-
£100,000 - £110,000	**1**	-
£110,001 - £120,000	**-**	1
£130,001- £140,000	**1**	-

Due to the cost-of-living increase in April 2023, a large number of employees moved into the first bracket *.

The key management personnel compensation, for the leadership team and the trustees, for the year is £1,251,970 *(2023: £896,177)*.

Total pension contributions for the above employees totalled £312,868 *(2023: £210,573)*.

The principle of contributing up to £1m per annum towards funding the deficit for three years from 2023 was agreed in principle, subject to a review each year before payment.

Skills for Care used the agreed recommended contribution rate from the 2022 formal actuarial valuation of 35.5% *(2023: 37.1%)* for the employer's contribution paid to the WYPF scheme. Deficit payments totalling £0.742m *(2023: £0.152m)* were also made, as Skills for Care continues to honour its statutory deficit obligations.

The charity also operates a stakeholder pension scheme. See note 17 for more information on the pension schemes.

Two trustees were reimbursed a total of £231 for out-of-pocket expenses. *(2023: 8 trustees £778)*

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	**2024**	2023
	£	£
Aggregate emoluments (including employer's National Insurance Contributions (NIC)) (pension £nil)	**38,576**	39,848

The Chair is entitled to £35,000 per annum *(2023: £35,000)*. The honorarium is authorised by Skills for Care's governing document and approved by the Charity Commission and is commensurate with the time dedicated to the company's affairs.

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8. Fixed assets

8a) Intangible and tangible assets

	ICT software and licenses	ASC-WDS (note 8b)	**Company intangible assets**	Goodwill & other (note 8d)	AOD Intangible Assets	**Group intangible assets**	Office furniture & equipment	ICT hardware & project development	AOD Assets	**Group & Company tangible assets** (note 8c)	**Group intangibles & tangible assets**
	£	£	£	£	£	£	£	£	£	£	£
Cost											
At beginning of year	993,369	9,607,695	**10,601,064**	109,116	-	**10,710,180**	127,158	172,378	4,680	**304,216**	**11,014,396**
Additions	516,693	1,799,267	**2,315,960**	-	8,621	**2,324,581**	-	30,482	-	**30,482**	**2,355,063**
At end of year	**1,510,062**	**11,406,962**	**12,917,024**	**109,116**	**8,621**	**13,034,761**	**127,158**	**202,860**	**4,680**	**334,698**	**13,369,459**
Depreciation and amortisation											
At beginning of year	759,481	5,467,345	**6,226,826**	109,116	-	**6,335,942**	71,999	35,074	4,680	111,753	**6,447,695**
Charge for the year	144,258	2,362,840	**2,507,098**	-	718	**2,507,816**	17,361	32,385	-	49,746	**2,557,562**
At end of year	**903,739**	**7,830,185**	**8,733,924**	**109,116**	**718**	**8,843,758**	**89,360**	**67,459**	**4,680**	**161,499**	**9,005,257**
Net book value											
At 31 March 2024	**606,323**	**3,576,777**	**4,183,100**	**-**	**7,903**	**4,191,003**	**37,798**	**135,401**	**-**	**173,199**	**4,364,202**
At 31 March 2023	*233,888*	*4,140,350*	*4,374,238*	-	-	*4,374,238*	*55,159*	*137,304*	-	*192,463*	*4,566,701*

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8b) The ASC-WDS system includes workforce intelligence from employers across the adult social care sector in England as detailed in our annual report.

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

9. Investments

Group and Company	**2024**		2023	
	Cost	**Bid value**	Cost	Bid value
	£	**£**	£	£
At beginning of year (note *9a*)	**21,471,432**	**33,531,625**	21,471,432	35,125,410
Impairment during the year (note 9b)	**-**	**-**	-	(136,581)
Unrealised gain/(loss) in year	-	**3,282,932**	-	(1,457,204)
At end of year	**21,471,432**	**36,814,557**	21,471,432	33,531,625

9a) The investment portfolio is managed by CCLA, our investment managers, through a blend of funds from the Charities Official Investment Fund (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. The board took a decision to write off the value of this investment last year.

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 2024 and 2023		**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	04644495	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.

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Summary profit and loss accounts of the subsidiaries

	SfCSL	AOD	2024 Total	2023 Total
	£	£	£	£
Turnover	1,586,024	737,816	**2,323,840**	2,360,324
Cost of sales	(574,183)	(245,054)	**(819,237)**	(770,181)
Gross profit	1,011,841	492,762	**1,504,603**	1,590,143
Administrative expenses	(201,646)	(285,315)	**(486,961)**	(370,838)
Operating profit	810,195	207,447	**1,017,642**	1,219,305
Interest receivable	10,479	16	**10,495**	4,077
Profit before taxation	820,674	207,463	**1,028,137**	1,223,382
Tax on profit on ordinary activities	-	(1,502)	**(1,502)**	-
Profit for the year	820,674	205,961	**1,026,635**	1,223,382
Distribution	(820, 674)	(199,560)	**(1,020,234)**	(1,223,382)
Retained	**-**	**6,401**	**6,401**	-

Assets and liabilities

	SfCSL	AOD	2024 Total	2023 Total
	£	£	£	£
Fixed assets	-	7,903	**7,903**	-
Current assets	1,088,878	776,533	**1,865,411**	2,125,497
Current liabilities	(1,078,878)	(768,035)	**(1,846,913)**	(2,105,497)
Total net assets	10,000	16,401	**26,401**	20,000
Called up share capital	10,000	10,000	**20,000**	20,000
Profit and loss account	-	6,401	**6,401**	-
Shareholders' funds	10,000	16,401	**26,401**	20,000

11. Debtors

	Group		Company	
	2024	2023	**2024**	2023
	£	£	£	£
Trade debtors	**718,475**	1,289,030	**366,992**	600,680
Group undertakings	**-**	-	**1,962,116**	351,626
Prepayments	**45,714**	30,132	**40,734**	26,862
Accrued income (11a)	**1,035,335**	3,377,550	**1,001,489**	3,366,356
Other debtors	**-**	848,000	**-**	848,000
	1,799,524	5,544,712	**3,371,331**	5,193,524

11a) Accrued income includes £1m ASYE registrations and completions in year, but not invoiced until after the year end.

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12. Creditors: amounts falling due within one year

	Group		Company	
	2024	2023	**2024**	2023
	£	£	**£**	£
Trade creditors	**99,390**	527,205	**55,812**	431,160
Other creditors	**910,301**	462,508	**763,256**	251,429
DHSC Creditor (Note 12a)	**926,984**	-	**926,984**	-
Amounts owed to group undertakings	**-**	-	**1,021,881**	-
Accruals (note 12b)	**10,750,448**	9,182,739	**10,640,007**	9,003,481
Deferred income	**839,879**	1,854,128	**239,354**	586,627
	13,527,002	12,026,580	**13,647,294**	10,272,697

12a) WDF is a demand led fund and the DHSC provided an uplift of £5m in January 24 for training taken up to 31 March 24. It was always an ambitious ask for the sector to be able to take full advantage of this in the timescales and they have been unable to claim £0.9m of the fund which we expect to return to the DHSC

12b) Accruals include disbursements and contracts for services of £8.4m *(2023: £7m)* which are committed to the payment of milestones relating to activities undertaken during the year. The remainder of the accruals are purchase orders £0.9m (*2023: £0.5m*) and other accruals £1.7m (*2023: £1.8m*).

13. Provision for liabilities and charges

	2024	2023
	£	£
At beginning of year	**239,345**	239,345
Decrease in provision for Leeds office (2nd floor)	**(139,345)**	-
At end of year	**100,000**	239,345

The provision relates to the potential dilapidation costs of the leased offices in Leeds.

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14. Reserves

	At beginning of year	Incoming resources	Resources expended	Transfers and designations (14d)	At 31 March 2024	Commitments (note 14f)	At end of year
Restricted	£	£	£	£	£	£	£
DHSC							
Revenue grant	53,502	27,269,645	(27,555,067)	321,515	**89,595**	-	**89,595**
Capital grant	-	591,639	-	(555,796)	**35,843**	-	**35,843**
ASC-WDS Contract	59,926	2,163,560	(229,955)	(1,799,267)	**194,264**	-	**194,264**
Office of the Chief Social Worker	99,296	-	(99,296)	-	-	-	-
ASC Workforce Reform Quals design	-	214,384	(75,973)	(138,411)	-	-	-
Office of the Chief Social Worker – WRES	70,000	-	-	(70,000)	-	-	-
Total DHSC income	**282,724**	**30,239,228**	**(27,960,291)**	**(2,241,959)**	**319,702**	-	**319,702**
Dept for Education	-	6,052,272	(6,023,611)	(28,661)	-	-	-
Health Education England	-	184,256	(124,928)	(59,328)	-	-	-
Other funders and costs of bids and proposals	-	654,916	(700,172)	45,256	-	-	-
Other restricted funding	-	6,891,444	(6,848,711)	(42,733)	-	-	-
Total restricted funding	**282,724**	**37,130,672**	**(34,809,002)**	**(2,284,692)**	**319,702**	-	**319,702**

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14. Reserves *(continued)*	**At beginning of year**	**Incoming resources**	**Resources expended**	**Gift aid payment and taxation**	**Unrealised gain/(loss)**	**Transfers and designations** (14d)	**At 31 March 2024**	**Commitments** (note 14f)	**At end of year**
Unrestricted reserves	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Unrealised investment reserve	12,196,774				3,282,932	-	**15,479,706**		**15,479,706**
Fixed asset reserve	4,566,694		(2,584,333)			2,355,063	**4,337,424**		**4,337,424**
Closure reserve	9,730,816					(286,283)	**9,444,533**		**9,444,533**
Strategy & business continuity	5,278,381	61,028	(731,420)			8,039,428	**12,647,417**	**(6,607,000)**	**6,040,417**
WYPF pension exit deficit	7,500,000		(742,000)			(6,558,000)	**200,000**		**200,000**
AOD cumulative return on investment/ strategy & business continuity	583,910					199,560	**783,470**		**783,470**
Dilapidations reserve to fund	239,345					(139,345)	**100,000**		**100,000**
Dilapidations provision accrued	(239,345)					139,345	**(100,000)**		**(100,000)**
Lease renewal reserve	158,105					(158,105)	**-**		**-**
SfCD business continuity reserve	145,366	80,438	(130,569)				**95,235**		**95,235**
SfCSL and AOD gift aid	-			1,020,234		(1,020,234)	**-**		**-**
Other Charitable income	-	166,322	(92,585)	-	-	(73,737)	**-**		**-**
Unrestricted (*before pension*)	40,160,046	307,788	(4,280,907)	1,020,234	3,282,932	2,497,692	**42,987,785**	(6,607,000)	36,380,785
FRS102 pension liability	-	2,224,000	(2,011,000)	-	-	(213,000)	**-**	**-**	**-**
Unrestricted reserves	40,160,046	2,531,788	(6,291,907)	1,020,234	3,282,932	2,284,692	42,987,785	(6,607,000)	36,380,785
Company funds carried forward	**40,442,770**	**39,662,460**	**(41,100,909)**	**1,020,234**	**3,282,932**	**-**	**43,307,487**	**(6,607,000)**	**36,700,487**

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14. Reserves *(continued)*

	At beginning of year	Incoming resources	Resources expended	Gift aid payment and taxation	Unrealised gain	Transfers and designations	At 31 March 2024	Commitments (note 14d)	At end of year
	£	£	£	£	£	£	£	£	£
SfCSL	-	1,596,503	(775,829)	(820,674)	-	-	-	-	-
AOD	-	737,832	(531,871)	(199,560)	-	-	**6,401**	-	**6,401**
Total trading activities	**-**	**2,334,335**	**(1,307,700)**	**(1,020,234)**	**-**	**-**	**6,401**	**-**	**6,401**
Total aggregate funds	**40,442,770**	**41,996,795**	**(42,408,609)**	**-**	**3,282,932**	**-**	**43,313,888**	(6,607,000)	**36,706,888**
Consolidating adjustments	**-**	(56,428)	56,428	**-**	**-**	**-**	**-**	**-**	**-**
Group unrestricted funds	**40,160,046**	**4,809,695**	**(7,543,179)**	**-**	**3,282,932**	**2,284,692**	**42,994,186**	**(6,607,000)**	**36,387,186**
Total group funds	**40,442,770**	**41,940,367**	**(42,352,181)**	**-**	**3,282,932**	**-**	**43,313,888**	**(6,607,000)**	**36,706,888**

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14 a) Unrestricted charitable reserves

The charity has a policy of maintaining free unrestricted reserves in order to meet any potential funding gap in accordance with the Skills for Care reserves policy. The F&A Committee monitor the reserves policy and underlying assumptions each quarter.

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&A 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 contingent pension exit deficit (note 15b) are £9.6m. *(2023: £22.1m)*. At 31 March 2024, charitable reserves of £23.2m *(2023: £23.4m)* were sufficient to fund the maximum potential liabilities and designated requirements agreed by Trustees.

The designated reserves of the group and company is calculated as follows:

	2024	2023
	£	£
Unrestricted reserves (*before pension*)	**42,987,785**	40,160,044
Investment reserve	**(15,479,706)**	(12,196,774)
Fixed asset reserve	**(4,337,424)**	(4,566,694)
Designated reserves	**23,170,655**	23,396,576

14 b) Specific reserves

***Investment reserve*:** These are the unrealised gains on investments. If the investments were sold and this gain was crystallised, the actual realised gain generated would contribute to charitable reserves.

Fixed asset reserve: The 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. It will reduce to nil when the capitalised assets have been fully depreciated.

14 c) Charitable reserves designations to fund

	2024	2023
	£	£
Strategy & business continuity	**12,647,417**	5,268,381
Closure	**9,444,533**	9,730,815
AOD cumulative return on investment	**783,470**	583,909
Contingent pension exit deficit *(Note 14d, 15b, 17b)*	**200,000**	7,500,000
Dilapidation reserve to fund	**100,000**	239,345
Dilapidation provision accrued *(Note 13)*	**(100,000)**	(239,345)
Lease renewal costs	**-**	158,105
SfCD business continuity overseen by SfCD UK Board	**95,235**	145,365
	23,170,655	23,386,575

14 d) Reserves designations

Strategy and business continuity reserve: Funds designated by the Trustees to fulfil any potential future funding gap or investment requirements where business cases meet the criteria

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agreed by members. The board receive business cases requiring funding from this reserve for investment or business critical developments, not funded elsewhere.

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 2024, the minimum potential closure liability is £9.4m *(2023: £9.7m)*

AOD business continuity / cumulative return on investment: Funds accumulated from AOD trading subsidiary, since acquisition. Funds designated by the Trustees to fulfil any potential future funding gap or investment requirement.

FRS102 pension: The company makes contributions to the WYPF, a multi-employer defined benefit scheme. The FRS102 pension deficit valuation as at 31 March 2024 is £Nil (*2023: £Nil*), as set out in note 17b. The Trustees designated the equivalent reserves to fund the FRS102 accounting deficit accrued £Nil (*2023 £Nil*).

Contingent pension exit deficit reserve: The Skills for Care Board of Trustees has agreed to fund 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 Skills for Care Charity in its formal triennial valuation as at 31 March 2022.

At 31 March 2024, Skills for Care has a potential pension exit deficit of £0.2m *(2023 £7.5m)* as stated in note 15b and 17b. Trustees agreed to set aside an equivalent amount to fund the potential pension exit liability.

Lease renewal reserve: Nil funds designated by the trustees to fund the Leeds lease as the costs are included in the 24/25 budgets.

Dilapidation's reserve and provision: Funds designated by the Trustees to meet potential future costs if the company vacates the Leeds leased premises.

SfCD business continuity: Funds designated by the SfCD board to fulfil any future funding gap as income streams do not cover planned core activity costs.

14 e) Transfers

The following transfers were made during the year:

Restricted funds £2.3m *(2023: £2.4m)*: **transferred to unrestricted funds** are:

Transfers include £2.3m (*2023: £2.5m*) ASC-WDS and capital grant funded addition costs capitalised in the balance sheet and represented by the transfer to fixed asset accounting reserve, less £0.3m (*2023: £0.1m*) sector funding from unrestricted funds to cofund DHSC WP activity.

Other funds surplus £0.04m (*2023: deficit £0.1m****)*** on charitable projects that have no further restrictions, so are transferred from or to unrestricted funds.

14 f) Commitments

DHSC restricted funds: The company has £0.3m DHSC funds unspent at the year end. We have submitted change control notes for approval to commit this for activities not included in the agreed work programme for 24/25.

Unrestricted funds: The Skills for Care board agreed to invest reserves to fund its 24/25 liabilities and strategic requirements.

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15. Commitments and contingent liabilities

15 a) Commitments under non-cancellable operating leases are as follows:

	2024		2023	
	Land and buildings	**Other**	Land and buildings	Other
	£	**£**	£	£
Operating leases where payments are due:				
Within one year	**79,052**	**38,321**	79,052	25,313
Within second to fifth years	**0**	**46,847**	79,052	50,255
	79,052	**85,168**	158,104	75,568

15 b) Contingent Liability

West Yorkshire Pension Fund Exit Liability is £0.2m

As detailed in Note 17, a decision has been taken by the trustees, post year end, to exit the West Yorkshire Pension Fund. The trustees are aware that there will be an actual liability payable, estimated by the Actuary as at 31st March 2024 to be approximately £0.2m.

For transparency, the trustees believe it is important to highlight such a potential liability as a post year end decision has been taken to exit the Fund, particularly as the FRS102 valuation as at 31 March 2024 was calculated to be an asset position and no liability is included in the accounts.

16. Analysis of group net assets between funds

	Restricted	**Unrestricted funds**	**Total**
	£	**£**	**£**
Tangible fixed assets	-	173,199	**173,199**
Intangible assets	-	4,191,003	**4,191,003**
Investments	-	36,814,557	**36,814,557**
Current assets	10,669,836	5,092,295	**15,762,131**
Creditors falling due within one year	(10,350,134)	(3,176,868)	**(13,527,002)**
Creditors falling due after more than one year	-	(100,000)	**(100,000)**
Net assets as at 31 March 2024	**319,702**	**42,994,186**	**43,313,888**
Net assets as at 31 March 2023	282,724	40,160,046	40,442,770

17. Pension schemes

17 a) 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 (*2023: £0.3m*).

17 b) West Yorkshire Pension Fund (WYPF)

Some 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

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requires the employer and its employees to pay contributions into the Fund, calculated at a level intended to balance pension liabilities and investment assets.

At the year-end date, under FRS 102 basis of calculation, the Fund Actuary has calculated the FRS102 valuation of the pension fund position to be a surplus of £17.3m *(2023 £12.6m)*.

The recognition of this asset is governed by FRS102 by the amount of economic benefit the Trustees believe will be received by the charity either through a direct refund or through a reduction in future contributions.

The Local Government Pension Scheme Regulations do not permit the re-payment of contributions or surplus assets to employers whilst they are an ongoing employer in the fund as was the position at the year-end date. However, the Regulations do permit a payment of an "exit credit" to an employer who exits the Fund. Therefore, the Trustees have considered this position and post year end have exited the fund in order to obtain this economic benefit for the charity whilst market conditions are favourable. See below for further details

The basis on which an exit position is calculated is very different from the basis used for FRS102 calculations. The Trustees have therefore previously asked for the value of the exit position to assist in their decision making.

Based on the information provided at the triennial valuation at 31 March 2022 and information submitted to enable the FRS102 calculation to be made, the Actuary has calculated the exit position would be a deficit position in the region of c£0.2m. *(2023 £7.5m).* This is considerably lower than the indicative figure in the prior year due to a change in the Orphan exit criteria.

This estimation does however lead to the conclusion that no refund from the Fund could be made to support the FRS102 calculated asset being recognised in the balance sheet under the direct refund basis.

Under FRS102, for recognition of the asset, we also need to consider the second basis for recognition being whether economic benefit could be gained from a reduction in future contributions. The Actuary has not calculated this position.

This does not reflect any minimum funding requirement in place therefore any "prospective payments under an existing Rates and Adjustments Certificate could lead to a loss of economic value", giving rise to uncertainty about the asset value.

This calculation was also based on the assumptions that the charity would remain in the scheme until the final active member leaves the Fund, which is estimated at 8.3 years, and that the charity would be able to reduce contributions to the Fund, neither assumption being able to be supported with certainty particularly as current contribution rates include past service deficit funding and are set by the Fund Trustees every three years. The decision to exit the scheme post year end means such economic benefit will not be achieved.

Therefore, as the assumptions cannot be supported with certainty the Trustees do not believe it is appropriate to recognise the FRS 102 calculated asset as realisation of such an asset is uncertain.

The Trustees have therefore concluded, due to the uncertainty detailed above, to report neither an asset nor a liability at the year-end date more accurately reflects the position and note the potential liability as the decision to exit the scheme has been made, see note 15b.

17c) WYPF actuarial assumptions

The latest formal triennial actuarial valuation of Skills for Care's liabilities took place as at 31 March 2022. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method.

The orphan exit basis deficit valuation as at 31 March 2022 included on the triennial valuation received in December 2022 is £8.48m *(2019 valuation: £13.114m*). The ongoing orphan funding target is £6.591m (*2019 valuation: £8.836m*).

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The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were:

Key assumptions (% per annum)	**2024**	**2023**	2022
Discount rate for liabilities	**4.8**	4.7	2.7
Customer Price Index (CPI) inflation	**2.6**	2.7	3.0
Pension increases	**2.6**	2.7	3.0
Pension accounts revaluation rate	**2.6**	2.7	3.0
Salary increases	**3.85**	3.95	4.25
At last full actuarial valuation			
Duration of liabilities	16.45 years		
Contributions next year	£1.407m		

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	**2024**	2023
Males		
Member aged 65 at accounting date	**21.0**	21.6
Member aged 45 at accounting date	**22.3**	22.9
Females		
Member aged 65 at accounting date	**24.2**	24.6
Member aged 45 at accounting date	**25.2**	25.7

Asset allocation	**2024**	2023
	%	%
Equities	**79.4**	80.8
Property	**2.8**	3.3
Government bonds	**8.5**	6.9
Corporate bonds	**4.2**	4.6
Cash	**1.8**	2.3
Other**	**3.3**	2.1
Total	**100**	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.

Reconciliation of funded status to balance sheet	**2024**	2023
	£'000	£'000
Fair value of assets	**51,010**	47,544
Present value of defined benefit obligation	**(33,680)**	(34,898)
Unrecognised (asset) see note 17b	**(17,330)**	(12,646)
Asset / (liability) recognised on the balance sheet	**-**	-

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

	2024	2023
	%	%
Active members	25	25
Deferred pensioners	22	22
Pensioners	53	53

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Amount recognised in the income statement	**2024**	2023
	£'000	£'000
Operating cost		
Current service cost	**354**	708
Past service cost	**60**	-
Financing cost		
Interest on net defined benefit liability	**(627)**	(9)
Pension expense recognised in profit and loss	**213**	699
Allowance for administration expenses in current service cost £'000	**5**	5

Amounts recognised in other comprehensive income	**2024**	2023
	£'000	£'000
Asset gains / (losses) arising during period	**2,198**	(550)
Actuarial (gains) / losses due to changes in financial assumptions	**1,164**	18,326
Actuarial (gains) / losses due to changes in demographic assumptions	**534**	(36)
Actuarial (gains) / losses due to changes in liability experience	**(351)**	(5,538)
Adjustment gains / (losses) due to restriction of surplus	**-**	-
Total not recognised in SOFA/profit and loss account	**(3,545)**	(11,715)
Total amount recognised in other comprehensive income and (charged) / credited to SOFA	**-**	487

Changes to the present value of defined benefit obligation	**2024**	2023
	£'000	£'000
Opening defined benefit obligation	**34,898**	46,769
Prior year adjustment	**-**	-
Current service cost	**354**	708
Interest expense on defined benefit obligation	**1,597**	1,248
Contributions by participants	**142**	134
Actuarial (gains) / losses due to changes in financial assumptions	**(1,164)**	(18,326)
Actuarial (gains) / losses due to changes in demographic assumptions	**(534)**	36
Actuarial (gains) / losses due to changes in liability experience	**351**	5,538
Net benefits paid out	**(2,022)**	(1,209)
Past service cost	**60**	
Closing defined benefit obligation	**33,682**	**34,898**

Changes to the fair value of assets	**2024**	2023
	£'000	£'000
Opening fair value of assets	**47,544**	46,282
Interest income in assets	**2,224**	1,257
Re-measurement gains/(losses) on assets	**1,708**	(550)
Contributions by employer	**1,416**	1,630
Contributions by participants	**142**	134
Net benefits paid	**(2,024)**	(1,209)
Closing fair value of assets	**51,010**	47,544

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Actual return on assets	**2024**	2023
	£'000	£'000
Interest income on assets	**2,224**	1,257
(Losses) / gains on assets	**2,198**	(550)
Actual return on assets	**4,422**	707

Amount credited to other income	**2024**	2023
	£'000	£'000
Interest income on assets	**2,224**	1,257
Interest cost	**(1,597)**	(1,248)
Net expected return on pension assets	**627**	9
Current service cost	**(354)**	(708)
Past service cost	**(60)**	-
Net amount (charged) to statement of financial activities (SOFA)	**213**	(699)

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 2024 are as follows:

	31 March 2025
	£m
Current service costs	340
Net interest cost on net defined benefit liability	(34)
Total estimated pension expense	306
Allowance for administration expenses include in current service cost	**7**
Estimated pensionable payroll over period	1,804

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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**	**2024** **£**	2023 £
James Bullion	Norfolk County Council	Employed position	ASYE Child & Family		64,000
			ASYE Adults	**28,933**	18,000
			Funding for Occupational Therapists		1,500
John Coughlan	West Sussex County Council	DfE Commissioner / advisor for children's social care (until April 2023)	ASYE Child & Family		55,000
			ASYE Adults		20,000
			ASYE Child & Family Peer Review		2,500
	Buckinghamshire Council	Improvement advisor for social care	ASYE Child & Family		51,000
			ASYE Adults		13,000
			Registered managers network		750
		DfE Commissioner (until September 2023) and part of the DLUHC commissioning team	Registered Managers Network Grant	**2,000**	
	Birmingham City Council		Adults ASYE	**17,658**	

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19. Comparative consolidated statement of financial activities

	Note	2023 Unrestricted £	2023 Restricted £	2023 Total £
Income				
Charitable activities	*4*	244,922	31,489,075	31,733,997
Trading activities	*4*	2,308,461	-	2,308,461
Investments	*4*	15,939		15,939
Pension	*4, 17*	1,257,000	-	1,257,000
Total income	*4*	3,826,322	31,489,075	35,315,397
Raising funds	*5*	1,141,019	-	1,141,019
Investments	*5*	3,906	-	3,906
Charitable activities	*5*	3,245,278	28,934,704	32,179,982
Pension	*5, 17*	1,956,000	-	1,956,000
Total resources expended	*5*	6,346,203	28,934,704	35,280,907
Net (outgoing) / incoming resources before transfers		(2,519,881)	2,554,371	34,490
Transfers	*14e*	2,355,026	(2,355,026)	-
Net incoming / (outgoing) resources before		(164,855)	199,345	34,490
Other comprehensive income				
Actuarial gain on pension		487,000	-	487,000
Net unrealised investment gain	*9*	(1,457,204)	-	(1,457,204)
Net movement in funds		(1,135,059)	199,345	(935,714)
Total funds brought forward		41,295,105	83,379	41,378,484
Total funds carried forward	*14*	40,160,046	282,724	40,442,770

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Glossary of terms

A&R	Audit and Risk Committee
ASC	Adult social care
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
CCLA	Churches, Charities and Local Authorities
CEO	Chief Executive Officer
COIF	Charities Official Investment Fund
CQC	Care Quality Commission
CWF	Care Workers Forum
DASS	Director of Adult Social Services
DBS	Disclosure and Barring Service
DDaT	Digital, Data and Technology
DfE	Department for Education
DHSC	Department of Health and Social Care
DWP	Department for Work and Pensions
EDI	Equality Diversity and Inclusion
F&A	Finance & Audit Committee
F&P	Finance and People Committee
GHG	Green House Gases
GO	Good and outstanding care
ICS	Integrated Care System
KPI	Key Performance Indicator
LGA	Local Government Association
LGPS	Local Government Pension Scheme
LT	Leadership Team
MP	Member of Parliament
NCF	National Care Forum
NHS	National Health Service
NHSE	NHS England
NHSTD	NHS Transformation Directorate
NI	Nominated Individual

Docusign Envelope ID: F60B96D3-DA9D-44F7-909E-5B138745B4A2

NIC	National Insurance Contribution
NQSW	Newly Qualified Social Worker
PPN	Procurement Policy Note
R&N	Remuneration and Nominations Committee
RM	Registered Manager
RMRG	Registered Managers Reference Group
SC-WRES	Workforce Race Equality Standard for Social Care
SfC	Skills for Care
SfCD	Skills for Care and Development
SfCSL	Skills for Care Solutions
SFIs	Standing Financial Instructions
SOFA	Statement of Financial Activities
VAT	Value Added Tax
WDF	Workforce Development Fund
WP	Work Programme
WYPF	West Yorkshire Pension Fund

SKILLS FOR CARE LTD

England & Wales - Charity number 1079836

Accounts

Skills for Care Ltd

(Limited by Guarantee)

Trustees' report and consolidated financial statements

Year ended 31 March 2023

Company registered number 03866683

Charity registered number 1079836

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Chair's foreword

The year 2022/23 was my first as Chair of the Board of Skills for Care, having taken over from Dame Moira Gibb in March 2022. I'd like to thank Dame Moira for her skill and commitment in successfully guiding Skills for Care during her tenure as Chair. She's a tough act to follow. I've been passed an organisation which is dedicated, thriving, and positively adapting to be ready for the future, not least because of the quality of leadership from Oonagh Smyth (CEO) and her team.

During the course of the year, we've said goodbye to some trustees who've retired from the Board as they reached the end of their terms of office or resigned due to a change in their own circumstances. I'd like to thank every one of them for their contribution to the Board and their support of Skills for Care. I'm deeply grateful for the skills and expertise trustees bring to the Board, and personally, for welcoming me so generously.

Over the last year, I've been privileged to meet many stakeholders and providers across the sector. I have met regularly with officials and ministers from the Department of Health and Social Care (DHSC) and other Chairs and CEOs from organisations and bodies that also help steer the adult social care sector and workforce. I've been pleased to join a number of the networks led by Skills for Care and learn from providers and local government commissioners of adult social care services and employers of the adult social care workforce. That has included a number of roundtable sessions hosted by Skills for Care where I gained fantastic insight into the current opportunities and challenges these providers and employers are grappling with.

We all know the scale of those challenges. We have a growing and ageing population served by an outstanding workforce but one sharing the cost-of-living crisis which in turn impacts on recruitment, retention and stability. We have an NHS under unprecedented strain which in turn depends upon a thriving social care sector (but of course that is not our only responsibility!). Skills for Care is the key national workforce organisation helping this vital sector to ensure that we have the right people with the right levels of support and development, now and in the future, to deliver these crucial services. We will continue to inform and support the priorities of the Government and DHSC policy makers, and also to support commissioners and employers in the sector.

The Skills for Care Board will continue to lead and guide the strategic direction of Skills for Care to ensure we can deliver our strategic aims in line with our organisational values and especially on behalf of the people who rely upon our services.

I'd like to end by thanking the 1.5 million people working in the adult social care sector for everything you do. At Skills for Care, we're proud to play a part in supporting that amazing work. Personally, I look forward to meeting and learning from more of you in the year ahead. I hope you find this annual report to be a helpful summary of what we have been doing in the past year – and where we see our collective future.

John Coughlan
John Coughlan (Aug 8, 2023 13:39 GMT+1)

John Coughlan CBE

Chair of the Board

Chief Executive Officer foreword

At Skills for Care, our vision is of a fair and just society, where people can access the advice, care and support they need to live life to the fullest. We continue to strive for this through the pursuit of our four strategic priorities: to support workforce capabilities, to support culture and diversity, to increase workforce capacity, and to improve the social care system.

Social care is a fundamental part of all our communities; it supports people to live their lives every day, and most people who work in social care find it incredibly rewarding. But it's facing a complex challenge with recruitment and retention.

Our State of the Adult Social Care Sector and Workforce in England report published in October 2022 highlighted the immediate and longer-term capacity issues that social care is facing. Our data showed that, while we're going to need 480,000 extra people working in social care by 2035, there were 165,000 vacancies every day - with 28% of the workforce aged 55 or over and potentially retiring in the next 10 years.

The report attracted unprecedented attention, setting the news agenda on the day we launched it. Its key findings have been widely quoted ever since, helping to keep the challenges facing social care in the public eye.

We're grateful to all the social care providers who contribute their data by using the Adult Social Care Workforce Data Set (ASC-WDS). Without those contributions, estimates of the detail and accuracy we include in the report wouldn't be possible.

Back in October, when we launched the report, we spoke about the importance of delivering on the commitments in the 'People at the heart of care' white paper and the need for a workforce strategy to promote adult social care as a rewarding long-term career for the next generation. Since then, the Government has set out their next steps to support people who receive social care and we're working in partnership with the Department of Health and Social Care (DHSC) on a call for evidence to inform the development of a new care workforce pathway for adult social care.

This is welcome, but there's still a need for a workforce strategy for adult social care that offers a clear and properly funded plan of where we need to get to in the long-term. Social care remains a rewarding, challenging and fulfilling long-term career for our workforce. We continue to talk about how rewarding social care is to work in so that we attract more people, and we want to make it easier for the people who love working in social care to stay by improving terms and conditions and investing in their career development.

Despite the challenges social care faces, we see providers and their employees dedicated to supporting and providing high-quality care to those who draw on it. On behalf of Skills for Care, I'd like to thank you for your hard work and incredible commitment.

The high-profile state of the sector report is just the tip of the iceberg in a year when we've achieved a great deal. Other highlights from our work this year include a programme of activities to ensure that social care can thrive in Integrated Care Systems (ICSs), working with DHSC to develop a Code of Practice to support the Oliver McGowan Mandatory Training on learning disabilities and autism, and the relaunch of our impactful Moving Up development programme.

Much of our work has been greatly enhanced through strong and effective partnerships and relationships with organisations and individuals across the sector at a national, regional and local level. I'd like to thank all the partners we work with and look forward to achieving even more together in the future.

Finally, I'd like to say a big thank you to all Skills for Care colleagues for achieving so much throughout the year. Their expertise, relationships and hard work mean we can make a real difference to the social care sector.

Oonagh Smyth
Oonagh Smyth (Aug 8, 2023 12:28 GMT+1)

Oonagh Smyth

CEO

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 2023.

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 they need to live life to the fullest.

Our mission

Our mission is to support and empower current and future social care leaders, employers and the wider workforce.

Trustees' report *(continued)*

Strategic priorities

In pursuit of our mission and vision we pursue four strategic priorities that 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 evolves to reflect feedback and the changing landscape of social care and our communities.

- 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's well-funded, supports people to live the lives that they choose, and attracts the right people to the workforce.

Achievements and performance

Supporting workforce capability: why is this important?

We know that the people working in care and support roles are the sector's biggest asset, and the dedication and skill of people working in social care forms the foundation of high-quality social care.

Population changes, the pandemic, and the loss of experienced staff all have a bearing on the changing skills needs of the sector. The proportion of the overall workforce with a relevant social care qualification has been steadily decreasing since 2017 to around 42% (*source: ASC-WDS)*. Increased workforce development in adult social care, will drive improvements in care quality, staff retention and workforce productivity.

Our capability work in 2022/23

We want social care employers and people working in social care to have the skills, knowledge, competencies, behaviours and values to meet current and future needs. In the shorter term we want employers and decision-makers to understand and invest in the learning and development needs of the workforce.

Our capability work covers all the adult social care workforce, including the regulated professions. It often involves development of new qualifications or learning provision or updating existing qualifications and learning provision. We support employers to develop their teams by helping employers understand what good development looks like and how to access it and by providing funding and support for the market of learning providers.

In terms of developing new learning provision or reviewing existing provision, we reviewed the options for making the Care Certificate more portable, quality assured and consistently acceptable to employers resulting in a recommendation that it should be a level 2 qualification. This recommendation was accepted by the Minister of State for Social Care. We also reviewed **Level 4 learning and qualifications** and made some recommendations to DHSC, supported the Social Work Trailblazer Group on their work to reform the degree apprenticeship and add a Level 7 route and developed a **Level 5 commissioning qualification**, including a learning disability and autism version. This commissioning qualification was accessed by around 500 learners. An independent impact evaluation of the Level 5 commissioning qualification demonstrated a positive impact in terms of confidence, commissioning knowledge and intention to commission in a more innovative and person-centred way. **93%** of learners found the qualification useful.

Trustees' report *(continued)*

To ensure that managers are familiar with **Care Quality Commission (CQC) regulation and best practice,** we developed guidance and offered courses covering 'Being prepared for your CQC inspection', 'Improving your CQC rating' and 'Delivering Outstanding Care'. **99%** of those attending the course on being prepared for your CQC inspection found it useful**. 100%** of those attending the course on 'Improving your CQC rating' found it useful.

To support employers to develop their workforce we ran six webinars on apprenticeships which attracted 237 attendees and 216 repeat viewings. We also worked with partners to develop principles to support safe and effective **delegation of healthcare activities** to social care. These are accompanied by supporting products and videos. An evaluation will take place in 23/24 to inform future iterations.

We know that employers struggle to provide learning and development opportunities for their teams because of financial barriers and disbursing funding through the **Workforce Development Fund (WDF)** is one way we support the sector with this. The fund allows an organisation to claim back money towards the costs of people completing a broad range of adult social care qualifications, learning programmes, and digital learning modules. **91%** of employers agreed that the WDF had improved the skills and qualification levels of their staff and teams. WDF helped employers recognise the importance of training, with **69%** becoming more interested in training.

The rapid response programmes, we set up under covid regulations, continue to support employers with a **Rapid Induction programme** for new entrants and **Essential Training** to existing staff for core and mandatory learning. Up to the end of March 2023, the Rapid Induction programme supported **800** employers, provided an induction programme for **5,462** new entrants to the workforce, supported completion of **20,073** essential core and mandatory training programmes for **771** employers, and supported **372 Volunteers**.

We looked at the supply of learning provision and our **Endorsed Learning Provider Programme** supporting DHSC to deliver quality learning and development across social care and continue to grow the numbers of learning providers seeking this quality mark.

Regulated professionals make up 5% of adult social care sector job roles. There are an estimated 23,500 social workers, 32,000 registered nurse and 3,200 occupational therapist roles. Although they represent a relatively small proportion of the total adult social care workforce, they are vital to the success of the social care system, integrated health and social care planning and delivery.

The **Assessed and Supported Year in Employment (ASYE)** is a 12-month, employer-led and employment-based programme of support and assessment for newly qualified social workers (NQSWs). It supported around **1,480** NQSWs in adult services and around **2,850** in child and family services. The recently refreshed framework provides a consistent national approach for adult, mental health, and child and family services.

We know that across adult and child and family services, 99% of ASYE leads understand the current arrangements for the assessment of the ASYE against the Post Qualifying Standards (formerly Knowledge and Skills Statement) and Professional Capabilities Framework. 97% are confident in the capability of their ASYE supervisors and all are confident in the capability of their ASYE assessors.

The number of nurses working in social care has fallen over a number of years. The ***'We are social care nursing'*** brand and regular newsletter sent to 1,156 contacts (an increase of 352% during the year) shares and celebrates the exceptional work being done by nurses and nursing associates working in social care. We have focused on growing the number of nurses interested in working in social care by developing student placements and are working on a resource which will demonstrate career opportunities for nurses and nursing associates in the sector. The highlight of a successful *'We are social care nursing'* conference was a film made

Trustees' report *(continued)*

by a group of people with lived experience which is going to be made more widely available. The event was attended by 161 people on the day who shared some positive feedback on their experience including finding it "inspirational and very motivating". We delivered our Nurse Leaders programme in partnership with 3 local authorities. The programme provides leadership development for nurses working in social care.

We worked with a steering group and expert reference group of health and social care stakeholders on guiding principles to support safe and effective **delegation of healthcare activities** to social care. These are accompanied by supporting products and videos. An evaluation will take place in 23/24 to inform future iterations.

The impact of our capability work in 2022/23

There is evidence that we have helped employers **understand the learning and development needs of their workforce.**

By the end of February 2023, 58% of workplaces sharing their data with ASC-WDS adopted training and qualifications records which help this.

67% of beneficiary employers had undertaken new training needs analyses because of WDF and 72% had developed or refreshed training plans.

Our campaign evaluation found that 91% of employers understand the learning and development and qualification needs for the job roles of their staff.

Learners on the essential training reported that some of the benefits they learned were:

"Putting what I've learnt into practice for example, different types of items that can be adapted when it comes to eating."

Another reported: *My trainers over the last two days have done a fantastic job taking the time and care to explain in great detail all parts of the modules. Very helpful and pleasant to train with so thank you!*

"I'm so glad to be participating in these webinars, they enhanced and built my knowledge. Thanks for this great session. I appreciate it."

"I think before I did it I was more likely to accept the 'oh that's not how we do things here' line, whereas now I've progressed by doing this I would be less likely to accept that, and I would be like 'why is that?' And I'm definitely more comfortable challenging that."

Participants on the commissioning qualification reported:

"I seem to be an advocate for this course, I keep telling people to get on it! It's just invaluable, I think it's a really good tool to get people on, it just makes sure you've got the basics embedded and just sets the tone for the commissioning moving forwards."

"Fantastic, well organised and coordinated event. Positive, uplifting and certainly a day of reflection."

Attendee at the 'We are social care nursing' conference:

"I use the GO online inspection toolkit and think it's great. I'm finding it useful to train new managers to understand how to prepare and meet each area of inspection. It enables us to see instantly what area we need to focus on improving."

Trustees' report *(continued)*

Future areas of focus for our capability work

Over the next three to five years, we want there to be a nationally agreed and consistent career pathway for social care that employers understand and use to develop staff.

We will continue to work in partnership with DHSC on the development of this pathway to ensure it reflects the skills, behaviours and expertise needed to deliver high-quality, personalised, compassionate care and support in collaboration with the sector. The call for evidence for the first part focuses on staff in direct care roles will run to the end of May 2023.

We were successful in securing the contract to develop a qualification specification for awarding organisations for both the **Care Certificate** at Level 2 and a Level 5 Award in **Digital Leadership**, based on the newly-developed Digital Skills Framework. This piece of work will run up to September 2023.

Supporting culture and diversity: why is this important?

People who work in workplaces that actively promote diversity and inclusion, report a sense of belonging, and this results in workers feeling valued and appreciated, happier and more resilient in their roles. Ultimately, this reduces staff turnover, saving employers time and resources associated with recruitment and training.

This is why promoting diverse leadership and inclusive and equitable workplace cultures is at the heart of our strategy. We hope that, through our support, employers will build inclusive and positive workplace environments, develop more diverse and compassionate leaders, who use our tools and resources to support people working in social care.

We will achieve this by supporting employers to have a better understanding of the issues around racism, discrimination and inequality, providing practical support and guidance to improve inclusive cultures, wellbeing of the workforce and providing support to people from diverse backgrounds to progress in their careers, using our data and insight to ensure that diversity is valued and that organisational cultures are positively developed.

Our culture and diversity work in 2022/23

We want current and future leaders and managers to have a better understanding of equality, to action positive change in relation to equality, diversity and inclusion (EDI), and build a positive workplace culture. To support this, we developed our 'Confident with difference' resource and a summary guide on racism, first shared in February 2023, it has been downloaded 83 times with wider promotion planned.

We worked with the University of Strathclyde and the LGBT Foundation to develop a learning framework for knowledge, skills, and values for working affirmatively with LGBTQ+ people in later life. A launch event took place on 22 February, and we were joined by 449 people. Since launch the framework has been downloaded 583 times.

> *"We're delighted to see the LGBTQ+ Framework as a tool that will drive continuous improvement in the vital area of equality, diversity and, importantly, inclusion. We welcome the Framework that will enable us as a care and support provider to further consider the needs and preferences of people using our services. On a practical level the Framework provides a structure for the continuous improvement of our learning resources and cultural awareness, as well as providing competence checks for use within our workforce development."*
>
> ***Head of learning and development at a care provider***

The ethnic profile of the adult social care workforce (23% Black, Asian and other minoritised ethnic people) was more diverse than the population of England (14% Black, Asian and minority ethnicity) in 2021/22. Workers from Black/African/Caribbean/Black British backgrounds (12%) accounted for over half of the Black, Asian and minority ethnic adult social

Trustees' report *(continued)*

care workforce. This compares to 24% of the Black, Asian and minority ethnic population of England.

However, women and ethnically minoritised people are under-represented in leadership roles in the sector. SfC 2020 research showed they faced challenges related to career progression, and we want diverse leaders and managers to have a greater opportunity to progress their career – for example, women account for 82% of the overall workforce but only 68% of senior managers. Men are under-represented in the overall workforce as they only account for 18% of people working in the sector.

Our development programme 'Moving Up' supports people from diverse backgrounds with progression, networking and support. It has had a positive impact on participants, including:

- belief in their ability to influence equality, diversity and inclusion increased by **26%**
- belief in their ability to progress their career increased by **8%**, clarity about career ambitions by **11%** and understanding of career motivations and drivers by **14%**
- at the end of the programme, participants rated themselves **26%** higher than at the beginning in relation to adequately supporting their own wellbeing.

We established a Race Equity Reference Group made up of thought leaders in EDI and social care. The group advises on our current work, helps shape Skills for Care future direction and provides opportunities to champion our EDI commitments. They meet 4 times a year and offer advice, support and form working and task-based groups in-between.

Members of the workforce told us that racism was one of the biggest challenges they faced. We know from our analysis of protected characteristic data that Newly Qualified Social Workers (NQSWs) from a minority ethnic background were more likely to fail their ASYE than white NQSWs. We looked at data from the last four years, finding that 1.8% of NQSWs from a minoritised ethnic background failed, compared with 0.8% of white NQSWs.

Consultation with NQSWs and their feedback on their experiences of the ASYE, led to the development of the Group for Ethnic Minority Social Workers (GEMs). We held four successful meetings in 2022-23. These were attended by 53 NQSWs from minoritised ethnic backgrounds. The forum provides an opportunity to discuss experiences, to better understand issues relating to anti-racist practice and to identify ways of dealing with racism. **67%** of adult ASYE employers reported their organisation incorporates anti-racist practises in the delivery of the ASYE programme.

We want the whole workforce to be aware of **mental health and wellbeing** and be able to support it in themselves and others. We are working nationally with partners through the National Wellbeing Strategic Steering Group and this year we revised our 'Creating a positive workplace culture toolkit' which has been viewed **11,215** times.

Strong leadership is key to ensuring that the sector continues to develop to meet the ever-changing challenges ahead. Excellent leaders are needed at every level across social care. As well as ensuring high quality, safe, and effective care services, they also help develop a motivated, confident, and caring workforce. In October 2022 we launched our leadership brochure offering our support available and outlining hot topics for leaders, and the importance of developing leadership skills for, aspiring, existing and senior leaders. It was downloaded from our website **685** times.

Future areas of focus for our culture and diversity work

We have ambitious plans for 2023-24, with the design of new leadership programmes and the expansion of our Moving Up and nurse leadership programmes following increasing demand for these across the sector.

Trustees' report *(continued)*

We are supporting work around recruiting displaced people talent, partnering with the Stephen Lawrence Research Centre to develop transformational storytelling exploring the pathways and obstacles into leadership.

We are supporting the quality improvement processes around the Social Care Workforce Race Equality Standard and next collection of data with Local Authorities, providing strategic advice. Linking this with the implementation of the Health and social care review: leadership for a collaborative and inclusive future (Messenger Leadership Review) recommendations on EDI. We are designing and testing a Human Rights and Equality behavioural change training programme and developing an EDI action plan that reinforces our EDI commitments.

Increasing workforce capacity: why is this important?

To meet the increasing needs of a growing, ageing population, with rising levels of morbidities and care needs at all ages (All Party Parliamentary Group for Longevity, 2020; Idriss et al, 2020), the workforce needs to grow – **we estimate 27% (480,000 extra jobs) by 2035** (source: Skills for Care workforce estimates 21/22).

There is also a significant replacement demand, with over a quarter of the workforce aged over 55 (Skills for Care, 2022). With persistently high levels of staff turnover (29%; 400,000 leavers in 2021/22) and vacancy rates (10.7%; 165,000 vacancies), employers struggle to meet present demand, let alone future demand.

Our '**State of the adult social care sector and workforce in England 2022**' report showed that pay, travel to work distances, training and qualifications, and contract type are all factors that affect an employee's likelihood of remaining in an adult social care job. This had a large reach and gained extensive media attention in October, raising awareness of capacity challenges facing the social care sector. The latest figures in this report highlighted that the number of vacant posts in adult social care had increased by 52% in one year - the highest rate on record.

Our capacity work in 2022/23

We want social care to be better understood, more valued and seen as a career of choice, attracting more people into the sector.

One of the ways that we support to increase capacity is by drawing attention to the current challenges and the solutions.

On the day of publication of our workforce report, tweets about the report reached over 27,500 people, with 86 retweets and 19 quote tweets to the launch post alone. Our overall reach for all related Skills for Care posts, across Twitter and LinkedIn, was 75,566 (with 2,228 engagements).

From the initial launch, to ongoing citing of data from the report since it was released, we recorded 827 pieces of media coverage between 11 October 2022 and 24 November 2022 across online, print and broadcast media including national, regional and care sector press.

Our report and findings were used in a House of Lords debate and continued to be used in parliamentary activity and policy development around social care.

Our study into new starters in adult social care (which we published in 2022/23) found that the best ways to retain new starters are to:

- avoid zero-hours contracts
- focus support on young starters
- use values-based recruitment and retention practices
- train new starters and aim to equip them with a social care qualification, to support their retention in adult social care, beginning with the Care Certificate

Trustees' report *(continued)*

- recruit locally, pay well and support staff wellbeing
- provide high-quality induction and buddy schemes, clearer career pathways and ongoing training opportunities.

We want more employers to adopt Skills for Care best practice insights, tools, data and intelligence to reduce their staff turnover and vacancy rates. In 2022/23, **we expanded our reach into the sector from 43% of CQC-registered providers to 55%.**

In 2022/23, our workshops on values-based recruitment resulted in a 48% increase in the percentage of employers self-reporting as confident in values-based recruitment after the workshop as compared to before.

Our research shows that values-based recruitment and retention practice brings a positive return for employers who implement it (£1.23 for every £1 spent on values-based recruitment [*(Consilium, 2016])*.

We delivered a series of eight 'Safe and fair recruitment' seminars across England, which were attended by **130** people. These were designed to help employers understand their rights and responsibilities when dealing with applicants or existing staff or volunteers with criminal records. They achieved a 35% increase in knowledge and a 42% increase in confidence after the workshop compared to before.

We worked closely with DHSC on international recruitment support running three webinars attended by **268** people, developing a toolkit for employers, creating help sheets, and promoting DHSC resources. **234** rapid inductions funded for international recruits between January 2023 and April 2023 via WDF.

We worked with the Local Government Association (LGA) to develop a ' 'Top tips guide for retention' that has been viewed **1,551** times since launch in February 2023.

We support employers and careers advisors to promote opportunities to everyone including diverse communities, people who are currently under-represented, and students at schools and colleges. We share information and resources from our Think Care Careers website to promote information on the routes into adult social care, career pathways and values required to work in social care. We had **288,207** views of the Think Care Careers website between 31 March 22 and 31 March 23.

Skills for Care have had a formal partnership agreement with the Department for Work and Pensions (DWP) and JobCentre Plus (JCP) since 2015. This involves working at a national level to ensure we support DWP/JCP with understanding the adult social care workforce.

Our **Valuable People** product is an innovative, wrap around, place-based programme supporting social care organisations and Integrated Care Systems to find and keep the workers they need. It includes support for those involved in recruitment, sessions for senior managers, HR professionals, registered managers and individual employers in adult social care on values-based approaches, and bespoke data analysis. We delivered 10 cohorts to 8 organisations. Feedback from one organisation who had sessions for approximately 30 of their senior and managerial staff recognised, as a result of the programme, that although they were already doing value-based recruitment they had not fully implemented it.

We were also involved in the delivery of a series of five 'Learn live' careers broadcasts to around 10,000 young people to promote the opportunities of a career in care. Connecting with young people on social care is an important part of building sustainability for the future.

Future areas of focus for our capacity work

The long-term goal for capacity is to have enough people working in social care with the right values to meet needs now and in the future.

Trustees' report *(continued)*

We will continue to encourage employers to adopt our best practice insights, tools, data and intelligence to reduce their staff turnover and vacancy rates.

Improving the social care system - why is this important?

A workforce that has the right number of people, with the right skills, in the right jobs is at the core of truly person centred integrated care. This requires the workforce to be sufficiently funded and for reforms to address the current and future workforce challenges.

However, the funding gap for social care in 2022 was estimated to be **£7.1billion** (the Health Foundation), and levels of public satisfaction are low. In 2022, only 15% of people thought social care services were good in their area and this dropped to 11% in 2023 (Ipsos and Health Foundation).

Our Evidence Review in January 2021, recognised the importance of integration and joined-up working across systems and a need for national leadership on social care, with a shared vision and political consensus on how to address the main challenges.

Our system work in 2022/23

We want local and national decision-makers to **use our high-quality data,** models, intelligence, tools and best practice insights to improve workforce planning, commissioning, and build a national workforce strategy for social care.

To do this, we need to have high quality data accessed by decision-makers. **51%** of CQC regulated workplaces were using ASC-WDS at the end of February 2023 – that is **14,114** workplaces. ASC-WDS had **over 10 million** page views. There were **195,000** tableau views of ASC-WDS data, an increase of 21% on the previous year.

Our annual 'State of the adult social care sector and workforce in England' report is a key part of this work, and brings our data and insights to the forefront of discussions. Our 'State of the adult social care sector and workforce in England' report was downloaded more than **2,700** times.

We want there to be **increased awareness and understanding of social care across the health and care system, including at ICS level**. Nationally, we continued to contribute to high-profile debates and activity, including providing a detailed written submission to the Hewitt Review of Integrated Care Systems, and a wide range of speaking engagements at major conferences and events – including presenting at the NHS Confederation conference. Our robust local engagement allows us to intervene, convene, influence and collaborate with regard to key sector stakeholders and employers.

The importance of developing systems leadership across the sector is paramount and the Messenger review recommends encouraging top talent into parts of the system facing challenges – and to consider incentives and support to enable the best leaders and managers to take on some of the most difficult roles.

Nationally, we helped produce a guide for system leaders to plan for an integrated workforce in partnership with NHS Employers, ensuring that adult social care language, challenges and priorities were reflected and landed with a key audience through joint promotion with health leaders. The guide was published online and attracted **3,500** users in the first 6 weeks of publication. It was showcased to ICS workforce leads at an ICS conference held in November in order to gather feedback and next steps; it's envisaged a second guide will be released in 2023 on building trust and relationships.

We sought to reflect the challenges and opportunities of social care engagement throughout ICS structures by engaging with key stakeholders and political actors. We worked directly with **over 80%** of Integrated Care Systems and we were members of **32 of the 42** People Boards. We provided oral evidence to the cross-party thought leadership roundtables hosted by the

Trustees' report *(continued)*

Health Devolution Commission into ICS workforce planning and management, an address to the NHS Strategic Workforce Forum, a presentation to an NHS Employers Board meeting and a high-profile main stage panel discussion at ConfedExpo 2022.

We continued to engage with and shape policy initiatives and consultation opportunities which influence the direction of integration. This included engagement and a meeting with Dr Claire Fuller on the Fuller Stocktake and our submission to the Hewitt review helped ensure the final report reflected Skills for Care statistics on the composition and value of adult social care and helped build a "compelling case" for adult social care provider engagement.

We worked closely with DHSC to help shape key integration guidance such as the preparation of integrated care strategies and the principles for integrated care partnerships engaging with adult social care, where our feedback on earlier drafts ensured the full "diversity and breadth" of provider perspectives were recognised.

Over the short term, we aim to **increase understanding about integration within the sector**. We continued to run networks of registered managers, nominated individuals, CEOs, and other leaders to provide informal peer support and nurture the environment and individuals who will contribute to system leadership. Over **7,000** managers were connected to a Registered Manager Network and a minimum of over **3,300** individual managers attended at least one network meeting.

We have supported four networks for nominated individuals, and a further four networks for CEOs across our areas, reaching over **650** individuals.

We also continue to provide a **support offer to registered managers**, which speaks to the operational pressures and needs they face through the provision of guidance, advice and best practice. In doing so we're able to strengthen our engagement with this key audience, and support the conditions required for the provision of quality care, as well as system leadership. Our series of registered manager webinars remain popular, with over **8,500** views of our recorded webinars and a record attendance for a live webinar in March 2023 with 931 managers joining our session on the CQCs new inspection approach.

We want to support employers and commissioners in **workforce planning**. We have continued to support system partners to join up their local workforce planning and development for health and social care by publishing regional, ICS and local authority level data which we have shared and discussed with Health Education England, **all 151 Local Authorities** and **32 ICS People Boards**. We ran a campaign to raise awareness of what workforce planning is and how we can support it, including sending targeted communications to more than **30,000 leaders and managers**.

We work with colleagues in the health sector providing intelligence , insight and context on the adult social care sector with the aim of **increasing the recognition** (as equal partners) of providers and commissioners in integrated settings, Using our **'What is adult social care'** slide deck, Skills for Care supported a minimum of **40+** workshops, facilitated conversations or presentations at system or place level. We foster links between our networks and support and empower individuals to improve **involvement** and **increase collaboration** between social care and other sectors and stakeholders; at local level we are fostering links between our networks of sector leaders and their ICS to support engagement and develop the Networks position and ability to influence workforce development discussions and planning.

We strengthened links with CQC to inform and support their development of the Local Authority Assurance Framework, including aspects focused on **workforce and commissioning**. Knowledge of this draft framework will be used to inform our work with local authorities. Our **Workforce Transformation**, Engagement and Policy Leads now meet with CQC Head of Adult Social Care Policy monthly to support development of the framework, helping to ensure Skills for Care resources will be central to supporting guidance.

Trustees' report *(continued)*

These ongoing close connections with the CQC help inform our positioning and support to local authorities during the transitional phase, as the CQC framework is piloted and introduced in 2023/ 24.

The impact of our system work in 2022/23

We worked to increase the reach, intensity and effectiveness of our contact with national and local system leaders. We work directly with **over 80%** of Integrated Care Systems and we are members of **32 of the 42** People Boards. Through these connections, we know that **ICSs are using our data and reports for workforce planning.**

We maintained and **strengthened our engagement with key care providers, leaders and managers in adult social care**, with a continued focus on the provision of an effective offer of support to registered managers. Registered Manager's reported that attendance at networks: gives **increased confidence** in their role (71%); makes them feel **more positive** about their role (74%); means they **better understand** how to make **improvements** to their service (73%).

At a recent event of **298** Nominated Individuals, they reported a greater understanding/awareness of ICSs (89%) and felt better placed to include ICSs as a result of attending (62%).

"[The 'State of the adult social care sector and workforce in England'] report is the most comprehensive publicly available source of workforce statistics for the adult social care sector in England" **Office for National Statistics**

"I make it a priority to come to the Registered Manager Network meetings. There is just so much to our role that I can't possibly know all the answers. Part of the meeting is to network with others who have similar experiences and to learn from them. We support each other and bring back ideas to our own service that directly benefits our staff and service users."

Registered Manager

Feedback from an event co-delivered with HEE on strategic workforce planning

"Some Excellent workforce data from Skills for Care" **Workforce Lead, Regional ADASS**

"The whole process was of huge benefit to the entire organisation. After consultation and input from our staff we now have a clear set of values from an idealistic perspective that are also specifically identifiable in terms of the standards of behaviours and attitudes we now absolutely insist on. This has now been embedded into every aspect of our operations from staff attraction, supervisions and appraisals. This has led to a significant improvement in morale, recruitment and retention which in turn has resulted in a higher quality input to our service users, improving the quality and outcomes of the care we deliver."

CEO describing our valuable people programme

Future areas of focus for our system work

We will continue to support any movement towards a social care sector workforce strategy which is essential to ensure we have the workforce for the future. We will continue to play a key role in system leadership and coordination, supporting DHSC to measure and implement reform agenda. For example, we will use ASC-WDS to measure the impact of reform investment.

The involvement of adult social care in local systems remains inconsistent, with ICSs at different stages in their understanding of, and engagement with, the sector. In 2023-24 we will build on our existing connections to the ICS People Boards, with the aim of connecting to all 42 Boards.

Trustees' report *(continued)*

We will work with partners to develop a shared definition of what successful integrated workforce thinking and planning looks like, and work through our connections to all Local Authorities and at least 32 of the ICS People Boards to embed this approach.

We will continue to facilitate the connection of senior leaders within the social care sector providing support to 25% more leaders within the year. We will support our networks and the individuals within them to connect with their counterparts in health and be meaningfully engaged in integrated workforce planning. We will develop links between at least 15 ICSs and their local networks in 2023-24.

Financial review

Financial internal control environment

Skills for Care operates within a defined risk management and governance framework.

The SfC board approve a set of standing financial instructions (SFIs) each year which set out the context of our internal control environment from scheme of delegation through to signatories on bank transactions. To enable colleagues to comply with these instructions we have a number of policies (inc procurement), processes and standing operating procedures in place underpinned by guidance including roles and responsibilities provided to our budget holders and budget keepers.

Skills for Care reappointed RSM, as internal auditors, to provide third party assurance and advice on the operation of the internal control environment. An annual audit programme taken from our rolling three-year review overseen by the Audit and Risk Committee (A&R) was agreed and included six compliance audits covering: governance, business development, business continuity and disaster recovery, budget monitoring, payroll and digital project management. There were also two advisory reviews of employer engagement and business planning and a follow up audit revisiting 15 recommendations from last year's audits. All recommendations are expected to be completed on time as agreed during each audit and explanations are sought where recommendations are superseded or delayed. The 2023/24 audit plan, agreed in April 2023 by the A&R Committee, includes five compliance audits and one advisory review covering disbursements, creditors and procurement, compliance, treasury, debtors and cash management, and further review of digital projects and business development, as these are key areas to achieve our strategic objectives. The advisory review is looking at the implementation of our performance reporting framework developed this year.

Skills for Care reappointed Brown Butler as external auditors and while they perform the statutory audit as part of this, they highlight areas for improvement in our internal controls which they report to the Board and we address each year. Their report following last year's audit states they 'have not identified any significant deficiencies in internal controls during their audit work and believe that the controls evidenced during their work are adequate for the group and that the group appears to be working proactively, with the use of external advice to seek continuous improvement'.

Skills for Care does not carry out any significant fundraising activities to raise funds from the public.

Group results for the year

Trustees plan for the group to manage costs within funding available, and agreed investments of charitable reserves, to resource and deliver our strategic priorities in year. We planned and budgeted on a number of potential financial funding scenarios.

The financial performance against last year is set out on the Statement of Financial Activities (SOFA) on page 33.

Trustees' report *(continued)*

Financial review *(continued)*

The **underlying financial performance per SOFA before pension income and expenditure, is a breakeven surplus of £0.03m** (*2022 (£0.2m) deficit*). This outturn is an improved position on our overall total £5m budget deficit due to:

- £2.5m *(Budget £2.8m, 2022 £2.8m)* capital resources were incurred in year, which are capitalised in the balance sheet as tangible and intangible assets as set out in note 8, and not included in 'resources expended' in the SOFA. As capital assets are depreciated and amortised, costs will be included in resources expended in the SOFA in future periods.
- £0.3m cost saving on total capital budget £2.8m *(2022 £2.8m).*
- £0.4m saving on depreciation and amortisation of capitalised assets due to timing of assets acquired throughout the year. Depreciation and amortisation of **£2.5m** *(2022 £2.9m)* has been charged in year as set out in note 14 and note 8.
- £0.8m saving on pension deficit payment as the £1m agreed in principle by the Board in March 2022, included in budget, was limited to the agreed statutory £0.15m paid in year. (Note 14f).
- £0.8m strategic, emerging and corporate cost savings *(£1.1m actual note 14, £1.9m budget*).
- £0.3m improved commercial surplus *(£1.2m actual note 14, £0.9m budget)*

Net incoming resources after FRS102 pension interest income and **before 'other comprehensive income'** is a **£0.16m loss** on unrestricted funded activities and £0.2m surplus on restricted funded activities resulting in an overall **£0.03m surplus** *(2022: £0.7m surplus).*

Other comprehensive income/costs in the group was **£0.5m** *(2022: gain £7.3m*) pension **actuarial gain** as explained further in **Notes 14 and 17.** There was an unrealised investment loss of **£1.5m** *(2022: gain £3.1m*) ***(Note 9, 14)*** due to the adverse financial market environment at the year end. Both of these are outside the Trustees' control.

The overall financial result is a **(£0.936m) deficit** *(2022: surplus £11.1m)* **net movement in funds** made up of **(£1.135m) unrestricted deficit *(2022 gain £11.7m)* and £0.2m** *(2022 £0.1m)* **restricted surplus.**

Incoming resources

The charitable group was successful in securing total incoming resources of **£34.1m** (*before £1.3m pension interest*). This is £3.4m below £37.5m budget *(2022: £37.7m (before £0.9m pension interest), £38.6m inc £0.9m FRS102 pension interest).* Actual income is in line with forecast and the reduction on budget is explained below:

Incoming resources are made up of **£31.5m** (*2022 £35.8m*) **restricted** and **£2.5m** *(2022 £1.9m)* **unrestricted** and **£1.3m** *(2022 £0.9m)* FRS102 pension interest. Although overall income reduced by 10% *(2022: 6% increase*), our key funders continue to recognise the positive impact we make on the sector delivering our agreed strategic priorities.

See note 4 for the detail of income.

Charitable activities

DHSC funded work programme: Our main client, continued to provide restricted funding for the delivery of our extensive annual work programme aligned to their priorities. We ensured the programme and resources allocated were flexible to meet new and emerging priorities.

Trustees' report *(continued)*

Financial review *(continued)*

Total funds for the year were **£25m** *(2022: £28.2m)*, an 11% overall decrease on last year. This is due to an overall 5% reduction on the core workforce revenue and capital funding, £nil *(2022: £1.2m)* funding for approved mental health professionals and a £75k repayment of Learning Disability funding.

£2.3m ASC-WDS activity is now to be funded by a 2 year commercial contract, which, while being negotiated, DHSC agreed to finance out of unspent workforce revenue grant funds in year. There is accrued income for this, at the balance sheet date included in debtors note 11.

The total cost of the DHSC work programme was funded by DHSC, Skills for Care and securing some sector co-funding as set out in note 14.

Other charitable activities: We secured £6.5m *(2022: £7.6m)* restricted funding, a 14% decrease *(2022: 12% decrease)* on last year and 20% reduction on our £8.1m budget. This includes £5.9m *(2022: £6.7m) budget £6.3m)* Department for Education (DfE) contract income to disburse the Child and Family Assessed and Supported Year in Employment (ASYE). This is the first year of a two-year contract, with a potential opportunity to extend by a further two years towards the end of 23/24. It also includes £0.162m *(2022 £0.162m, budget £0.162m)* Level 2 Commissioner qualification year 2.

Skills for Care and Development (SfCD) UK activity generated £0.06m *(2022: £0.06m)* from UK partners, including Skills for Care the company host and England partner. In addition, charitable funding from other funders of £0.6m *(2022: £0.6m)* was deferred in creditors as activity relates to next year, as set out in the company note 12.

Whilst the budget (which included a stretching income target to secure) has not been wholly achieved, due to some activities overlapping into 2023/24 as the activities have not fully completed, the income for these has been deferred in creditors and we managed our charitable resource costs. In year, we have also invested our reserves in more dedicated commercial and business development resources to ensure we can respond to future opportunities.

Trading activities

Trading activity accounted for in the subsidiaries is set out in notes 3 and 14.

We generated **£2.3m** *(Budget £1.9m, 2022: £1.8m)*, **a 30% increase** *(2022: 28%)*. Attendance at our leadership programmes such as 'Moving Up' and our Valuable People recruitment sessions have been in excess of budgets.

In addition, £1.2m *(2022: £1.5m)* income was secured relating to 2023/24 delivery, so deferred in group creditors as detailed in note 12.

Our activity within Affina Organisation Development Ltd (AOD) increased this year and we **exceeded the £1m income** barrier for the first time *(Budget £0.93m, 2022 £0.72m)*. This was due to a significant proportion of work postponed during the covid pandemic period was rescheduled, with delivery deferred and income realised in 22/23. In addition, a new programme of work supporting compassionate leadership was rapidly designed, developed and rolled out in this period generating a considerable new income stream. Demand for assessment programmes has also increased, with at least 3 programmes delivered in 22/23.

Investments: Bank interest increased to £0.015m from almost nil last year, as interest rates started to rise.

Other income: Nil income this year *(2022 £0.002m related to Covid).*

Trustees' report *(continued)*

Financial review *(continued)*

Pension: £1.3m *(2002 £0.9m)* FRS102 pension interest and the Trustees considerations for the treatment of the pension asset is set out in note 17, the detailed figures disclosed being provided by the Actuary.

Resources expended

In line with our strategy and business planning cycle, we assess and plan our financial and people 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 allocate our resources where appropriate to ensure we delivered priorities within budget, provide value for money and we ensure spend is eligible, within funders' terms.

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

Throughout the year, we maintained a continuous effort to manage our people costs, third-party costs, engagement, Digital, Data and Technology (DDaT) and other essential corporate resources, delivering in-house, where appropriate. and seeking competitive tenders or changing the scope to achieve value for money.

Our People Directorate continued to oversee all people related activity. Our priorities continued to support delivery of our strategy by attracting and retaining highly talented, engaged and committed people. We have continued to focus on personal development and growth specifically with our Senior Management Team. The team has focused on team development through our AOD Team Journey in collaboration with our AOD partners and strengthening leadership skills with our compassionate leadership programme. Our employee wellbeing programme continues to be a significant feature of our employee experience commitments. Financial wellbeing has been an important part of our offer as we responded to the cost-of-living increases and the pressures that this has placed on many of our colleagues.

Our Belonging strategy which is our internal equality, diversity and inclusion activity has focused on Allyship which will continue into next year with support from our new membership offer with The Employers Network for equality and inclusion (enei).

We have invested in our internal operational infrastructure including transitioning to a new HR system and reviewing our data storage and GDPR compliance.

Continual growth and positioning SfC well for the future in a changing external context to achieve greater focus on impact, increasing our commercial offer and transforming our digital ambition, the Leadership embarked on an organisational change programme which has included responding with changes to roles and responsibilities and structures to support our new way of working.

Total funds carried forward

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

Restricted: The company has £0.20m (*2022: £0.08m*) funds committed to activities spanning the year end and £0.08m funding carried forward. These DHSC funds are expected to support activities agreed as part of the 2023/24 DHSC work programme.

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

Trustees' report *(continued)*

Financial review *(continued)*

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 of £40.2m *(2022: £41.3m)* 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 financial difficulty.

There are sufficient charitable reserves to fund the actual and potential liabilities as set out in note 14 and contingent pension liability in note 15b, should a decision be taken to exit the pension fund.

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 Finance and People Committee. The appointed manager throughout the year was CCLA Investment Management Limited, who manage the portfolio on a discretionary basis within agreed risk and return objectives. The portfolio is invested in a blend of CCLA 's specialist COIF charity funds.

The Funds held during the year were the Ethical Investment Fund (annual management charge (AMC) 0.60% rebated to 0.50% for balances over £10m); the Fixed Interest Fund (AMC 0.22%) and the Charities Property Fund (AMC 0.65%). We did not realise any gains or losses during the year *(2022: nil)*.

We have an unrealised loss of £1.5m for the year as shown in note 9. The total loss on our investments during the year was 4.2%. The investment objective is to achieve long term growth to maintain the real spending power of our reserves; the rate of return in any one year will depend substantially on market conditions in the underlying asset classes. Over the five-year period ended on 31 March 2023, total returns have averaged 6.7% p.a.

At approximately 45% 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 therefore substantially reflects the returns from equity markets over a period in which inflation and interest rates were rising sharply, damaging equity valuations. 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. These other asset classes also suffered deteriorating valuations for much of the period under review.

Trustees' report *(continued)*

Financial review *(continued)*

The Finance and People 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 £0.1m between valuations, the Chair of Finance and People Committee is provided with an explanation.

The Company has a policy of placing funds, which are not invested with the investment manager, or not immediately required for working capital 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%-1% (*2022: 0.05%-0.30%*) on bank balances.

Plans for future periods

We are entering the third 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

Our strategy is underpinned by core strengths which are high-quality workforce solutions, strong relationships and networks, and intelligence on and insight into the workforce. These core strengths are very important to us and we will continue to build on these in the future.

We will continue to use our role, as the strategic workforce body for adult social care, to provide advice and guidance, standards and frameworks, influencing and convening, learning and development programme delivery, and peer-to-peer networks.

Our main priorities for 2023/24 will align with the DHSC reform agenda set out in the 'People at the Heart of Care: adult social care reform' White Paper, which will include the Care Workforce Pathway for Adult Social Care which we are working in partnership with DHSC to develop and will create a clear shared understanding of the knowledge, skills, values and behaviours needed to work effectively in adult social care.

We know that capacity in the sector will be a significant focus for both policy makers and providers of care services.

We are planning longer-term solutions as well as responding to short-term needs. As part of that, we are considering how we can maximise digital potential to make recruitment more efficient and encouraging and supporting all demographics of the population into care roles.

Culture and diversity is an important part of our work and we will continue to support the social care workforce race equality standards (WRES) and other programmes in this area.

We will weave our digital ambition into all of our work to ensure we can continue to engage with employers across the sector and to recognise that we are living in a more digital world.

Related parties and strategic partnerships

Our close strategic partnership with our counterparts in the other UK nations now also includes the Republic of Ireland and has expanded to seven organisations: Skills for Care, Social Care Wales, the Scottish Social Services Council, the Northern Ireland Social Care Council, the Early Years Alliance, Social Work England and CORU. This important relationship, under the

Trustees' report *(continued)*

Related parties and strategic partnerships *(continued)*

Skills for Care and Development umbrella, allows us 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.

This year we saw considerable and frequent changes in Government agenda, policy direction and personnel. As the delivery partner for the Department of Health and Social Care (DHSC) on leadership and workforce in adult social care, we have continued to work with colleagues at DHSC to influence the development of a range of activities, including the Care Workforce Pathway for adult social care. We also engaged with other government departments including the Department for Education and the Department of Work and Pensions.

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 and the organisations that represent them. This engagement enables us to seek to ensure that policy decisions will achieve positive outcomes for all.

We are an active partner in Think Local Act Personal (TLAP). We work closely with the Association of Directors of Adult Social Services (ADASS) at national level on their Workforce Development Network and locally with ADASS regional branch members. We have formed a strategic relationship with the National Care Forum (NCF) with a view to furthering the good history of collaboration between our two organisations.

Key activities included: convening round tables with the leaders of large national employers focusing on reform and capacity; the delivery of The Managers Conference in partnership with NCF, which attracted over 200+ frontline managers; the formation of a Care Worker Forum (CWF) on behalf of DHSC and NHS Transformation Directorate (NHSTD) to act as a sounding board with regard to their reform and wider activity; the participation of the DHSC in forums and groups convened by us including our Registered Manager Reference Group (RMRG) and Large Employers Group; close partnership working with The Outstanding Society; and delivery of our second annual national event for nominated individuals.

Skills for Care's area teams continue to maintain close relationships with key stakeholders and continue to have an important role at a local level in informing, intervening and influencing on behalf of the sector. Examples include:

- In the East, we have worked in close partnership with ADASS East through all stages of the International Recruitment funding bid development process. We have utilised our contacts to involve care associations, nominated individuals and registered managers throughout the bid development process and we have been a key voice at a range of stakeholder meetings linked to the bid development.
- In the South West, we have been key in supporting the development of a regional Integrated Care Systems and Social Care joint Community of Practice, working to share good practice ideas and challenges in integrated working with Adult Social Care across the 7 Integrated Care systems.
- In the North West, we facilitated CEO & Commissioners network activities on ways to link more closely with ICSs and develop the voice of social care providers in strategic workforce development discussions. Our team is now approaching the ICS Programme Directors to support the development of further integration between health and care.
- In the Midlands, the area team has worked with local authority and ICS leads across Nottinghamshire and Nottingham City on scoping work and supporting the development of a workforce strategy for the Care & Health workforce.

Trustees' report *(continued)*

Related parties and strategic partnerships *(continued)*

We 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 DHSC, influencing and supporting them and their teams on relevant strategic workforce issues. We worked with Health Education England, NHS England and DHSC over an extended period on the development of a refreshed 'Framework 15' Strategic Workforce Framework which for the first time included the Regulated Workforce in social care. The report was significantly influenced by Skills for Care and the wider social care sector and sets out the need to clearly understand the shape of care, education and work in order to effectively understand the shape of the future workforce and effectively plan for it. We hosted a social care stakeholder group, and helped to facilitate the national deliberative debates, as well as ensuring that senior leaders, learners and people with experience of drawing on care were included in the process.

Structure, governance and management

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 2023 was 10 *(2022: 13).*

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 role specification 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. The membership of the Board is kept under review and re-aligned as appropriate.

Trustee induction and training

The Chair and CEO 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 DHSC 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 administer the charity and meet 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 CEO is appointed by 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.

Trustees' report *(continued)*

Structure, governance and management *(continued)*

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 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 Charity Governance Code principles and identify areas for improvement.

In 2022/23, Trustees agreed to postpone the external evaluation for a year to allow time for the new Chair to settle into post, so the annual evaluation was based on a combination of year 1 and year 2 assessments. This included an initial assessment of the overall governance of Skills for Care against the principal statements of the Charity Governance Code by executive colleagues, followed by a similar assessment 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. The findings were presented to Trustees in October 2022, where a series of recommendations were agreed. The actions identified in the review are being completed over the course of the following 12 months.

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 are also encouraged to confidentially feedback on the performance of the Board and to suggest any improvements through one-to-one discussions with the Chair of the Board.

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

The Trustees have considered the disclosure requirements of The Companies (Miscellaneous Reporting) Regulations 2018 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) and Regulations 2018 and how they apply to the Skills for Care Group. While we are not mandated to make such disclosure, we believe it is best practise to report what actions we are currently taking to comply with them.

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,

Trustees' report *(continued)*

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

(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.

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 embrace 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 have calculated our carbon footprint across scope 1, 2 and partial 2 carbon emissions and have achieved public procurement PPN 06/21 compliance using the Government approved Green House Gases (GHG) Protocol and have been able to

Trustees' report *(continued)*

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

pinpoint the carbon hotspots within our organisation to develop a PPN 06/21 compliant carbon reduction plan which is available on our website for external stakeholders.

Internally we have developed 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.

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 framework to assess, 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 with associated escalation processes.

Principal risks and uncertainties

Throughout the year significant risks and uncertainties were reviewed by the Leadership Team (LT) through the corporate and directorate risk registers. Regular in-depth reviews were undertaken for known key risks and emerging risks. LT review key and emerging risks each month as a minimum and more frequently should key risks change significantly or significant emerging risks identified either from projects, the sector or wider funding landscape. The remit of the A&R Committee is to seek assurance that risks are being managed and ensure that any major risks are reported to the board for further consideration and agreement of further action if required. The committee members are also responsible for identifying, with LT, a number of activities for internal audit each year as part of the risk assurance framework; 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.

At each A&R committee meeting, members review the corporate risks, undertaking an in depth review of specific key risks facing the organisation together with any project risks escalated by LT at each meeting.

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 and routinely reviewed by the A&R committee. The risk registers for both subsidiaries were regularly reviewed and updated.

During the year, the major risks reported to the Board arose from uncertainty around future funding and how such funding will be accessed. Whilst this risk has been somewhat alleviated for 2023/24 by reaching agreement with DHSC on the grant to be awarded for that year there is still uncertainty for the long-term funding due to planned tendering processes to be

Trustees' report *(continued)*

Risk management *(continued)*

implemented by DHSC. Skills for Care are undertaking a strategic review to ensure they have an appropriate team to enable them to secure this funding in the future.

We undertook an in-depth review of data compliance to provide assurance that this area of risk is well managed.

Reference and administrative information

On 31 March 2023, there were 10 Board members. We had a number of Board members leave the Board as their final term had expired, and a number of new Board members appointed.

Trustees	**Date of appointment or resignation**
John Coughlan *(Chair)*	
Suzie Bailey	
Louise Bladen	Resigned 19 July 2023
Susan Bott	Resigned 27 June 2022
James Bullion	Appointed 30 August 2022
Gillian Day	Appointed 6 June 2022
Penelope Fell	Appointed 17 November 2022
Keith (Mark) Lever	Resigned 19 July 2022
Mahiben Maruthappu	Resigned 12 August 2022
Susan McMillan	Resigned 12 October 2022
William Mumford	Appointed 17 November 2022
Stephen Scown	Resigned 16 January 2023
Paul Snell	Resigned 12 October 2022
Neil Taylor	Resigned 12 October 2022
Munira Thobani	Resigned 14 December 2022
Amanda Thorn	
Naser Turabi	Appointed 17 November 2022
Mark Ward	

Chief Executive
Oonagh Smyth

Audit & Risk Committee
Louise Bladen (Chair) (until 19 July 2023)
Suzie Bailey
Penelope Fell (from 17 November 2022)
Susan McMillan (until 12 October 2022)
Bill Mumford (from 17 November 2022)
Stephen Scown (until 16 January 2023)

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.

Trustees' report *(continued)*

Reference and administrative information *(continued)*

Finance & People Committee
Keith Mark Lever (Chair) (until 19 July 2022)
Gillian Day (Board member from 6 June 2022, Chair of F&P from 19 July 2022)
Susan Bott (until 27 June 2022)
James Bullion (from 30 August 2022)
Mahiben Maruthappu (until 12 August 2022)
Neil Taylor (until 12 October 2022)
Amanda Thorn
Naser Turabi (from 17 November 2022)
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 until 12 October 2022)
Suzie Bailey (from 12 October 2022)
James Bullion (from 12 October 2022)
John Coughlan (Chair from 12 October 2022)
Paul Snell (until 12 October 2022)
Neil Taylor (until 12 October 2022)

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.

Company references

Skills for Care Ltd; 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 Ltd; Company number 13778192 *(Dormant)*

All accounts are drawn up to 31 March.

Trustees' report *(continued)*

Reference and administrative information *(continued)*

Principal and 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.

Auditor

Trustees appointed Brown Butler as external auditors of the group for a period of five years to act for the audit of the financial years up to the year ending 31 March 2024.

Approval

The Trustee's Report, which incorporates the Strategic report, is approved by the Board of Trustees on 19 July 2023 and is signed on its behalf.

By order of the Board

John Coughlan
John Coughlan (Aug 8, 2023 13:39 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 Ltd (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 Ltd

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 2023, 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 2023 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.

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 Statement of responsibilities of the trustees set out on page 29, 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.

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. We also discussed related party relationships and transactions involving them.

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.

Brown Butler

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

Date: 19/9/23

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

	Note	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Income					
Charitable activities	4	**244,922**	**31,489,075**	**31,733,997**	35,889,703
Trading activities	4	**2,308,461**	**-**	**2,308,461**	1,787,000
Investments	4	**15,939**	**-**	**15,939**	389
Other income	4	**-**	**-**	**-**	1,974
Pension	4, 17	**1,257,000**	**-**	**1,257,000**	875,000
Total income	4, 14	**3,826,322**	**31,489,075**	**35,315,397**	38,554,066
Raising funds	5	**1,141,019**	**-**	**1,141,019**	853,820
Investments	5	**3,906**	**-**	**3,906**	3,720
Charitable activities	5	**3,944,278**	**28,934,704**	**32,878,982**	36,985,700
Pension	5, 17	**1,257,000**	**-**	**1,257,000**	5,000
Total resources expended	5	**6,346,203**	**28,934,704**	**35,280,907**	37,848,240
Net (outgoing) / incoming resources before transfers		**(2,519,881)**	**2,554,371**	**34,490**	705,826
Transfers and designations	14 e	**2,355,026**	**(2,355,026)**	**-**	-
Net (outgoing) / incoming resources before		**(164,855)**	**199,345**	**34,490**	705,826
Other comprehensive income					
Actuarial gain on pension	14, 17	**487,000**	**-**	**487,000**	7,258,000
Unrealised investment (loss) / gain	9, 14	**(1,457,204)**	**-**	**(1,457,204)**	3,102,366
Net movement in funds		**(1,135,059)**	**199,345**	**(935,714)**	11,066,192
Total funds brought forward	14	**41,295,105**	**83,379**	**41,378,484**	30,312,292
Total funds carried forward	14	**40,160,046**	**282,724**	**40,442,770**	41,378,484

The notes on pages 37 to 63 form part of the financial statements.

Consolidated group balance sheet

At 31 March 2023

	Note	2023	2023	2022	2022
		£	£	£	£
Fixed assets					
Intangible assets	*8*	**4,374,238**		4,458,618	
Tangible assets	*8*	**192,463**		58,222	
Investments	*9*	**33,531,625**		35,125,409	
			38,098,326		39,642,249
Current assets					
Stock		**7,304**		12,221	
Debtors due within one year	*11*	**5,544,712**		5,385,336	
Cash at bank in hand		**9,058,353**		11,176,634	
		14,610,369		16,574,191	
Creditors: amounts falling due within one year	*12*	**(12,026,580)**		(14,111,611)	
Net current assets			**2,583,789**		2,462,580
Total assets less current liabilities			**40,682,115**		42,104,82
Provision for liabilities and charges	*13*		**(239,345)**		(239,345)
Net assets before pension			**40,442,770**		41,865,484
Pension liability	*15b,17b,c*		**-**		(487,000)
Funds					
Unrestricted (*before pension*)	*14*		**40,160,046**		41,782,105
Pension liability	*14*		**-**		(487,000)
Unrestricted funds	*14*		**40,160,046**		41,295,105
Restricted funds	*14*		**282,724**		83,379
Total group funds			**40,442,770**		41,378,484

The notes on pages 37 to 63 form part of the financial statements

These financial statements were approved by the Board of Trustees on 19 July 2023 and were signed on its behalf by:

John Coughlan
John Coughlan (Aug 8, 2023 13:39 GMT+1)

John Coughlan CBE

Trustee and Chair of the Board

Company registered number: 03866683

Company balance sheet
At 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	8	**4,374,238**		4,458,618	
Tangible assets	8	**192,463**		58,222	
Investments	9	**33,531,625**		35,125,410	
Investment in subsidiaries	10	**20,000**		20,000	
			38,118,326		39,662,250
Current assets					
Debtors due within one year	11	**5,193,524**		4,476,976	
Cash at bank and in hand		**7,642,962**		10,105,087	
		12,836,486		14,582,063	
Creditors: amounts falling due within one year	12	**(10,272,697)**		(12,139,484)	
Net current assets			**2,563,789**		2,442,579
Total assets less current liabilities			**40,682,115**		42,104,829
Provisions for liabilities and charges	13		**(239,345)**		(239,345)
Net assets before pension liability			**40,442,770**		41,865,484
Pension liability	15b, 17		**-**		(487,000)
Net assets after pension liability			**40,442,770**		41,378,484
Funds					
Unrestricted *(before pension)*	14		**40,160,046**		41,782,105
Pension liability	14		**-**		(487,000)
Unrestricted funds	14		**40,160,046**		41,295,105
Restricted funds	14		**282,724**		83,379
Total charitable company funds			**40,442,770**		41,378,484

The notes on pages 37 to 63 form part of the financial statements

These financial statements were approved by the Board of Trustees on 19 July 2023 and were signed on its behalf by:

John Coughlan
John Coughlan (Aug 8, 2023 13:39 GMT+1)

John Coughlan CBE

Trustee and Chair of the Board

Company registered number: 03866683

Consolidated cash flow statement

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

	Note	**2023** £	2022 £
Net incoming resources		**34,490**	705,826
Adjustment for:			
Depreciation and amortisation	*5, 6, 8*	**2,488,552**	2,851,800
Impairment of investment	*9*	**136,581**	-
Disposal of fixed assets	*8*	**-**	21,586
		-	
Interest income	*4,6*	**(15,939)**	(389)
Net pension movement	*14, 17*	**-**	(870,000)
		2,643,684	2,708,824
(Increase) in debtors	*11*	**(159,377)**	(4,216,803)
Decrease in stock		**4,917**	12,036
(Decrease) / increase in creditors	*12*	**(2,085,031)**	4,127,719
Increase in dilapidations provision	*13*	**-**	139,345
Net cash from operating activities		**404,193**	2,771,120
Cash flows from investing activities			
Interest received	*4, 6*	**15,939**	389
Acquisition of intangible fixed assets	*8*	**(2,393,612)**	(2,856,256)
Acquisition of tangible fixed assets	*8*	**(144,801)**	(5,339)
Net cash (outflow) from investing activities		**(2,522,474)**	(2,861,206)
Net (decrease) in cash and cash equivalents		**(2,118,281)**	(90,086)
Cash and cash equivalents at 1 April		**11,176,634**	11,266,720
Cash and cash equivalents at 31 March		**9,058,353**	11,176,634

Analysis of changes in net debt

	1 April 2022	**Cash flow**	**Other non-cash change**	**31 March 2023**
	£	**£**	**£**	**£**
Cash and cash equivalents	11,176,634	(2,118,281)	-	**9,058,353**

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 an admitted body in the West Yorkshire Pension Fund. The pension 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 calculation are detailed in note 17.

The FRS102 liability as at 31 March 2023 accrued as a liability is £nil (*2022: £0.5m*) as disclosed in note 17b.

For transparency, a contingent pension exit liability of £7.5m is disclosed in note 15b.

The Trustees designated reserves towards funding the contingent pension exit deficit as detailed in note 14.

(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 £1.8m (*2022: £2.1m*).

Where income is expected and meets the criteria of FRS102 paragraph 5.8, income is recognised in the year. Accrued income includes £2.3m for ASC-WDS *(2022: £nil)* as we have not signed the formal contractual agreement, but intention and assurance has been given.

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

Management regularly reviews the development of its major depreciable asset, ASC-WDS to estimate its useful life by assessing the reporting requests, the indication of ongoing requirements, the success of agreeing future developments and any future government plans which might require data from the service. 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 (*2022: £2.5m*).

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

Notes *(forming part of the financial statements)*

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. Our DHSC sponsor has indicated funding for 2023/24 will be based at least on the same level of workforce revenue funding as 2022/23, increased capital grant funding and approval of second year ASC-WDS funding. Our work programme has been submitted for approval and agreed. Since the year end, DHSC has signed our revenue and capital grant letters.

The charity also has unrestricted charitable reserves at 31 March 2023 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 a loss £935,711 (*2022: gain £11,088,298)*

The group owns a minority interest in the ordinary share capital of Care Friends Limited and due to the size of the shareholding, is not accounted for as a subsidiary or associate (see notes 9b and10).

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. 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 £0.28m DHSC funds to carry forward (*2022: £0.08m*) of which £0.2m is committed and £0.08m agreed carry forward for work to be agreed by the office of the chief social worker. 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 budget as agreed by the Board.

Budget holders are allocated specific resources in order to deliver the required outcomes.

Activities requiring commissioned work with outstanding milestones as at 31 March 2023 or relating to the outcomes of the 22/23 work programme are accounted for on an accruals basis and the costs relating to these milestones are included in the accounts.

Notes *(forming part of the financial statements)*

Commitments to meet future outcomes are not included in the financial statements and are shown in note 14 (f).

Governance costs incurred in connection with the strategic management of Skills for Care resources, compliance with constitutional and statutory requirements, including legal and audit costs. These are 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. A three-year lease exists for office space in Leeds which was signed in March 2022.

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 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.

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.

See note 17 for further details.

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:

Notes *(forming part of the financial statements)*

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 transitional changes, strategy development, pension liabilities, potential closure costs and periods of financial uncertainty, in accordance with the charitable reserves policy. At 31 March 2023, the unrestricted funds are sufficient to fund the estimated liabilities and contingent liabilities as detailed in note 14.

1.11 VAT

A significant proportion of input 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. Activities which are vatable fully recover input vat where relevant.

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; plus the fair value of the equity instruments issued; plus 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.

Notes *(forming part of the financial statements)*

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 life of all intangible assets including ASC-WDS is 3 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.

1.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on a notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Goodwill on acquisition

The estimated useful life of the goodwill arising from the acquisition of AOD is five years. Other intangible assets identified in respect of the acquisition are being 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 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 activity in note 14.

Notes *(forming part of the financial statements)*

4. Income

	Group 2023 £	Group 2022 £
Restricted		
DHSC	**24,981,940**	28,223,250
Other funders	**6,507,135**	7,586,803
Total restricted income	**31,489,075**	35,810,053
Unrestricted		
Trading income less trading bank interest included below	**2,308,461**	1,787,000
Charitable income	**244,922**	79,650
Bank interest	**15,939**	389
Other income – Job retention scheme	**-**	1,974
Unrestricted (*before pension*)	**2,569,322**	1,869,013
FRS 102 pension income *(note 17)*	**1,257,000**	875,000
Total unrestricted income	**3,826,322**	2,744,013
Total income	**35,315,397**	38,554,066
Workforce revenue grant	**21,906,341**	23,820,000
ASC-WDS contract income *(note 1 (ii))*	**2,293,356**	-
Workforce capital grant	**447,467**	2,790,000
Approved mental health professionals	**-**	1,195,024
Neurodiversity, Disability and Learning Disability	**180,000**	180,000
Office of the Chief Social Worker grant	**110,000**	91,658
Office of the Chief Social Worker - WRES contract	**70,000**	-
NHSTD grant	**50,000**	-
Liberty Protection Safeguard (repayment) / income	**(75,224)**	146,568
Total DHSC restricted income	**24,981,940**	28,223,250
Dept for Education	**5,924,724**	6,699,038
Health Education England	**292,801**	120,345
NHS England	**107,936**	493,754
Capita Business Services	**-**	134,521
Registered Nursing Home Association	**77,236**	54,186
Local Authorities	**60,000**	45,833
Others	**44,438**	39,126
Total other restricted income	**6,507,135**	7,586,803
Total restricted income	**31,489,075**	35,810,053
Total unrestricted and restricted income	**35,315,397**	38,554,066

Notes *(forming part of the financial statements)*

5. Total resources expended

	Note	Staff costs 5 (a) £	Other costs £	Group Total 2023 £	Staff costs £	Other costs £	Group Total 2022 £
Trading activity cost of raising funds	*14*	**494,735**	**646,284**	**1,141,019**	430,768	423,052	853,820
Investments	*5b*	**3,906**	**-**	**3,906**	3,720	-	3,720
Charitable activities	*5c*	**9,419,186**	**23,459,796**	**32,878,982**	9,734,894	27,250,806	36,985,700
Pension	*5f,17c*	**9,000**	**1,248,000**	**1,257,000**	(1,028,000)	1,033,000	5,000
Charitable activities	*5c*	**9,432,092**	**24,707,796**	**34,139,888**	8,710,614	28,283,806	36,994,420
Total resources expended	*14*	**9,926,827**	**25,354,080**	**35,280,907**	9,141,382	28,706,858	37,848,240
		£	£	£	£	£	£
Unrestricted		**239,673**	**6,106,530**	**6,346,203**	(1,813,854)	6,218,199	4,404,345
Restricted		**9,687,154**	**19,247,550**	**28,934,704**	10,955,236	22,488,659	33,443,895
Total resources expended	*5d*	**9,926,827**	**25,354,080**	**35,280,907**	9,141,382	28,706,858	37,848,240

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 SfC 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 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:

	2023 £	2022 £
Charitable activities	**535,185**	445,185
Trading activities	**68,618**	79,083
Investment activities	**3,906**	3,720
Total	**607,709**	527,988

5d) Details of the specific funding streams and costs incurred in supporting the strategic priorities and business plan activities are detailed in note 14.

5e) Disbursements of £18.1m (*2022: £20.3m*) include £10.8m (*2022: £10.8m*) WDF, £1.9m (*2022: £1.6m*) Adults ASYE, £5.2m (2022: £6.2m) DfE Child & Family ASYE, £0.04m (*2022: £1.2m*) AMHP, £nil (*2022: £0.4m*) volunteer programme and £0.16m (*2022: £0.3m*) other.

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, £9,000 *(2022 £1,028,000 credit)* is the difference between £1.63m *(2022 £1.8m)* pension contributions made in the year and £0.7m *(2022 £0.8m)* current service cost and overpaid contributions in 2023 £0.9m (note 11b).

	Notes	2023 £	2022 £
Payroll (inc pension)	*7, 17*	**9,926,827**	9,141,382
Agency	*7*	**353,918**	203,016
Learning, development and recruitment		**173,411**	202,826
Travel		**216,222**	69,044
Commissioned work		**1,554,625**	2,217,018
Disbursements	*5e*	**18,096,160**	20,264,551
Workshops and meetings		**92,442**	79,432
Board and committees		**17,088**	3,525
Conferences and exhibitions		**76,349**	3,390
Rent, rates, utilities, and lease termination		**183,665**	607,168
Insurance		**35,401**	37,989
Cleaning and maintenance		**9,610**	10,194
Software, telecoms and equipment		**103,891**	199,409
IT leases, rentals, and licenses		**188,406**	524,138
Postage and courier		**28,107**	12,835
Printing and stationery		**29,846**	146,403
Subscriptions and publications		**82,664**	86,169
Promotion and advertising		**119,455**	25,336
Fees paid to external auditors	*6*	**48,895**	49,322
Internal audit, taxation services and legal costs	*6*	**85,018**	75,350
Bad debt		**(12,188)**	(16,644)
Pension interest	*17c*	**1,248,000**	1,033,000
(Profit) / loss on sale of assets	*8d*	**(2,038)**	21,587
Impairment of investment	*9*	**136,581**	-
Depreciation and amortisation	*8*	**2,488,552**	2,851,800
Total resources expended		**35,280,907**	37,848,240

6. Net incoming resources before transfer is stated as follows:

	Group 2023 £	2022 £
After charging:		
Auditors' remuneration - audit of these financial statements	**37,510**	35,419
Auditors' remuneration - audit of financial statements of subsidiaries	**11,385**	13,903
Auditors' remuneration - taxation and compliance services	**13,280**	4,029
Auditors' remuneration - internal audit services	**50,996**	43,754
Operating lease rentals - buildings and equipment	**79,964**	295,029
Amortisation of goodwill and intangible assets and depreciation of tangible fixed assets *(note 5, 8)*	**2,488,554**	2,851,800
Impairment of investment *(note 9)*	**136,581**	-
(Profit) / loss on disposal of assets *(note 8d)*	**(2,038)**	21,587
Other pension interest *(note 5,17c)*	**1,248,000**	1,033,000
And after crediting:		
Bank interest receivable *(note 4)*	**15,939**	389
Other income - pension interest adjustment *(note 4, 17c)*	**1,257,000**	875,000

Notes *(forming part of the financial statements)*

7. Staff numbers and costs

The Remuneration & Nominations Committee determine all 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 the F&P committee, who make recommendations to SfC 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 well-being initiatives.

As no staff are employed by the subsidiary company Skills for Care Solutions Ltd, resources utilised to deliver trading activities are charged within the service level agreement with the subsidiary for £259,271 (*2022: £206,475*). The average number of staff employed by the group during the year, analysed by category, were as follows:

	2023	2022
Key management personnel (Leadership team)	**10**	9
Engagement including Marketing and Communications	**75**	72
Strategy, Impact and Policy	**35**	39
Operations	**28**	22
Digital, Data and Technology	**11**	13
People, Finance, Procurement, Disbursement, Risk & Compliance, Governance and Corporate resource support	**31**	34
Business Development and AOD	**8**	7
SfCD UK partnership hosted staff	**1**	1
	199	197

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

	2023	2022
	£	£
Gross salaries	**8,987,189**	8,284,182
Labour costs capitalised	**(1,163,221)**	(1,092,153)
	7,823,968	7,192,029
Employer's social security costs	**1,001,928**	869,230
Employer's pension costs (*before FRS102 adjustments*)	**1,091,931**	2,108,123
	9,917,827	10,169,382
Employer's pension contributions including one off lump sum payments	**(1,630,000)**	(1,865,000)
Current service cost	**708,000**	837,000
Overpaid deficit contributions (note 11b) and other (note 17)	**931,000**	-
	9,926,827	9,141,382

The above payroll costs exclude agency and secondment staff costs of £0.4m (*2022: £0.2m*).

Agency costs supported activities as a recruitment freeze was in place until DHSC agreed the work programme.

The above costs include £0.1m (*2022: £0.005m*) in relation to the costs of redundancy, settlements, notice pay and pension payments relating to 2 members 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:

	2023	2022
£ 60,001 - £70,000	**9**	5
£ 70,001 - £80,000	**2**	-
£ 80,001 - £90,000	**6**	5
£120,001 - £130,000	**1**	1

The key management personnel compensation, for the Leadership Team and the Trustees, for the year is £896,177 (*2022: £959,785*). Total pension contributions for the above employees totalled £130,708 *(2022: £158,232)*.

SfC used the agreed recommended contribution rate of 37.1% (*2022: 37.1%*) for the employer's contribution paid to the WYPF scheme.

As recommended by the 2022 triennial valuation, future employer contributions of 35.5% and statutory deficit payments were approved by the March 2023 Board.

Deficit payments totalling £0.152m (*2022: £0.147m*) were made, as SfC honours its statutory deficit obligations.

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

The Board started some face-to-face meetings during the year and eight trustees were reimbursed a total of £778 for out-of-pocket expenses. (*2022: 1 trustee £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	**2023**	2022
	£	£
Aggregate emoluments (including employer's NIC) (pension £nil)	**39,848**	37,897

The Chair is entitled to £35,000 per annum (*2022: £35,000*).

The honoraria is authorised by Skills for Care's governing document and approved by the Charity Commission and are 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

	ICT software and licenses	ASC-WDS (note 8b)	**Company intangible assets**	Goodwill & other (note 8d)	**Group intangible assets**	Office furniture & equipment	ICT hardware & project development	**Group & Company tangible assets** (note 8c)	**Group intangibles & tangible assets**
	£	£	£	£	£	£	£	£	£
Cost									
At beginning of year	678,436	7,529,016	**8,207,452**	109,116	**8,316,568**	75,075	79,660	**154,735**	**8,471,303**
Additions	314,933	2,078,679	**2,393,612**	-	**2,393,612**	52,083	92,718	**144,801**	**2,538,413**
At end of year	**993,369**	**9,607,695**	**10,601,064**	**109,116**	**10,710,180**	**127,158**	**172,378**	**299,536**	**11,009,716**
Depreciation and amortisation									
At beginning of year	603,874	3,144,960	**3,748,834**	109,116	**3,857,950**	70,552	25,961	**96,513**	**3,954,463**
Charge for the year	155,607	2,322,385	**2,477,992**	-	**2,477,992**	1,447	9,113	**10,560**	**2,488,552**
At end of year	**759,481**	**5,467,345**	**6,226,826**	**109,116**	**6,335,942**	**71,999**	**35,074**	**107,073**	**6,443,015**
Net book value									
At 31 March 2023	**233,888**	**4,140,350**	**4,374,238**	-	**4,374,238**	**55,159**	**137,304**	**192,463**	**4,566,701**
At 31 March 2022	*74,562*	*4,384,056*	*4,458,618*	-	*4,458,618*	*4,523*	*53,699*	*58,222*	*4,516,840*

8b) The ASC-WDS system includes workforce intelligence from employers across the adult social care sector in England as detailed in the trustees' report.

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

8d) As shown in note 5, a profit of £2,038 has arisen in the year on the disposal of assets that have been fully depreciated and written off in the previous year and therefore not included in the schedule above.

Notes *(forming part of the financial statements)*

9. Investments

Group and Company		**2023**		2022
	Cost	**Bid value**	Cost	Bid value
	£	**£**	£	£
At beginning of year (note *9a*)	**21,471,432**	**35,125,410**	21,471,432	32,023,044
Impairment during the year (note 9b)	**-**	**(136,581)**	-	-
Unrealised (loss) / gain in year	**-**	**(1,457,204)**	-	3,102,366
At end of year	**21,471,432**	**33,531,625**	21,471,432	35,125,410

9a) The investment portfolio is managed by CCLA, our investment managers, through a blend of funds from the Charities Official Investment Fund (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. The Board made a decision to write off the cost of investment resulting in impairment costs.

9c) As detailed in the financial review section of this report, the investment portfolio has experienced significant fluctuations and has resulted in an unrealised loss of £1.5m.

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 2023 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 accounts of the subsidiaries

	SfCSL	AOD	2023 Total	2022 Total
	£	£	£	£
Turnover	1,333,269	1,027,055	**2,360,324**	1,711,358
Cost of sales	(359,197)	(410,983)	**(770,181)**	(523,738)
Gross profit	974,072	616,072	**1,590,143**	1,187,620
Administrative expenses	(48,971)	(321,867)	**(370,838)**	(330,083)
Operating profit	925,101	294,205	**1,219,305**	857,537
Interest receivable	4,055	22	**4,077**	46
Profit before taxation	929,156	294,227	**1,223,383**	857,583
Tax on profit on ordinary activities	-	-	**-**	-
Profit for the year	929,156	294,227	**1,223,383**	857,583

Assets and liabilities:	SfCSL	AOD	2023 Total	2022 Total
	£	£	£	£
Current assets	1,181,511	943,986	**2,125,497**	2,087,100
Current liabilities	(1,171,511)	(933,986)	**(2,105,497)**	(2,067,100)
Total net assets	10,000	10,000	**20,000**	20,000
Called up share capital	10,000	10,000	**20,000**	20,000
Profit and loss account	-	-	**-**	-
Shareholders' funds	10,000	10,000	**20,000**	20,000

11. Debtors

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade debtors	**1,289,030**	4,700,665	**600,680**	3,710,805
Group undertakings	**-**	-	**351,626**	84,738
Prepayments	**30,132**	10,671	**26,862**	7,433
Accrued income (11a)	**3,377,550**	674,000	**3,366,356**	674,000
Other debtors (11b)	**848,000**	-	**848,000**	-
	5,544,712	5,385,336	**5,193,524**	4,476,976

11a) Accrued income includes £2.3m ASCWDS income due for a DHSC commercial contract under negotiation *(2022 £nil)*. It also includes £1m *(2022 £0.67m)* DfE income due for Children and families ASYE registrations and completions in year, but not invoiced until after the year end.

11b) Other debtors include £0.84m pension refund due for overpaid pension contributions.

Notes *(forming part of the financial statements)*

12. Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade creditors	**527,205**	286,182	**431,160**	225,673
Other creditors	**462,508**	758,005	**251,429**	472,316
Accruals *(note 12a)*	**9,182,739**	10,978,604	**9,003,481**	10,904,508
Deferred income	**1,854,128**	2,088,820	**586,627**	536,987
	12,026,580	14,111,611	**10,272,697**	12,139,484

12a) Accruals include disbursements and contracts for services of £7m (*2022: £8m*) which are committed to the payment of milestones relating to activities undertaken during the year.

The remainder of the accruals are purchase orders £0.5m (*2022: £0.8m*) and other accruals £1.8m (*2022: £1.2m*).

13. Provision for liabilities and charges

	2023	2022
	£	£
At beginning of year	**239,345**	100,000
Increase in provision for Leeds office (2nd floor)	**-**	139,345
At end of year	**239,345**	239,345

The provision relates to the potential dilapidation costs of the leased offices in Leeds.

As at 1 April 2023, we are still in negotiations with our landlords regarding the dilapidation costs of the 2nd floor.

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 designation	At 31 March 2023	Commitments (note 14f)	At end of year
Restricted	£	£	£	£	£	£	£	£	£
DHSC									
Revenue grant	1,494	21,956,341	(21,992,800)	-	-	78,427	**43,462**	(43,462)	-
Capital grant	2,332	447,467	-	-	-	(449,799)	-	-	-
Neurodiversity, Disability and Learning Disability	-	180,000	(169,960)	-	-	-	**10,040**	(10,040)	-
Office of the Chief Social Worker	-	110,000	(13,502)	-	-	2,798	**99,296**	(19,296)	**80,000**
Liberty protection and safeguarding	79,553	(75,224)	(4,329)	-	-	-	-		-
Office of the Chief Social Worker – WRES	-	70,000	-	-	-	-	**70,000**	(70,000)	-
DHSC work programme	**83,379**	**22,688,584**	**(22,180,591)**	**-**	**-**	**(368,574)**	**222,798**	**(142,798)**	**80,000**
ASC-WDS contract (Note 11a)	-	2,293,356	(154,751)	-	-	(2,078,679)	**59,926**	(59,926)	-
DHSC	**83,379**	**24,981,940**	**(22,335,342)**	**-**	**-**	**(2,447,253)**	**282,724**	**(202,724)**	**80,000**
Other									
Dept for Education	-	5,924,724	(5,758,005)	-	-	(166,719)	-	-	-
Health Education England	-	242,844	(210,123)	-	-	(32,721)	-	-	-
Other funders and costs of bids and proposals	-	339,567	(631,234)	-	-	291,667	-	-	-
Other restricted funding	-	6,507,135	(6,599,362)	-	-	92,227	-	-	-
Total restricted funding	**83,379**	**31,489,075**	**(28,934,704)**	**-**	**-**	**(2,355,026)**	**282,724**	**(202,724)**	**-**

Notes *(forming part of the financial statements)*

14. **Reserves** *(continued)*	At beginning of year	Incoming resources	Resources expended	Gift aid payment and taxation	Unrealised gain/(loss)	Transfers and designations	At 31 March 2023	Commitments (note 14d)	At end of year
Unrestricted reserves	£	£	£	£	£	£	£	£	£
Unrealised investment reserve	13,653,978	-	-	-	(1,457,204)	-	**12,196,774**	-	**12,196,774**
SfC closure reserve	8,595,158	-	-	-	-	1,135,657	**9,730,816**	-	**9,730,816**
Contingent pension exit reserve *(15b)*	3,151,413	-	(152,000)	-	-	4,500,587	**7,500,000**	-	**7,500,000**
SfC Strategy, development & business continuity	10,787,638	39.712	(1,269,200)	-	-	(4,289,769)	**5,268,381**	-	**5,268,381**
Fixed asset reserve	4,516,834	-	(2,488,553)	-	-	2,538,413	**4,566,694**	-	**4,566,694**
FRS102 pension reserve *(17b,c)*	487,000	-	-	-	-	(487,000)	**-**	-	**-**
AOD cumulative return on investment	289,683	-	-	-	-	294,227	**583,910**	-	**583,910**
Dilapidation reserve to fund	239,345	-	-	-	-	-	**239,345**	-	**239,345**
Dilapidation provision accrued	(239,345)	-	-	-	-	-	**(239,345)**	-	**(239,345)**
Lease renewal reserve	152,711	-	-	-	-	5,394	**158,105**	-	**158,105**
SfCD reserve	137,690	60,672	(52,996)	-	-	-	**145,366**	-	**145,366**
AOD goodwill reserve	10,000	-	-	-	-	-	**10,000**	-	**10,000**
Other charitable income	-	144,538	(25,437)	-	-	(119,101)	**-**	-	**-**
SfCSL and AOD gift aid	-	-	-	1,223,382	-	(1,223,382)	**-**	-	**-**
Unrestricted (*before pension*)	**41,782,105**	**244,922**	**(3,988,186)**	**1,223,382**	**(1,457,204)**	**2,355,026**	**40,160,046**	**-**	**40,160,046**
FRS102 pension liability *(17b)*	(487,000)	1,257,000	(1,257,000)	-	487,000	-	**-**	-	**-**
Unrestricted reserves	**41,295,105**	**1,501,922**	**(5,245,186)**	**1,223,382**	**(970,204)**	**2,355,026**	**40,160,046**	**-**	**40,160,046**
Total company funds carried forward	**41,378,484**	**32,990,997**	**(34,179,890)**	**1,223,382**	**(970,204)**	**-**	**40,442,770**	**(202,724)**	**40,240,046**

Notes *(forming part of the financial statements)*

14. Reserves *(continued)*

	At beginning of year	Incoming resources	Resources expended	Gift aid payment and taxation	Unrealised gain/(loss)	Transfers and designations	At 31 March 2023	Commitments (note 14d)	At end of year
	£	£	£	£	£	£	£	£	£
SfCSL *(Note 3)*	-	1,337,325	(408,169)	(929,156)	-	-	-	-	-
AOD *(Note 3)*	-	1,027,077	(732,850)	(294,227)	-	-	-	-	-
Total trading activities	**-**	**2,364,402**	**(1,141,019)**	**(1,223,383)**	**-**	**-**	**-**	**-**	**-**
Total aggregate funds	**41,378,484**	**35,355,399**	**(35,320,909)**	**-**	**(970,204)**	**-**	**40,442,770**	**(202,724)**	**40,240,046**
Consolidating adjustments	-	**(40,002)**	**40,002**	-	-	-	-	-	-
Group unrestricted funds	**41,295,105**	**3,826,322**	**(6,346,203)**	**-**	**(970,204)**	**2,355,026**	**40,160,046**	**-**	**40,160,046**
Total group funds	**41,378,484**	**35,315,397**	**(35,280,907)**	**-**	**(970,204)**	**-**	**40,442,770**	**(202,724)**	**40,240,046**

Notes *(forming part of the financial statements)*

14 a) Unrestricted charitable reserves

The charity has a policy of maintaining free unrestricted reserves to fund any potential funding gap in accordance with the Skills for Care charitable reserves policy. The Finance & People 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 cost of minimum potential liabilities and not to exceed the estimated maximum costs including statutory redundancy and 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 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 contingent pension exit deficit (note 15b) are £22.1m (*2022: £21.9m*).

At 31 March 2023, charitable reserves of £23.4m (*2022: £23.6m*) are sufficient to fund the potential liabilities.

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

	2023	2022
	£	£
Unrestricted reserves (*before pension*)	**40,160,044**	41,782,105
Non free reserves (14b)		
Investment reserve	**(12,196,774)**	(13,653,978)
Fixed asset reserve	**(4,566,694)**	(4,516,834)
Goodwill in AOD	**(10,000)**	(10,000)
Free reserves	**23,386,576**	23,601,293

14 b) Non free reserves

Investment reserve: The 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: The total value of capital funds spent on capital fixed assets less accumulated depreciation, amortisation and impairment charged to date. This is an accounting reserve only and is not a free reserve. It will reduce to nil when the capitalised assets are fully depreciated, amortised and impaired.

Goodwill: The total value not amortised.

Notes *(forming part of the financial statements)*

14 c) Charitable reserves designations to fund

	2023	2022
	£	£
SfC closure costs	**9,730,815**	8,595,158
Contingent pension exit deficit *(Note 15b)*	**7,500,000**	3,151,413
Strategy, development & business continuity	**5,268,381**	10,787,638
AOD cumulative return on investment	**583,909**	289,683
Lease renewal costs	**158,105**	152,711
Dilapidation reserve to fund	**239,345**	239,345
Dilapidation liability accrued	**(239,345)**	(239,345)
FRS102 pension liability *(note 17b, c)*	**-**	487,000
SfCD business continuity costs	**145,365**	137,690
	23,386,575	23,601,293

14 d) Reserves designations

FRS102 pension reserve: The company makes contributions to the WYPF, a multi-employer defined benefit scheme. The FRS102 pension deficit valuation at 31 March 2023 is nil *(2022: £0.5m)* as set out in note 17b. The Trustees designated the equivalent reserves to fund the FRS102 accounting deficit accrued £nil (2022 £0.5m).

Contingent pension exit deficit reserve: 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.

The Board agreed in principle in March 2022 to designate charitable reserves of £1m per annum for three years to contribute to funding the pension exit liability. This would be reviewed every year before payment. Following the designation in 2022, £3m charitable reserves remained to contribute towards funding the pension exit liability.

SfC has a contingent exit deficit of £7.5m as stated in note 17b. This is also disclosed in note 15b. The Finance and People committee recommended and the Board agreed, a further year end designation towards funding the contingent exit deficit estimated at £7.5m (note 15b).

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 2023, the minimum potential closure liability (excluding pension) is £9.7m (*2022: £8.6m*).

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.

Dilapidation reserve and provision: Funds designated by the Trustees to meet potential future costs if the company vacates the Leeds premises which includes the dilapidations cost of moving from the 2nd floor of the Leeds office which is still under negotiation.

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

SfCD business continuity: Funds set up by the SfCD Board to fund any future funding gap if income does not cover planned core activity costs.

Notes *(forming part of the financial statements)*

14 e) Transfers

The following transfers were made during the year:

Restricted funds £2.4m (*2022: £3m*): transferred to unrestricted funds are:

SfC funds £2.5m (*2022: £2.6m DHSC funds*): Transfers include £2.6m (*2022: £2.9m*) ASC-WDS costs incurred and funded by SfC, plus capital grant funded additions capitalised in the balance sheet represented by the transfer to fixed asset accounting reserve, less £0.1m (*2022: £0.3m*) sector funding from unrestricted funds to cofund DHSC WP activity.

Other funds deficit (£0.1m) (*2022: surplus £0.4m*): on charitable projects that have no further restrictions transferred from or to unrestricted funds.

14 f) DHSC work programme funds; The company has £0.20m committed to activities which span the year end (*2022: £0.08m*) and £0.08m carried forward.

15. Commitments and contingent liabilities

15 a) Commitments under non-cancellable operating leases are as follows:

	2023		2022	
	Land and buildings	**Other**	Land and buildings	Other
	£	**£**	£	£
Operating leases where payments are due:				
Within one year	**79,052**	**25,313**	79,052	27,826
Within second to fifth years	**79,052**	**50,255**	158,105	76,594
	158,105	**75,568**	237,157	104,420

15 b) Other contingent liability

West Yorkshire Pension Fund exit liability is £7.5m.

As detailed in Note 17, should a decision be taken by the Trustees to exit the West Yorkshire Pension Fund, the Trustees are aware that there would be an actual liability payable, estimated by the Actuary as at 31 March 2023 to be approximately £7.5m.

The amount that would need to be settled is uncertain and more accurate calculations would be required at the time the decision was taken and notified to the West Yorkshire Pension Fund Trustees, who would arrange to calculate the actual liability at the date of exit.

For transparency, the Trustees believe it is important to highlight such a potential liability should a decision be taken to exit the Fund in future, particularly as the FRS102 valuation as at 31 March 2023 was calculated to be an asset position and no liability is included in the accounts.

Notes *(forming part of the financial statements)*

16. Analysis of group net assets between funds

	Restricted	Unrestricted funds	Total
	£	£	£
Tangible fixed assets	-	192,463	**192,463**
Intangible assets	-	4,374,238	**4,374,238**
Investments	-	33,531,625	**33,531,625**
Current assets	7,083,931	7,526,439	**14,610,369**
Creditors falling due within one year	(6,801,207)	(5,225,374)	**(12,026,580)**
Creditors falling due after more than one year	-	(239,345)	**(239,345)**
Net assets as at 31 March 2023	**282,724**	**40,160,046**	**40,442,770**
Net assets as at 31 March 2022	*83,379*	*41,295,105*	*41,378,484*

17. Pension schemes

17 a) 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 (*2022: £0.3m*).

There were no outstanding contributions at the end of the financial year.

17 b) West Yorkshire Pension Fund (WYPF)

Some 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.

At the year end date, under FRS 102 basis of calculation, the Fund Actuary has calculated the FRS102 valuation of the pension fund position to be a surplus of c£12.6m.

The recognition of this asset is governed by FRS102 by the amount of economic benefit the Trustees believe will be received by the charity either through a direct refund or through a reduction in future contributions.

The Local Government Pension Scheme Regulations do not permit the re-payment of contributions or surplus assets to employers whilst they are an ongoing employer in the fund as was the position at the year end date. However, the Regulations do permit a payment of an "exit credit " to an employer who exits the Fund. Therefore, the Trustees must consider the possibility of exiting the fund in order to obtain this economic benefit for the charity whilst market conditions are favorable.

The basis on which an exit position is calculated is very different from the basis used for FRS102 calculations. The Trustees have therefore asked for an indicative value of the exit position to assist in their decision making.

Based on the information provided at the triennial valuation at 31 March 2022 and information submitted to enable the FRS102 calculation to be made, the Actuary has calculated the exit position would be a deficit position in the region of c£7.5m.

Notes *(forming part of the financial statements)*

This figure would inevitably change, should this option be taken, when the more accurate calculations required were performed to agree the exit position between the Pension Fund Trustees and Skills for Care. This estimation does however lead to the conclusion that no refund from the Fund could be made to support the FRS102 calculated asset being recognised in the balance sheet under the direct refund basis. Should the charity exit the fund in future, this does demonstrate that there would be a significant liability (which at present cannot be reliably calculated without significant further work) and no such decision has been taken.

Under FRS102, for recognition of the asset, we also need to consider the second basis for recognition being whether economic benefit could be gained from a reduction in future contributions. The Actuary has calculated this position could be a partial recognition of the c£12.6m at a level up to £3.382m.

This does not reflect any minimum funding requirement in place therefore any "prospective payments under an existing Rates and Adjustments Certificate could lead to a loss of economic value", giving rise to uncertainty about the asset value.

This calculation is also based on the assumptions that the charity will remain in the scheme until the final active member leaves the Fund, which is estimated at 9.3 years, and that the charity will be able to reduce contributions to the Fund, neither assumption being able to be supported with certainty particularly as current contribution rates include past service deficit funding and are set by the Fund Trustees every three years.

Therefore, as the assumptions cannot be supported with certainty the Trustees do not believe it is appropriate to recognise the FRS 102 calculated asset as realisation of such an asset is uncertain.

The Trustees have therefore concluded, due to the uncertainty detailed above, to report neither an asset nor a liability at the year-end date more accurately reflects the position and note the possibility of a contingent liability should, after due process, a decision be taken in the future to exit the scheme, see note 15b.

17c) WYPF actuarial assumptions

The latest formal triennial actuarial valuation of Skills for Care's liabilities took place as at 31 March 2022. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method.

The orphan exit basis deficit valuation as at 31 March 2022 included on the triennial valuation received in December 2022 is £8.48m (*2019 valuation: £13.114m*). The ongoing orphan funding target is £6.591m *(2019 valuation: £8.836m).*

The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were:

Key assumptions (% per annum)	**2023**	2022	2021
Discount rate for liabilities	4.7	2.7	2.1
Customer Price Index (CPI) inflation	2.7	3.0	2.7
Pension increases	2.7	3.0	2.7
Pension accounts revaluation rate	2.7	3.0	2.7
Salary increases	3.95	4.25	3.95
At last full actuarial valuation			
Duration of liabilities		17.3 years	
Contributions next year		£1.382m	

Notes *(forming part of the financial statements)*

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	**2023**	2022
Males		
Member aged 65 at accounting date	**21.6**	21.8
Member aged 45 at accounting date	**22.9**	22.5
Females		
Member aged 65 at accounting date	**24.6**	24.6
Member aged 45 at accounting date	**25.7**	25.7

Asset allocation	**2023**	2022
	%	%
Equities	**80.8**	79.8
Property	**3.3**	4.0
Government bonds	**6.9**	7.4
Corporate bonds	**4.6**	4.8
Cash	**2.3**	2.9
Other**	**2.1**	1.1
Total	**100**	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.

Reconciliation of funded status to balance sheet	**2023**	2022
	£'000	£'000
Fair value of assets	**47,544**	46,282
Present value of defined benefit obligation	**(34,898)**	(46,769)
Unrecognised (asset) see note 17b	**(12,646)**	-
Asset / (liability) recognised on the balance sheet	**-**	(487)

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

	2023	2022
	%	%
Active members	25	37
Deferred pensioners	22	28
Pensioners	53	35

Amount recognised in the income statement	**2023**	2022
	£'000	£'000
Operating cost		
Current service cost	**708**	837
Financing cost		
Interest on net defined benefit liability	**(9)**	158
Pension expense recognised in profit and loss	**699**	995
Allowance for administration expenses in current service cost £'000	**5**	7

Notes *(forming part of the financial statements)*

Amounts recognised in other comprehensive income	**2023**	2022
	£'000	£'000
Asset gains / (losses) arising during period	**(550)**	3,660
Actuarial (gains) / losses due to changes in financial assumptions	**18,326**	-
Actuarial (gains) / losses due to changes in demographic assumptions	**(36)**	-
Actuarial (gains) / losses due to changes in liability experience	**(5,538)**	-
Liability gains / (losses) arising during period	**-**	3,598
Total not recognised in SOFA/profit and loss account	**(11,715)**	-
Total amount recognised in other comprehensive income and (charged) / credited to SOFA	**487**	7,258

Changes to the present value of defined benefit obligation	**2023**	2022
	£'000	£'000
Opening defined benefit obligation	**46,769**	49,883
Prior year adjustment	**-**	12
Current service cost	**708**	837
Interest expense on defined benefit obligation	**1,248**	1,033
Contributions by participants	**134**	141
Actuarial (gains) / losses due to changes in financial assumptions	**(18,326)**	-
Actuarial (gains) / losses due to changes in demographic assumptions	**36**	-
Actuarial (gains) / losses due to changes in liability experience	**5,538**	(3,610)
Net benefits paid out	**(1,209)**	(1,527)
Closing defined benefit obligation	**34,898**	46,769

Changes to the fair value of assets	**2023**	2022
	£'000	£'000
Opening fair value of assets	**46,282**	41,268
Prior year adjustment	**-**	149
Interest income in assets	**1,257**	875
Re-measurement gains/(losses) on assets	**(550)**	3,511
Contributions by employer	**1,630**	1,865
Contributions by participants	**134**	141
Net benefits paid	**(1,209)**	(1,527)
Closing fair value of assets	**47,544**	46,282

Actual return on assets	**2023**	2022
	£'000	£'000
Interest income on assets	**1,257**	875
(Losses) / gains on assets	**(550)**	3,511
Actual return on assets	**707**	4,386

Amount credited to other income	**2023**	2022
	£'000	£'000
Interest income on assets	**1,257**	875
Interest cost	**(1,248)**	(1,033)
Net expected return on pension assets	**9**	(158)
Current service cost	**(708)**	(837)
Net amount (charged) to statement of financial activities (SOFA)	**(699)**	(995)

Notes *(forming part of the financial statements)*

Included in note 5 and note 7, resources expended is the difference of £nil *(2022 £1.028m)* 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.

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 2023 are as follows:

	31 March 2024
	£'m
Current service costs	0.376
Net interest cost on net defined benefit liability	(0.626)
Total estimated pension expense	(0.250)
Allowance for administration expenses include in current service cost	0.007
Estimated pensionable payroll over period	1.802

Notes *(forming part of the financial statements)*

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	2023 £	2022 £
James Bullion	Norfolk County Council	Employed position	ASYE Child & Family	**64,000**	-
			ASYE Adults	**18,000**	-
			Funding for Occupational Therapists	**1,500**	-
John Coughlan	West Sussex County Council	DfE Commissioner / advisor for children's social care	ASYE Child & Family	**55,000**	-
			ASYE Adults	**20,000**	25,342
			ASYE Child & Family Peer Review	**2,500**	-
			Registered Managers funding	-	1,500
			AMHP funding	-	20,000
	Buckinghamshire Council	Improvement advisor for social care	ASYE Child & Family	**51,000**	-
			ASYE Adults	**13,000**	26,492
			Registered managers network	**750**	750
			AMHP Funding	-	10,000
£25,250 payable at year end	Birmingham Council	DfE Commissioner for SEND	ASYE Adults	-	17,642
			AMHP Funding	-	50,000
Mahiben Maruthappu *(resigned 12 August 2022)*	Cera Care	Employed position	WDF grant	**25,000**	-
Rachael Wardell *(resigned 15 December 2021)*	Surrey County Council	Executive Director of Children, Families and Lifelong Learning	ASYE Adults	-	22,092
			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

Notes *(forming part of the financial statements)*

19. Comparative consolidated statement of financial activities

	Note	2022 Unrestricted £	2022 Restricted £	2022 Total £
Income				
Trading activities	*4*	1,787,000	-	**1,787,000**
Investments	*4*	389	-	**389**
Charitable activities	*4*	79,650	35,810,053	**35,889,703**
Other income	*4*	1,974	-	**1,974**
Pension	*4, 17*	875,000	-	**875,000**
Total income	*4*	2,744,013	35,810,053	**38,554,066**
Raising funds	*5*	853,820	-	**853,820**
Investments	*5*	3,720	-	**3,720**
Charitable activities	*5*	3,541,805	33,443,895	**36,985,700**
Pension	*5, 17*	5,000	-	**5,000**
Total resources expended	*5*	4,404,345	33,443,895	**37,848,240**
Net (outgoing) / incoming resources		(1,660,332)	2,366,158	**705,826**
Transfers	*14e*	2,973,869	(2,973,869)	-
Net incoming / (outgoing) resources		1,313,537	(607,711)	**705,826**
Actuarial gain on pension scheme	*17*	7,258,000	-	**7,258,000**
Net unrealised investment gain	*9*	3,102,366	-	**3,102,366**
Net movement in funds		11,673,903	(607,711)	**11,066,192**
Total funds brought forward		29,621,202	691,090	**30,312,292**
Total funds carried forward	*14*	**41,295,105**	**83,379**	**41,378,484**

Glossary of terms

A&R or ARC	Audit and Risk Committee
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
CCLA	Churches, Charities and Local Authorities
CEO	Chief Executive Officer
COIF	Charities Official Investment Fund
CQC	Care Quality Commission
DDaT	Digital, Data and Technology
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
FISSS	Federation for Industry Sector Skills and Standards
GEMs	Group for Ethnic Minority Social Workers
GHG	Green House Gases
HEE	Health Education England
ICS	Integrated Care System
IE	Individual Employer
JCP	JobCentre Plus
LA	Local Authority
LGA	Local Government Association
LGPS	Local Government Pension Scheme
LT	Leadership Team
NCF	National Care Forum
NHS	National Health Service
NHSE	NHS England
NHSTD	NHS Transformation Directorate
NIC	National Insurance Contribution
NQSW	Newly Qualified Social Worker
OCSW	Officer of the Chief Social Worker

OMMT	Oliver McGowan Mandatory Training
PA	Personal Assistant
PPN	Procurement Policy Note
R&N	Remuneration and Nominations Committee
RMRG	Registered Managers Reference Group
SC-WRES	Workforce Race Equality Standard for Social Care
SfC	Skills for Care
SfCD	Skills for Care and Development
SfCSL	Skills for Care Solutions
SFIs	Standing Financial Instructions
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

SKILLS FOR CARE LTD

England & Wales - Charity number 1079836

Accounts

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.

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.

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.

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

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 (NQSW) 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 disbursal 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.

- 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.

- 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

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.

- 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 addres*s 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.

- 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.

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

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-fresh 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*).

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 risking 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.

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

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

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

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

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

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.

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

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	**Date of appointment or resignation**
Dame Moira Gibb *(Chair Board until 23 March 2022)*	Resigned 23 March 2022
John Coughlan *(Chair Board from 23 March 2022)*	Appointed 21 February 2022
Suzie Bailey	
Louise Bladen	
Susan Bott	Resigned 27 June 2022
Gillian Day	Appointed 6 June 2022
Keith (Mark) Lever	Resigned 19 July 2022
Mahiben Maruthappu	Resigned 12 August 2022
Susan McMillan	
Stephen Scown	
Paul Snell	
Neil Taylor *(Vice-Chair Board; Chair SfCSL, Chair AOD)*	
Munira Thobani	
Amanda Thorn	
Mark Ward	
Rachael Wardell	Resigned 15 December 2021

Chief Executive
Oonagh Smyth

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)
Moira 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)*

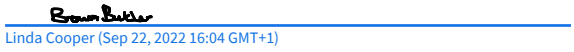
Capability of the audit in detecting irregularities, including fraud

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

	Note	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 (*before pension*)	*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 *(before pension)*	*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

	Note	**2022**	2021
		£	£
Net incoming resources before transfers		**705,826**	823,444
Adjustment for:			
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.

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.

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

- 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 *(note 17)*	**875,000**	768,000
Total unrestricted income	**2,744,013**	2,278,058
Total income	**38,554,066**	36,167,453
Workforce revenue grant (*inc £0.35m NHSX in 21/22*)	**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).*

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.

	Notes	**2022** **£**	2021 £
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
After charging:	**£**	£
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
And after crediting:		
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
	192	203

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)
	8,339,029	7,311,605
Employer's social security costs	**869,230**	849,882
Employer's pension costs (*before FRS102 adjustments*)	**961,123**	837,544
	10,169,382	8,999,031
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
	9,141,382	8,621,031

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**
At 31 March 2021	366,079	4,019,505	4,385,584	21,703	4,407,287	66,182	55,165	121,347	4,528,634

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)*

Unrestricted reserves	**At beginning of year** £	**Incoming resources** £	**Resources expended** £	**Gift aid payment and taxation** £	**Unrealised gain/(loss)** £	**Transfers and designations** £	**At end of year** £
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 ~~u~~nrestricted 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)
	23,601,293	23,145,963

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 WYPF pension exit deficit	**3,151,413**	-
AOD business continuity / cumulative return on investment	**289,683**	141,824
Lease renewal reserve	**152,711**	958,205
Dilapidation reserve to fund	**239,345**	100,000
Dilapidation liability accrued	**(239,345)**	(100,000)
SfCD business continuity	**137,690**	133,051
AOD reserves	**-**	404
	23,601,293	23,145,963

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

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
	£	**£**	£	£
Operating leases where payments are due:				
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**
Net assets as at 31 March 2021		*691,090*	*29,621,200*	*30,312,290*

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 £'000**	2021 £'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 £'000	2021 £'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

Amounts recognised in other comprehensive income	**2022 £'000**	2021 £'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)
Closing defined benefit obligation	**46,769**	49,883

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)
Closing fair value of assets	**46,282**	41,268

	2022	2021
	£'000	£'000
Actual return on assets		
Interest income on assets	875	768
Gains on assets	3,511	6,859
Actual return on assets	4,386	7,627

	2022	2021
	£'000	£'000
Amount credited to other income		
Interest income on assets	875	768
Interest cost	(1,033)	(928)
Net expected return on pension assets	(158)	(160)
Current service cost *per note 5	(837)	(708)
Net amount (charged) to statement of financial activities (SOFA)	(995)	(868)

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.

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
Total estimated pension expense	790
Allowance for administration expenses include in current service cost	0.006
Estimated pensionable payroll over period	1.918

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	Buckingham-shire 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

	Note	2021 Unrestricted £	2021 Restricted £	2021 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	*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		**(1,924,177)**	**2,747,621**	**823,444**
Transfers	*14e*	**2,824,477**	**(2,824,477)**	-
Net incoming / (outgoing) resources		**900,300**	**(76,856)**	**823,444**
Actuarial loss on pension scheme	*14,17*	**(1,083,000)**	-	**(1,083,000)**
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

SKILLS FOR CARE LTD

England & Wales - Charity number 1079836

Accounts

Skills for Care Ltd
(Limited by Guarantee)

Trustees' report and

consolidated financial statements

Year ended 31 March 2021

Company registered number 03866683

Charity registered number 1079836

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Chair and Chief Executive foreword

Our vision at Skills for Care's is of a fair and just society where people can access the advice, care and support that they need to enjoy lifelong independence, health & wellbeing and a good quality of life. Good social care services are vital in achieving this.

The coronavirus (COVID-19) has had a profound impact on people who use social care and on those who provide it. Among people who access social care in England, there have been many tens of thousands more deaths than normally expected. Social care workers themselves are among the occupational groups at the highest risk of dying from COVID-19. Yet social care staff have kept getting up each day, going into work and supporting our loved ones and our communities.

We must take the opportunity to record our immense gratitude to colleagues working in social care. They have responded to the deep and wide challenges of the pandemic tirelessly and bravely to ensure that our friends and relatives are supported in their communities. We regret the loss of life and offer our sympathies to anyone who has lost a family member from the virus.

We would like to pay tribute to everyone at Skills for Care who has worked hard to support the sector to recruit, retain, develop, and lead the workforce during this terrible time. We are deeply grateful for their flexibility, commitment, and energy in supporting the sector's 18,500 employers to find, keep, and develop the right people by investing in their career long learning and development.

We have supported the development of our regulated professionals, registered nurses, occupational therapists and social workers who are central to social care. We have built a much better understanding of the social care workforce through our Adult Social Care Workforce Data Set to inform planning and policy.

As the membership body for Registered Managers (RMs), we have supported over 2,800 RMs through membership and a further 10,000 RMs at network meetings in this difficult year, to carry out their role as the linchpin of our services.

This year we saw Andy Tilden leave Skills for Care after 20 years, one of which was as interim Chief Executive Officer (CEO). Andy has shown incredible commitment to Skills for Care and to the social care sector over many years. During the year we welcomed four new members of the Leadership Team: Tricia Pereira as Director of Operations, Sarah Gilbert and Jenny Paton as Directors of Strategy, Impact and Policy (job share), and Sarah-Jane Dale as Director of Development.

This year also saw us start to work on our new strategy which will shape and guide our work for the next three years.

We are committed to developing and improving to be a more inclusive organisation; through the way we work, and through what we do to support the adult social care sector. We strive to ensure we are an inclusive workplace, where we are all able to achieve our full potential; we champion diversity in our organisation and in the adult social care sector; and we grow and develop our support for the adult social care sector with equality, diversity and inclusion.

We have significant short-term challenges in social care with a vacancy rate which equates to 112,000 vacancies a day and almost one third of staff leaving their roles in any one year.

We are yet to understand the full impact of COVID-19 on the workforce, but we expect to see more people leaving social care as a result of the trauma they have experienced, and we expect to see other negative effects on people's wellbeing which will mean that they need more support.

In the longer term, demographic trends mean more people will live longer- a great benefit but which means ever greater numbers of staff will be required to support the frailest. We estimate that 520,000 additional roles in adult social care will be needed by 2035.

As expectations change, so will the skills and roles needed now and in the future. We want to fulfil the ambition in the Care Act to have a social care service that is preventative and personalised. We need to make those plans today so that we have the right workforce for the future.

In collaboration with others, Skills for Care can help make these changes. We want people who rely on social care to be at the heart of the conversation about the future of adult social care and co-production and partnership working will be key.

We continue to work with Department of Health and Social Care (DHSC) colleagues, local government, providers and people who draw on social care to understand the issues facing the adult social care workforce in England, to plan for the future and to support the adult social care workforce.

Moira Gibb (Jul 25, 2021 10:50 GMT+1)

Oonagh Smyth (Jul 26, 2021 08:08 GMT+1)

Dame Moira Gibb
Chair

Oonagh Smyth
Chief Executive

15 July 2021

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 2021.

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 [1]

Our vision is of a fair and just society where people can access the advice, care and support that they need to enjoy lifelong independence, health & wellbeing and a good quality of life.

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.

Skills for Care is in the process of creating a new strategy for 2021-2024. We fed sector-wide evidence and stakeholder views into the strategy which confirmed the organisation's role and priorities to support these challenging times and our vision for the future of social care and what it means for our workforce. We will increase our role in using data and evidence to develop long-term workforce strategies. This will include working with stakeholders to agree the skills, roles and relationships needed to support principles of personalisation, prevention and re-enablement. We will also utilise our position and sector relationships to further support the wellbeing and

[1] The wording of the vision and mission may change as we continue to develop our strategy for 2021-2024.

Trustees' report *(continued)*

Strategic report *(continued)*

recognition of people working in social care and use our voice to progress the Equality, Diversity and Inclusion agenda within the sector.

The new strategy will have four priority areas and associated operational plans that reflect its refreshed vision and approach. The priority areas are briefly: Increasing Workforce Capacity, Developing Workforce Capability, Supporting Social Care Systems, and Supporting Culture and Diversity. We recognise that these priority areas are interlinked and have an organisational Theory of Change that maps these dependencies. Our associated outcomes framework will enable us to better communicate the impact we are having on the sector over a longer period of time.

We highly value our role as the key delivery partner for DHSC on leadership and workforce in adult social care. We will continue to work collaboratively with other key national organisations such as Health Education England (HEE), NHS Employers, NHS England, NHS Improvement, the Care Provider Alliance (CPA), Local Government Association (LGA), Association of Directors of Adult Social Services (ADASS), Social Care Institute for Excellence (SCIE) and the Royal College of Occupational Therapists (RCOT) as well as with local organisations and people who use care and support.

Achievements and performance

This report covers our activities for the year ended 31 March 2021 and includes work for our key client DHSC, as well as other activity to support the social care sector.

In the first quarter of the year, our focus was to respond to the needs of employers during the pandemic which meant reviewing, flexing and changing our activity to adapt to the needs of the sector. This approach continued throughout the year.

The key workforce priority themes were recruitment and retention of staff and workforce development.

Recruitment and retention of staff

Recruiting to the social care workforce is a challenge at any time, but during the COVID-19 pandemic the challenge has been even greater, and the need to have values led, skilled people working in social care has never been greater. There are 112,000 vacancies in adult social care every day and we have a very high turnover rate with 30.4% of staff leaving their jobs in adult social care in 2019/20.

We supported the sector to undertake safe and swift recruitment during the pandemic. This included support to use our '5A' values-based recruitment model which consists of the following five stages: Articulate, Attract, Apply, Assess and Assimilate which we launched to 264 people.

We gathered and shared innovative recruitment practice and initiatives to tackle workforce capacity during the winter, including working closely with partners from the Care Provider Alliance, ADASS and LGA.

We gave practical support to providers to recruit remotely including webinars accessed 14,000 times on supporting employers in practice with attracting people to work in social care, recruiting remotely and safely and recruiting new managers.

Regulated workforce

Our regulated workforce of 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, to be developed and to remain. We have worked to support this including:

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 homes. The number of registered nurses in social care has reduced by 7% since 2012/13 and they have a higher turnover rate (41.3%) than National Health Service counterparts (9.4% for registered nurses and health visitors). We coordinated the redeployment of nurses into social care during COVID-19. We increased engagement with nurses with 45% more accessing our Nursing News email bulletin last year (2,293 people in total). To support nurse development, we worked with The Queen's Nursing Institute to publish the first ever standards for nurses working in residential care homes. This included a Practice Portfolio and benchmarks to assess the skills and knowledge that a registered nurse will need to demonstrate in a care home.

Occupational therapists: 3,500 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. 1,600 occupational therapists attended our virtual conferences which supported their

Trustees' report *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

development. The conferences culminated with CEOs of Skills for Care and Royal College of Occupational Therapists giving a keynote speech and taking part in a Q&A session with participants.

Social workers: There are 22,000 social workers playing a central role in 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. We supported 1,192 Newly Qualified Social Workers in their first year of practice as part of the Assessed and Supported Year in Employment (ASYE). We explored themes as part of our quality assurance process around inclusion, equality and diversity. All employers acknowledged the importance of anti-racist practice but were at different stages in thinking through the issues.

Workforce planning and integration

The Adult Social Care Workforce Data Set (ASC-WDS) gives us data on around 700,000 staff in social care. ASC-WDS is Governance Digital Service standard and continues to provide highly valued data and is used constantly to inform planning, funding and policy making decisions, as well as providing expert analysis. It was viewed 10.5 million times.

ASC-WDS allows us to understand the social care workforce. Our analysis in our reports showed that the number of people working in adult social care in England has increased again to 1.52 million workers carrying out 1.65 million jobs, spread over 18,200 organisations and 38,000 establishments. It also allowed us to give comprehensive workforce characteristics about the entire adult social care workforce in England such as age, gender, ethnicity, and specific job role information.

It has been used to inform our policy and influencing activity, including submitting written evidence to the Health and Social Care Select Committee and to inform key speeches, including the Future Social Care Coalition event.

Our new benchmarking feature allows users to benchmark themselves against those offering the same service in the same local authority area. They will see at-a-glance information on how they are performing on key workforce metrics including staff turnover, care worker pay and staff sickness to help make decisions within their business. It will also encourage users to log in more often and keep their data up to date.

We use our unique position with our dataset and our area connections and networks to support Integrated Care Systems (ICS) boards, regional NHS organisations and DHSC regional assurance leads to understand the variety and diversity of the sector and engage with providers. This allowed better insight and understanding of issues around personal protective equipment, testing and infection prevention controls.

Support for social care systems

As we enter a period of anticipated government reform, we have established a Policy and Public Affairs team to offer advice and guidance to the Chair, Board, CEO and key officers on the evolving political and policy landscape. Skill for Care is a member of the All-Party Parliamentary Group (APPG) on Adult Social Care. The APPG brings together a cross-party group of parliamentarians from both houses with an interest in adult social care in England. The Co-chairs of this group meet regularly with a monthly working group consisting of Skills for Care, sector employers, people with lived experience of accessing care and support and employer representatives. The group is developing Vision and Values reports to help parliamentarians better understand the sector before the reform proposals are published,

We have prepared detailed submissions on the adult social care workforce to influential select committees and have responded to an evidence call by the Housing, Communities and Local Government Committee inquiry into long term funding of adult social care, submitted written evidence to the Health and Social Care Select Committee inquiries into social care funding and workforce, and the current inquiry into workforce burnout and resilience in the NHS and social care.

We have also worked closely with sector stakeholders to develop joint workforce priorities and policy positions; making use of collective data and evidence to develop solutions that the sector can implement alongside the reforms we think will improve social care systems and support the workforce.

Workforce development

Workforce development is a core part of what we do. Some examples of specific areas for development we have focused on include:

Trustees' report *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

Digital skills: We supported the sector to understand how to get the right technology to support people, data protection and cyber security, including working in partnership with Barclays Digital Eagles to provide digital support and training to adult social care employers.

Developing the individual Employer (IE) and Personal Assistant (PA) workforce: We supported IE's to build their understanding of their responsibilities as an employer and on the importance of thinking about wellbeing for IE's. The webinars attracted nearly 400 delegates and an average usefulness score of 8 out of 10. We supported a further 15 IE's that receive Personal Health Budget direct payments and 209 of their personal assistants to achieve 656 learning outcomes.

Learning from events: 1,600 learners accessed 'Learning from events' to support managers in carrying out reviews following incidents or near misses, such as a COVID-19 outbreak. 97-99% learners reported they would apply their learning to their work, feel confident in using the module, and will promote it to their peers.

COVID-19 new skills and knowledge: We developed support and guidance for providers and Registered Managers to understand what they need to know, plan and prepare for the verification of expected death in COVID-19 times. 84% of the 70 attendees on the webinar felt able to carry out verification of expected death. We also worked with DHSC to develop training for new staff, volunteers and refresher training.

Workforce working with people with learning disability and autistic people: We are working with HEE to co-ordinate the development of mandatory learning disability and autism training for health and social care staff. This is called Oliver McGowan mandatory training. It is being co-produced and delivered by autistic people, people with a learning disability and family carers.

Leadership: 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). Our Moving Up programme tackles some of the issues that cause under-representation. We delivered 8 webinars accessed by 200 people and developed resources on the key workforce challenges identified as part of our BAME workforce survey. We also delivered leadership programmes focused on building collaborative leadership, leading in public services and leading change.

As well as building specific skills, we disbursed the Workforce Development Fund (WDF) to support development on behalf of the DHSC. WDF funding supported:

- 18,849 qualifications, learning programmes and digital modules for 14,037 individuals, from 2,351 establishments. 30% of the funding was for leadership and management and 31% of the funding claimed has been for apprenticeships.
- 13 individual employers and 316 PAs to achieve 1,250 learning outcomes.
- 20 User Led Organisations (ULO) which in turn supported 2,385 people to achieve 3,656 learning outcomes in a range of subjects including training to be an employer of PAs, introduction to the PA role, first aid, infection prevention and control, assisting and moving and a range of condition specific awareness. The majority of organisations (17) reported that they would not have been able to deliver the training without this funding. All but one ULO said they would apply for this funding again.

None of this could have been done without our local and national coverage of endorsed providers, able to offer a range of digital and face to face learning opportunities both accredited and non-accredited. We improved access to endorsed learning providers and endorsed 35 successful new applications.

Wellbeing

COVID-19 shone a light on the importance of wellbeing for colleagues working in adult social care. We worked with key partners to launch a wellbeing resource finder to support people to access resources suited to social care. Since its launch in February 2021, the resource finder has been visited 1,889 times and 693 resources have been downloaded, the most frequently used resources being the Person/Care de-escalation tool and the Building your own resilience, health and wellbeing resource.

Supporting Registered Managers

We are the membership body for Registered Managers (RM) in Adult Social Care.

At the beginning of the pandemic, we realised that Registered Managers needed more support to respond to the COVID-19 crisis. We set up a dedicated COVID-19 helpline, our Facebook group for those with RM membership

Trustees' report *(continued)*

Strategic report *(continued)*

Achievements and performance *(continued)*

was opened to non-members and RM networks, which provide peer-to-peer support, were supported to set up WhatsApp groups. The total number of managers now engaging via the Facebook group is 3,461, from a baseline of 644, and 78% of networks now have a WhatsApp groups. We have a new podcast, 'The Care Exchange" which has had 1,140 downloads. Our webinars provided practical support on topics like wellbeing, difficult conversations and risk assessments and have had 14,484 views. Feedback shows that they helped providers identify where changes need to be made and reinforced some of the things that providers are already doing.

We now have nine deputy manager networks which support deputies in their development and with peer support.

Our Good and Outstanding care guide, Guide to safe staffing and Guide to improvement, remain some of our most popular downloads and have attracted over 8,967 downloads during the year.

Local stakeholder engagement

Our networks and connections are important to make sure that we can support the sector. This year, we worked with 3,709 new social care providers as well as the 13,750 providers we have supported in the past. We have extensive or moderate engagement with all 151 Local Authorities and health bodies in England and significant positive engagement with local care provider organisations. This helped inform our market intelligence reports, which supported DHSC and other partners, to make sure that the sector was being heard and that responses worked for the sector.

Financial review

Financial internal control environment

Skills for Care engaged RSM as internal auditors to provide assurance on the internal control environment. An annual audit programme overseen by the Audit and Risk (A&R) Committee was agreed including disbursements, digital, business development, procurement, payroll and follow up audits on risk management, procurement, digitalisation and disbursements and payroll. All audits and advisory review have taken place with the exception of business development which was deferred to next year. All recommendations are due to be completed as scheduled. We also sought advice on budget improvements and monitoring and recording risk recommendations and actions. The advisory reviews on value for money and performance management & key performance indicators (KPI's) reported to Audit and Risk Committee in July 2021. Management have mapped the recommendations and produced action plans and our Corporate Resource Improvement Group (CRIG) are taking these forward overseen by the leadership team.

Our 21/22 audit plan, agreed in May 2021 by the Audit and Risk Committee, includes ASC-WDS, information management, employer engagement, risk management and disbursements, plus follow up audits of progress against 20/21 audit recommendations.

Incoming resources

Despite this year being a very difficult one with the impact of COVID-19 and the uncertainty that this brought to us by delays in agreement of DHSC funding, the charitable group was successful in securing total incoming resources of £36.2m *(2020: £36.9m)* representing a 2% decrease *(2020: 9% decrease)* on the previous year. This is a great achievement resulting from the hard work and efforts from all staff involved. This year, more than ever, the sector needed our support and demonstrates how important our charitable funds are for us to maintain delivery and support to the sector.

DHSC funds: Our main client, DHSC, agreed to provide restricted funding for the delivery of our annual work programme. Due to COVID-19, funding was agreed in an initial six-month work programme and an initial 'Up to maximum of' £13.2m grant agreement. Some activity was paused, some activity ceased, and some new activity was planned to support the sector. A refined final grant addendum and six month's work programme activity was finally agreed and signed on 19 November 2020. We ensured the programme and resources allocated were flexible to meet new and emerging priorities and secured additional funds in year for specific activity as new priorities emerged. Total funds for the year are £27.1m *(2020: £26.8m)* for the delivery of the agreed work programme, of which £0.69m *(2020: £0.77m)* relates to committed activity that spans the financial year into 21/22. The total cost of the DHSC work programme was funded by DHSC and Skills for Care (SfC) securing sector co-funding as set out in note 14.

Other charitable funds: We were successful in negotiating other restricted charitable funds of £6.8m *(2020: £6.3m)*, an increase of 8% *(2020: 25% decrease)*. This includes £5.8m *(2020: £4.4m)* from the Department of

Trustees' report *(continued)*

Financial review *(continued)*

Incoming resources *(continued)*

Education (DfE) contract to disburse the Child and Family ASYE and National Assessment and Accreditation System (NAAS). In addition, £0.7m *(2020: £1.1m)* has been received and deferred in creditors as activity relates to next year, as set out in note 12. We also secured the rollover one-year contract in April 2021.

Other added value non charitable activity: We generated £1.4m income, a reduction of 46% *(2020: £2.6m),* as activity was affected by COVID-19. One source of income in Skills for Care Solutions (SfCSL) is the certification of apprenticeships £0.16m *(£0.27m)* and with the implementation of the new apprenticeship standards, replacing the previous frameworks and overseen by the Institute of Apprenticeships, this income will continue to decline as the remaining framework qualifications become obsolete and certification ceases. Trading activity income accounted for in the subsidiaries is set out in notes 3 and 14. Our activity within Affina Organisation Development Ltd (AOD) exceeded our revised budgets and forecast as the company embraced virtual delivery to teams who required their support throughout the period. We will continue to aim to diversify our income streams and bring about more commercial insight as part of our new strategy launched in May. In addition, £1m *(2020: £0.5m)* income has been secured in 20/21 which relates to 21/22 delivery and is therefore deferred in group creditors as detailed in note 12.

Skills for Care and Development (SfCD) UK activity generated £0.04m *(2020: £0.03m),* from its four UK partners where Skills for Care is the host and England partner contributing £0.01m *(2020: £0.01m).*

Our bank interest reduced further as interest rates remain low £0.003m *(2020: £0.02m).* Other income relates to COVID-19 grant specifically to fund furloughed staff, that were not funded elsewhere. Pension interest is set out in note 17.

Resources expended

Our Finance Directorate includes Finance, Procurement, Disbursement and Compliance teams. We support all business plan activity to ensure we assess and manage our risks by adequate assessment and planning of financial resources. Third party and corporate costs are managed within our standing financial instructions, budget holder responsibilities and within our procurement and competitive tendering as appropriate. We ensure our resource allocations are appropriate and spend is eligible, within funders' terms.

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. As we went into lockdown, the Leadership Team (LT) as budget holders, facilitated by our excellent project management office and finance teams worked very closely with funders including DHSC and policy leads and with all Directorates, budget holders and budget keepers to refine plans and deliverables, associated budgets and business plan activity including the DHSC work programme. We significantly reprioritised and started some new priority activity, paused and ceased some activity and planned different ways to allocate resources, deliver and engage with the sector, our partners, our Board and Committees and our people.

Throughout the year, we maintained a continuous effort to manage third-party costs, our people, engagement, digital and other essential corporate resource support costs. We achieved savings across many cost categories, including travel and subsistence, venues, conferences and exhibitions and workshops and meetings, by taking further opportunities to embrace digital and virtual ways of working and engagement with our people, our customers and the sector. We delivered some work by engaging external contractors, where appropriate. We sought to take advantage of all opportunities including embracing and investing in our virtual engagement and digital ways of working. We aim to be as flexible and adaptable with our resources to deliver the outcomes of our business plan including DHSC work programme and our added value business development activities. We took advantage of efficiencies and cost savings as appropriate and after Board agreed, SfC invoked the break clause on our London office lease to secure future savings.

We submitted our DHSC grant monitoring forms and year end submissions in May 2021, and we had successful quarterly accountability meetings with DHSC on our DHSC work programme.

Our People Directorate continued to oversee our people and business development resource allocations. In house people capacity continued to be stretched throughout the organisation as we flexed our resources to adapt to the ever-changing COVID-19 environment and new emerging priorities, coming from the changing programme of work. We used fixed term and temporary recruitment to deliver our outcomes, where vacant posts were not fulfilled in the year. We continue this approach. We further reviewed the structure of our Directorates and Leadership Team

Trustees' report *(continued)*

Financial review *(continued)*

Resources expended *(continued)*

and restructured to include Directors of Strategy, Influence & Policy and Commercial to further align with the development of our new strategy with the sector. We also welcomed a new Director of Operations on the departure of Andy Tilden. We continued investing in our key asset, our People and agreed with the Board a cost-of-living award and reward for 2021, plus wellbeing and benefits for the new financial year.

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 Adult Social Care Workforce Data Set (ASC-WDS). We aim to seek additional funding to support our limited resource spend so we can enhance our digital offer for the sector. We have invested DHSC funds in a discovery to enhance our WDF disbursement and engagement process, which we will be taking forward in 2021/22. As part of our strategy, we will be working with other Directorates on further business improvements.

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. Some activity was hindered by planned activity falling within cabinet office "advertising, marketing and communications" spend controls. This meant that £0.05m was reallocated across other key priorities with a focus on strengthening and growing our established channels into the sector so that we minimised the impact on our engagement as far as possible.

Our Operations Directorate supported by our Finance and Engagement directorates continued to disburse funding to the sector. We continued to use our competitive tendering processes, where appropriate, to allocate and distribute the WDF. Where competitive tendering is undertaken, applications are 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. A new funding approach to support the completion of leadership and management learning programmes continued with endorsed providers. Due to COVID-19 and delays to the agreement of our DHSC work programme, the traditional mainstream fund was disbursed at a slower rate than usual. During the year we disbursed 100% of the WDF fund.

We disbursed £1.6m *(2020: £1.6m)* of DHSC funds to NQSW and £5.1m *(2020: £4.4m)* of the Children's and Families ASYE and NAAS. We also have £0.1m *(2020: £Nil)* deferred in creditors. This increased from last year due to delays as a result of COVID-19. We completed a three-year programme disbursing Workforce Integrated funding on behalf of Health Education England for Kent, Surrey and Sussex.

During this difficult year of COVID-19, we continued to seek charitable and trading funding opportunities which have supported the sector and have generated the best financial results. Resources have been used efficiently delivering activities virtually and the price to clients covered all costs, and where appropriate, included a surplus.

With a transfer to home working and virtual delivery throughout 2021, AOD has identified further opportunities to reduce overheads. Whilst some elements are short-term savings, many are longer term and sustainable in post pandemic business operations.

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: £0.69m *(2020: £0.76m including £0.6m rapid induction)* DHSC funds are committed to DHSC work programme activities spanning the financial year end. Other restricted funds, if not expended, have been deferred in creditors, as appropriate.

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

Reserve policy

The charity has a reserves policy of maintaining free unrestricted reserves. The Finance and General Purposes (F&GP) Committee monitor the reserves policy and underlying assumptions. They make recommendations of designations of those reserves to the SfC board at least on an annual basis.

Free reserves

Free reserves are accumulated to fund minimum liabilities and not to exceed the estimated maximum costs including statutory redundancy, early retirement costs, an average of six month's operational costs where

Trustees' report *(continued)*

Financial review *(continued)*

Free reserves *(continued)*

applicable, lease and pension liabilities and to cover necessary costs and commitments during an unforeseen period of difficulty. On 31 March 2021, there are sufficient free reserves to fund the maximum £8.34m *(2020: £10.5m maximum)* potential liabilities (excluding pension).

Both our subsidiaries carry out non-charitable activity with an aim to generate trading surplus for reinvestment into our business plan activity for the benefit of the sector. The SfCSL Board, AOD Board, F&GP Committee and Skills for Care Board have oversight and review what may be required to fund any potential funding gap in the future.

General reserves, being the free reserves of the charity, are designated 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&GP Committee. The appointed manager 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 14.1% *(2020: 2.2%)*. 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 *(2020: nil)*. We had an unrealised gain of £3.96m *(2020: £0.4m)* arising in the year as shown on note 9.

The company has a policy of placing funds in our investments which are not required for managing working capital. F&GP members regularly monitor the return of the funds invested and compare the returns against relevant market indices; the committee also receives regular updates from the investment manager. We receive regular updates from CCLA and if funds decrease by £0.1m between valuations provided by the investment manager, the Chair of F&GP is provided with an explanation.

The strong returns in the year under review reflect a sharp rally in equity investment markets following the downturn experienced towards the end of last year's reporting period. That downturn, and the subsequent recovery, were substantially driven by market reaction to the onset of the COVID-19 pandemic and then to the expectation of rapid economic recovery and supportive policy responses. Equities, which make up the majority of our largest COIF fund holding, the multi-asset Ethical Fund, represent approximately 45% of our total portfolio value. 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.

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% *(2020: 0.05% - 0.35%)* on bank balances, against a background of continued low bank base rates.

Plans for future periods

We are pleased to be launching a new three-year strategy in 21/22 under the following four strategic priority areas:

1. **Increasing workforce capacity:** We have enough people working in social care with the right values now and to meet future needs.
2. **Supporting the workforce's capabilities:** Leaders, professionals and staff at all levels in social care have the right skills, knowledge, competencies and behaviours to drive quality and productivity, and to enable the aspirations for workforce capacity and culture to be fulfilled.
3. **Improving adult social care's systems:** Social care is well funded and reformed which so leads to the sector having we have the right number of people, with the right skills in the right jobs.

Trustees' report *(continued)*

Plans for future periods *(continued)*

4. **Supporting culture and diversity:** The workforce feels equal, valued and included, is supported to stay well, stay and progress in the sector

Our strategy is congruent with DHSC's two priority themes: recruitment and retention of staff and workforce development.

We will continue to work flexibly across all areas of the work programme to enable us to respond quickly to any urgent priorities or unplanned activities required by DHSC.

To help us resource our support for the adult social care sector we undertake other added value activities and reinvest the funds to increase our reach and impact. This activity includes:

- Added value services such as seeking funding opportunities via bids, proposals, sponsorship and possible new investments that support workforce projects, Apprenticeship Certification Service, hosting our UK wide partnership SfCD and our trading activities within SfCSL and AOD.
- Corporate activities including the development of corporate enabling plans to deliver the three-year strategy and ensuring governance, statutory and charitable compliance.

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 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.

We are the delivery partner for the DHSC on leadership and workforce in adult social care and continue to build on our relationship with DHSC colleagues across several directorates. We have also been establishing relationships with new colleagues at DHSC, who are leading on key policy areas relevant to the workforce and reform, this includes both policy leads and new Deputy Directors. We also engage with other government departments including DFE, Department of Work and Pensions (DWP) and Ministry of Housing, Communities & Local Government (MHCLG) on relevant work programme strands.

We will continue 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.

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 Think Local Act Personal (TLAP). We work closely with the ADASS at national level on their Workforce Development Network and locally with ADASS regional branch members. We also work closely with the LGA and have a strategic partnership agreement with HEE.

We administer the ASYE and NAAS for the children's sector on behalf of the Department for Education and continue to work closely with the Federation for Industry Sector Skills & Standards (FISSS).

We work in collaboration with national and representative bodies, recent activity includes a joint response following the Queen's speech. Furthermore, we work with LGA and ADASS on the collaborative workforce priorities.

Structure, governance and management

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 2021 was 14 *(2020: 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. A specification for board members is used in the selection process. The Remuneration and Nominations Committee lead the trustee recruitment process and regularly

Trustees' report *(continued)*

Structure, governance and management *(continued)*

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. They are required to sign a declaration that states they have read and understood the company's governing documents.

During the induction, trustees meet other trustees and key senior staff and are provided with an induction pack. Trustees are encouraged to attend appropriate Skills for Care and external 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 General Purposes, Audit and Risk, and Remuneration and Nominations, and forums/working groups covering workforce development, business development, and race equality.

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.

Governance code

Skills for Care has adopted the principles of the Charity Governance Code. The assessments within the three-year cycle of board evaluation (described below) are based around the principles of the Code. A trustee handbook is in development, to replace the trustee induction pack, and will be structured around the seven principles.

Evaluation

A rolling three-year evaluation cycle has been introduced 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 20/21 trustees were asked to complete a questionnaire to assess the overall governance of Skills for Care against the principal statements with the Charity Governance Code. It also included open questions on the performance and effectiveness of the board and committees. The results were presented to trustees in October 2020 where some recommendations were agreed to better meet the principles of the Code. This has since been developed into an action plan for colleagues to take forward. In 21/22 we are conducting a self-assessment against the principle of the Code to track progress as part as a wider governance review.

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 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 that can be made.

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

Last year saw the introduction of 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. As last year, we have considered the size criteria and how this applies to the Skills for Care Group and whilst we are still 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

Trustees' report *(continued)*

Structure, governance and management *(continued)*
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 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.

Our five-year corporate plan for 2018-23 and our new strategy launched in May 2021 set 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 have remained 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 so everyone is aware of our own road map for recovery. We have embraced using Microsoft 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 to respond to the COVID-19 crisis.

We are an organisation who always strives to maintain a reputation for high standards and business conduct. As explained in our financial internal control section above we have engaged independent internal auditors to regularly review our operations and procedures, so we can continually improve. 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 group Audit and Risk Committee to ensure all objectives are aligned and risks mitigated for each individual organisation within the group.

As the group has a limited carbon footprint, the Board of Trustees have chosen not to formally report the specific criteria required by legislation as there is no requirement for us to formally report. We do however take such matters seriously and are aware that the areas of reporting would be around the emissions and energy use from burning gas, from fuel used in transport and from the company's electricity usage.

As the group's offices are in shared buildings some of this information is not readily available at this time but we will continue to work with the Landlords to see if this would be possible in the future.

Trustees' report *(continued)*

Structure, governance and management *(continued)*

As an organisation we continue to review ways in which we can reduce our carbon footprint and reduce the business miles we incur. We have continued working from home since the start of the pandemic in March 2020 significantly reducing the impact of our usual travel and use of office space upon the environment. Having had this experience, we have taken the decision to invoke the break clause on our London office and are looking at reset plans for Leeds which will include options to reduce the space we occupy and limit 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, 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. We are developing our corporate risk register to align with the new strategy, risk appetite assessment and directorate registers.

Principal risks and uncertainties

Significant risks and uncertainties are reviewed by the Leadership Team through the corporate and directorate risk registers. Regular in-depth reviews are undertaken for known key risks and emerging risks. LT review key and emerging risks, together with any escalated project risks, monthly. 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 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 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. SfC 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. The main risks facing the subsidiaries in this last year arose from the pandemic halting delivery of some of our products and services until alternative methods for virtual delivery were developed.

During the year the major risks reported to the SfC board arose from the uncertainty caused by the ensuing pandemic. During this time our main risks were delayed funding and responding to the rapid changes in priorities to support the sector. We responded rapidly and responsively to address emerging priorities using our risk management framework to support decision making. We used our business continuity planning and pandemic planning to enable the mitigation of risks, particularly those around staff safety and mass home working. The organisation has used the risk processes to identify the many risks that have emerged during the pandemic, and to manage and achieve our objectives. The trustees reviewed and monitored these risks throughout the year and were re-assured that they are being mitigated and managed effectively.

In May 2021, the Board reviewed its risk appetite and management are now considering how this may align and affect our risk management process and decision making in future.

Trustees' report *(continued)*

Reference and administrative information

On 31 March 2021, there were 14 board members.

Trustees	Date of appointment or resignation
Dame Moira Gibb (Chair of Board)	
Suzie Bailey	
Louise Bladen	
Susan Bott	
Mark Lever	
Mahiben Maruthappu	
Susan McMillan	
Steve Scown	
Paul Snell	
Neil Taylor (Vice-Chair of Board; Chair of SfCSL and Chair of AOD)	
Munira Thobani	
Mandy Thorn	
Mark Ward	
Rachael Wardell	

Chief Executive
Oonagh Smyth

Audit & Risk Committee
Louise Bladen (Chair)
Suzie Bailey
Susan McMillan
Steve Scown
Rachael Wardell

The Committee reviews the annual Trustees' report and financial statements; ensures there is an effective system of internal control and risk management; ensures policies and procedures are followed including health and safety, complaints, and other compliance policies, and ensures relevant legislation and statutory requirements are adhered to.

Finance & General Purposes Committee
Mark Lever (Chair)
Susan Bott
Mahiben Maruthappu
Neil Taylor
Mandy Thorn
Mark Ward

The Committee agrees Skills for Care indicative budgets annually and makes recommendations to the Skills for Care board. It reviews performance of the DHSC work programme, business development, and overall SfC business plan. It also monitors the quarterly accounts, reserves and the financial position of the organisation. It ensures compliance with relevant statutory financial reporting requirements and provides direction to the Investment Manager and monitors their performance at agreed intervals. It also manages organisational performance, and receives updates in relation to people, digital transformation, and communications.

Remuneration & Nominations Committee
Susan McMillan (Chair)
Moira Gibb
Mark Lever (from 3 March 2021)
Paul Snell
Neil Taylor (until 3 March 2021)

The 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 also leads on the recruitment of new trustees including the Chair's recruitment process and 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)*

Reference and administrative information *(continued)*

Company references

Skills for Care Ltd	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)*

All accounts are drawn up to 31 March 2021.

Leeds head office
Westgate
6 Grace Street
Leeds
LS1 2RP

London office *(now closed)*
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

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.

Auditor

Trustees will approve the reappointment Brown Butler as external auditors of the group at the board meeting 13 October 2021.

Approval

This report is approved by the board of trustees on 15 July 2021 and is signed on its behalf.

By order of the board

Moira Gibb (Jul 25, 2021 10:50 GMT+1)

Dame Moira Gibb
Chair of Board

Westgate
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 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 Ltd

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 2021, 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 2021 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;
- have been properly prepared in accordance with the Charities SORP (FRS102) 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 17, 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.

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. 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:

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

- 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.

Brown Butler

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

Date: 10 August 2021

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

	Note	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Income					
Trading activities	*4*	**1,391,422**	-	**1,391,422**	2,578,448
Investments	*4*	**3,486**	-	**3,486**	24,086
Charitable activities	*4*	**70,076**	**33,889,395**	**33,959,471**	33,374,488
Other income	*4*	**45,074**	-	**45,074**	-
Pension	*4, 17*	**768,000**	-	**768,000**	868,000
Total income	*4, 14*	**2,278,058**	**33,889,395**	**36,167,453**	36,845,022
Raising funds	*5*	**841,488**	-	**841,488**	1,443,833
Investments	*5*	**3,543**	-	**3,543**	3,375
Charitable activities	*5*	**2,807,204**	**31,141,774**	**33,948,978**	33,372,542
Pension	*5, 17*	**550,000**	-	**550,000**	1,367,000
Total resources expended	*5*	**4,202,235**	**31,141,774**	**35,344,009**	36,186,750
Net (outgoing) / incoming resources before transfers		**(1,924,177)**	**2,747,621**	**823,444**	658,272
Transfers	*14e*	**2,824,477**	**(2,824,477)**	-	-
Net incoming / (outgoing) resources		**900,300**	**(76,856)**	**823,444**	658,272
Other comprehensive income					
Actuarial loss on pension scheme	*14, 17*	**(1,083,000)**	-	**(1,083,000)**	(298,000)
Net unrealised investment gain	*9, 14*	**3,956,341**	-	**3,956,341**	438,896
Net movement in funds		**3,773,641**	**(76,856)**	**3,696,785**	799,168
Total funds brought forward	*14*	**25,847,561**	**767,946**	**26,615,507**	25,816,339
Total funds carried forward	*14*	**29,621,202**	**691,090**	**30,312,292**	26,615,507

The notes on pages 25 to 47 form part of the financial statements.

Consolidated group balance sheet

at 31 March 2021

	Note	**2021** £	**2021** £	2020 £	2020 £
Fixed assets					
Intangible assets	*8*	**4,407,287**		4,033,270	
Tangible assets	*8*	**121,347**		203,851	
Investments	*9*	**32,023,044**		28,066,703	
			36,551,678		32,303,824
Current assets					
Stock		**24,257**		35,422	
Debtors due within one year	*11*	**1,168,529**		1,355,409	
Cash at bank in hand		**11,266,720**		10,873,970	
		12,459,506		12,264,801	
Creditors: amounts falling due within one year	*12*	**(9,983,892)**		(10,065,734)	
Net current assets			**2,475,614**		2,199,067
Total assets less current liabilities			**39,027,292**		34,502,891
Provision for liabilities and charges	*13*		**(100,000)**		(137,384)
Net assets before pension liability			**38,927,292**		34,365,507
Pension liability	*17*		**(8,615,000)**		(7,750,000)
Net assets after pension liability			**30,312,292**		26,615,507
Funds					
Unrestricted (before pension)	*14*		**38,236,202**		33,597,561
Pension liability	*14*		**(8,615,000)**		(7,750,000)
Unrestricted funds	*14*		**29,621,202**		25,847,561
Restricted funds	*14*		**691,090**		767,946
Total group funds	*14,15*		**30,312,292**		26,615,507

The notes on pages 25 to 47 form part of the financial statements

These financial statements were approved by the board of trustees on 15 July 2021 and were signed on its behalf by:

Moira Gibb (Jul 25, 2021 10:50 GMT+1)

Dame Moira Gibb
Trustee and Chair of Board

Neil Taylor (Jul 26, 2021 09:13 GMT+1)

Neil Taylor
Vice Chair

Company registered number: 03866683

Company balance sheet

at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	*8*	**4,385,584**		3,989,743	
Tangible assets	*8*	**121,347**		203,851	
Investments	*9*	**32,023,044**		28,066,703	
Investment in subsidiaries	*10*	**20,000**		63,526	
			36,549,975		32,323,823
Current assets					
Debtors due within one year	*11*	**1,196,950**		1,836,511	
Cash at bank and in hand		**10,017,553**		9,453,546	
		11,214,503		11,290,057	
Creditors: amounts falling due within one year	*12*	**(8,759,292)**		(9,100,062)	
Net current assets			**2,455,211**		2,189,995
Total assets less current liabilities			**39,005,186**		34,513,818
Provisions for liabilities and charges	*13*		**(100,000)**		(137,384)
Net assets before pension liability			**38,905,186**		34,376,434
Pension liability	*17*		**(8,615,000)**		(7,750,000)
Net assets after pension liability			**30,290,186**		26,626,434
Funds					
Unrestricted (before pension)	*14*		**38,214,096**		33,608,488
Pension liability	*14*		**(8,615,000)**		(7,750,000)
Unrestricted funds	*14*		**29,599,096**		25,858,488
Restricted funds	*14*		**691,090**		767,946
Total charitable company funds			**30,290,186**		26,626,434

The notes on pages 25 to 47 form part of the financial statements

These financial statements were approved by the board of trustees on 15 July 2021 and were signed on its behalf by:

Moira Gibb (Jul 25, 2021 10:50 GMT+1)

Neil Taylor (Jul 26, 2021 09:13 GMT+1)

Dame Moira Gibb
Trustee and Chair of 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

	Note	**2021** £	2020 £
Net incoming resources before transfers		**823,444**	658,272
Adjustment for:			
Depreciation and amortisation	*5, 6, 8*	**2,424,557**	1,894,545
Disposal of fixed assets	*8*	**-**	32,135
Interest income	*4,6*	**(3,486)**	(24,086)
Net pension movement	*14, 17*	**(218,000)**	499,000
		3,026,515	3,059,866
Decrease in debtors	*11*	**186,880**	1,991,218
Decrease in stock		**11,165**	16,228
(Decrease) in creditors	*12*	**(81,842)**	(2,913,361)
(Decrease) in dilapidations provision	*13*	**(37,384)**	-
Net cash from operating activities		**3,105,334**	2,153,951
Cash flows from investing activities			
Interest received	*4, 6*	**3,486**	24,086
Acquisition of intangible fixed assets	*8*	**(2,634,964)**	(2,826,482)
Acquisition of tangible fixed assets	*8*	**(81,106)**	-
Purchase of investments	*9, 10*	**-**	(61,581)
Net cash from investing activities		**(2,712,584)**	(2,863,977)
Net increase / (decrease) in cash and cash equivalents		**392,750**	(710,026)
Cash and cash equivalents at 1 April		**10,873,970**	11,583,996
Cash and cash equivalents at 31 March		**11,266,720**	10,873,970

Analysis of changes in net debt

	1 April 2020	**Cash flow**	**Other non-cash change**	**31 March 2021**
	£	£	£	£
Cash and cash equivalents	10,873,970	392,750	Nil	11,266,720

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. Except for note 17, all figures are stated to the nearest pound (£). 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 our 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. The liability as at 31 March 2021 is £8.6m *(2020: £7.7m)*.

(ii) Income recognition

Where income received in the year is for contracted activity yet to take place, unspent income is deferred to the following year to provide for delivery of the activity. Total income deferred is £1.7m *(2020: £1.7m)*

(iii) Useful life of depreciable asset

Management regularly to review the development of its major depreciable asset, ASC-WDS to estimate its useful life. The impact of agile working 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 asset for the year is £1.9m *(2020: £1.2m)*.

(iv) Amortisation of investment in subsidiary and intangibles and goodwill

Management estimate that the amortisation of investment in the subsidiary AOD is aligned to the amortisation of the acquired goodwill and other intangibles. Total cumulative impairment of the investment at 31 March 2021 is £0.3m *(2020: £0.2m)* and is now fully amortised.

(v) 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, however, as noted in 1.2 below, the funding has been reviewed in two phases again this year due to Treasury commitments as a result of COVID-19. This does bring some uncertainty with regard to what the Department would like future delivery to be and confirmation of future funding.

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 2019) - (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 DHSC funded element of SfC's group's business plan forms the majority of our annual activity. The financial statements have been prepared on a going concern basis, as discussions around shaping the DHSC work programme for 2021/22 are expected to be concluded shortly and our DHSC sponsor has verbally indicated funds for the 2021/22 year will be based on a workforce department 'flat cash' settlement for revenue and capital funding, plus indications of funding from other DHSC departments. Due to COVID-19 and pressures on Treasury, including consideration of the longer-term spending review, we understand that DHSC finance business planning for 2021/22 has not yet been finalised. We have executed formal grant letters and received an interim cash payment for April and May 2021 of £4.4m. Our sponsor has prepared an annual funding submission to go to the Minister and annual grant agreements will be executed and associated funding is therefore expected to be forthcoming in the near future. The charity has unrestricted reserves at 31 March 2021, which the Trustees believe are sufficient

Notes *(continued)*

Accounting policies *(continued)*

to allow the charity to continue for a period of at least 12 months from the date of signing these financial statements and would enable the Trustees to implement an exit strategy, for the organisation in an orderly manner, should further funding from DHSC not be received, as currently anticipated. As a result, the Trustees believe it is appropriate to prepare the financial statements on a going concern basis, considering its reserves policy.

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 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 note 10).

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. 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 as 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 2021 or relating to the outcomes of the 20/21 work programme are accounted for on an accruals basis and the costs relating to these milestones are included in the accounts. Commitments to meet future outcomes are not included in the financial statements and are shown in note 14(f).

Governance costs are those incurred in connection with the strategic management of Skills for Care resources, 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 London office lease break clause was invoked in September 2020 and associated costs have been included in these financial statements.

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

Notes *(continued)*

Accounting policies *(continued)*

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.

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 grant makers or other 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 SfC board and for the purpose of funding potential closure costs and periods of financial uncertainty in accordance with the reserves policy. At 31 March 2021, the unrestricted funds are sufficient to fund the estimated closure liabilities as detailed on note 14. Additionally, funds are designated to meet the pension FRS102 valuation of £8.6m *(2020: £7.7m)* as per note 17. As we do not currently plan to exit from this scheme, this does not include orphan or exit valuations.

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

Notes *(continued)*

Accounting policies *(continued)*

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 that are 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 being 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 investment into the sector and to pursue future charitable activities. SfCSL contributed income of £0.9m *(2020: £1.9m)* and net profit of £0.6m *(2020: £1.1m)* to SfC charitable group. Of this £0.3m is sector income cofunding the DHSC WP and £0.3m contributed to funding SfC corporate costs. AOD contributed income of £0.6m *(2020: £0.7m)* and net profit of £0.1m *(2020: £0.03m)*.

The group trading income and expenditure is shown as unrestricted in note 14.

Notes *(continued)*

4. Income

	Group 2021 £	Group 2020 £
Restricted		
DHSC	**27,127,343**	26,839,183
Other funders	**6,762,052**	6,317,532
Total restricted income	**33,889,395**	33,156,715
Unrestricted		
Trading activity (less trading bank interest)	**1,391,422**	2,578,448
Bank interest	**3,486**	24,086
Charitable income	**70,076**	217,773
Other income – Job retention scheme	**45,074**	-
FRS 102 pension income *(note 17)*	**768,000**	868,000
Total unrestricted income	**2,278,058**	3,688,307
Total income	**36,167,453**	36,845,022
Workforce revenue	**23,470,000**	23,300,000
Workforce capital	**2,790,000**	2,790,000
Workforce supporting people with a learning disability and autism	**579,996**	203,877
Office of the Chief Social Worker	**237,347**	299,183
Liberty Protection Safeguards	**-**	246,123
Supporting personal relationships	**50,000**	-
Total DHSC restricted income	**27,127,343**	26,839,183
Dept for Education	**5,810,793**	4,449,863
Health Education England	**453,261**	1,515,820
NHS England	**240,644**	257,195
Local Authorities	**61,996**	15,665
Federation for Industry Sector Skills & Standards (FISSS)	**-**	36,892
Registered Nursing Home Association	**117,720**	-
Other organisations	**77,638**	42,097
Total other restricted income	**6,762,052**	6,317,532
Total restricted income	**33,889,395**	33,156,715
Total unrestricted and restricted income	**36,167,453**	36,845,022

Notes *(continued)*

5. Total resources expended

	Note	Staff costs 5 (a) £	Other costs £	Group Total 2021 £	Group Total 2020 £
Trading activity cost of raising funds	*14*	**487,844**	**353,644**	**841,488**	1,443,833
Investments	*5b*	**3,543**	**-**	**3,543**	3,375
Charitable activities	*5c*	**8,507,644**	**25,441,334**	**33,948,978**	33,372,542
Pension	*17*	**(378,000)**	**928,000**	**550,000**	1,367,000
Charitable activities	*5c*	**8,133,187**	**26,369,334**	**34,502,521**	34,742,917
Total resources expended	*14*	**8,621,031**	**26,722,978**	**35,344,009**	36,186,750
Unrestricted		**474,147**	**3,728,088**	**4,202,235**	5,457,703
Restricted		**8,146,884**	**22,994,890**	**31,141,774**	30,729,047
	5d	**8,621,031**	**26,722,978**	**35,344,009**	36,186,750

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 SfC 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 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:

	2021 £	2020 £
Trading activities	**58,892**	61,272
Investment	**3,543**	3,375
Charitable activities	**456,144**	454,795
Total	**518,579**	519,442

This includes governance costs of £138,544 (*2020 £113,947*)

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

5e) Disbursements of £18.4m *(2020:17.1m)* include £11.7m *(2020: £10.5m)* WDF, £6.7m *(2020: £6.6m)* Adults and Child & Family ASYE.

Notes *(continued)*

5. Total resources expended *(continued)*

	Notes	2021 £	2020 £
Payroll costs	7	**8,621,031**	9,332,336
Agency costs	7	**39,604**	50,283
Training and recruitment		**88,747**	96,688
Travel		**23,277**	580,548
Contracts and consultancy		**2,501,470**	2,373,647
Disbursements	5e	**18,410,906**	17,136,102
Graduate bursaries		**-**	411,774
Workshops and meetings		**28,650**	476,141
Board and committees		**5,429**	7,634
Conferences and exhibitions		**15,019**	173,751
Rent, rates, utilities and lease termination		**1,243,162**	1,070,604
Insurance		**32,129**	19,121
Cleaning and maintenance		**38,420**	49,866
Software, telecoms and equipment		**219,175**	460,093
IT leases, rentals and licenses		**407,441**	312,258
Postage and courier		**44,393**	91,377
Printing and stationery		**55,157**	223,071
Subscriptions and publications		**39,680**	39,702
Promotion and advertising		**24,791**	146,084
Fees paid to external auditors	6	**41,296**	48,676
Accountancy and legal costs		**121,490**	80,753
Bad debt provision		**(9,900)**	72,257
Corporate office costs		**85**	4,234
Pension interest	17	**928,000**	1,033,000
Loss on sale of assets		**-**	2,205
Depreciation and amortisation	8	**2,424,557**	1,894,545
Total resources expended		**35,344,009**	36,186,750

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 2021 £	2020 £
After charging:		
Auditors' remuneration - audit of these financial statements	**30,956**	35,200
Auditors' remuneration - audit of financial statements of subsidiaries	**10,340**	6,000
Auditors' remuneration - taxation and compliance services	**5,711**	6,142
Internal audit services - remuneration	**40,249**	26,713
Operating lease rentals - buildings and equipment	**1,062,814**	997,537
Amortisation of goodwill and intangible assets and depreciation of tangible fixed assets *(note 5 and 8)*	**2,424,556**	1,894,545
Loss on disposal of assets	**-**	2,205
Other pension interest *(note 17 and note 5)*	**928,000**	1,033,000
And after crediting:		
Bank interest receivable *(note 4)*	**3,486**	24,086
Other income - FRS102 interest adjustment *(note 17 and note 4)*	**768,000**	868,000

Notes *(continued)*

7. Staff numbers and costs

The Remuneration & Nominations Committee determine all 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&GP committee, who make recommendations to SfC 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 Ltd, resources utilised to deliver trading activities are charged within the service level agreement with the subsidiary for £299,182 *(2020: £579,962)*. The average number of staff employed by the group during the year, analysed by category, was as follows:

Group – number of employees

	2021	2020
Key management personnel (Leadership Team)	**9**	6
Programme heads, project managers, heads of areas and locality managers	**101**	102
Project management office, engagement and other project support	**40**	41
Corporate resources	**30**	35
Digital and data analysts	**22**	23
SfCD UK partnership hosted staff	**1**	1
	203	208

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

	2021	2020
	£	£
Gross salaries	**8,306,376**	8,261,446
Labour costs capitalised	**(994,771)**	(869,402)
	7,311,605	7,392,044
Employer's social security costs	**849,882**	844,836
Employer's pension costs (before FRS102 adjustments)	**837,544**	761,456
	8,999,031	8,998,336
Employer's pension contributions including one off lump sum payments	**(1,086,000)**	(760,000)
Current service cost	**708,000**	806,000
Past service cost	**-**	288,000
	8,621,031	9,332,336

The above payroll costs exclude agency and secondment staff costs of £0.02m *(2020: £0.12m)*.

The above costs include £0.2m *(2020: £0.2m)* in relation to the costs of redundancy, settlements, notice pay and pension payments relating to five members of staff.

Notes *(continued)*

7. Staff numbers and costs *(continued)*

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:

	2021	2020 Restated excluding E'rs contributions	2020
£60,001 - £70,000	**1**	3	12
£70,001 - £80,000	**5**	2	9
£80,001 - £90,000	**-**	-	2
£90,001 - £130,000	**-**	-	3
£130,001 - £150,000	**1**	1	1

Total pension contributions for the above employees totalled £102,224 *(2020 restated £88,667:2020: £267,308).*

SfC used the agreed recommended contribution rate of 28.5% *(2020 23.9%)* for the employer's contribution paid to the WYPF scheme. Deficit payments totalling £0.5m *(2020 £0.03m)* were made. The charity also operates a stakeholder pension scheme as set out in note 17.

Due to the COVID-19 pandemic and the board operating virtually during 2021, no trustees *(2020: 14)* were reimbursed *(2020: £8,678)* for travel and subsistence.

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	**2021**	2020
	£	£
Aggregate emoluments (including employer's NIC) (pension £nil)	**38,620**	38,641

The Chair is entitled to £35,000 per annum *(2020: £35,000)*. The honorarium is authorised by Skills for Care's governing document and approved by the Charity Commission and is commensurate with the time dedicated to the company's affairs.

Notes *(continued)*

8. Fixed assets

8a) Intangible and tangible assets

	Software & licenses	ASC-WDS (note 8b)	Company intangible assets	Goodwill & other intangible assets (note 8d and 14)	Group intangible assets	Office furniture & equipment	Hardware & project assets	Group and company tangible assets (note 8c)	Total group for info only
	£	£	£	£	£	£	£	£	£
Cost									
At beginning of year	2,237,004	4,971,892	**7,208,896**	361,116	**7,570,012**	347,569	399,329	**746,898**	**8,316,910**
Additions	125,225	2,509,739	**2,634,964**	-	**2,634,964**	6,784	74,322	**81,106**	**2,716,070**
At end 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**
Amortisation									
At beginning of year	1,640,116	1,579,037	**3,219,153**	317,589	**3,536,742**	191,267	351,780	**543,047**	**4,079,789**
Charge for the year	356,034	1,883,089	**2,239,123**	21,824	**2,260,947**	96,904	66,706	**163,610**	**2,424,557**
At end of year	**1,996,150**	**3,462,126**	**5,458,276**	**339,413**	**5,797,689**	**288,171**	**418,486**	**706,657**	**6,504,346**
Net book value									
At 31 March 2021	**366,079**	**4,019,505**	**4,385,584**	**21,703**	**4,407,287**	**66,182**	**55,165**	**121,347**	**4,528,634**
At 31 March 2020	596,888	3,392,855	3,989,743	43,527	4,033,270	156,302	47,549	203,851	4,237,121

8b) The ASC-WDS system includes workforce intelligence from employers across the adult social care sector in England.
8c) All company and group intangible assets and tangible fixed assets are held for direct charitable purposes.
8d) Goodwill and other intangibles include other intangible costs of £252,000 which are fully amortised to nil.

Notes *(continued)*

9. Investments

Group and Company	2021		2020	
	Cost	**Bid value**	Cost	Bid value
	£	**£**	£	£
At beginning of year *(note 9a)*	**21,471,432**	**28,066,703**	21,334,851	27,491,226
Additions during the year *(note 9b)*	**-**	**-**	136,581	136,581
Unrealised gain in year	**-**	**3,956,341**	-	438,896
At end of year	**21,471,432**	**32,023,044**	21,471,432	28,066,703

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. The consideration was partly settled in cash last year. £45,202 remains deferred to be settled in the form of funding for future promotional activity and is represented by a creditor in these financial statements.

10. Fixed asset investments - Company

	Note	**Shares in group undertakings**
		£
Costs		
At beginning and end of year	*3*	**309,185**
Provisions		
At beginning of year		**245,659**
Impairment		**43,526**
At end of year		**289,185**
Net book value		
At 31 March 2021		**20,000**
At 31 March 2020		**63,526**

Notes *(continued)*

10. Fixed asset investments – Company *(continued)*

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.

Summary profit and loss account of the subsidiaries

	Skills for Care Solutions	AOD	2021 Total	2020 Total
	£	£	£	£
Turnover	**874,811**	**557,885**	**1,432,696**	2,585,468
Cost of sales	**(301,890)**	**(224,904)**	**(526,794)**	(961,368)
Gross profit	**572,921**	**332,981**	**905,902**	1,624,100
Administrative expenses	**(76,744)**	**(237,162)**	**(313,906)**	(482,465)
Operating profit	**496,177**	**95,819**	**591,996**	1,141,635
Interest receivable	**554**	**5**	**559**	2,640
Profit on ordinary activities before taxation	**496,731**	**95,824**	**592,555**	1,144,275
Tax on profit on ordinary activities	**-**	**-**	**-**	(790)
Profit for the year	**496,731**	**95,824**	**592,555**	1,143,485

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**	**2021 Total**	2020 Total
	£	£	£	£
Current assets	**446,269**	**1,075,506**	**1,521,775**	2,038,498
Current liabilities	**(436,269)**	**(1,065,102)**	**(1,501,371)**	(2,018,094)
Total net assets	**10,000**	**10,404**	**20,404**	20,404
Called up share capital	**10,000**	**10,000**	**20,000**	20,000
Profit and loss account	**-**	**404**	**404**	404
Shareholders' funds	**10,000**	**10,404**	**20,404**	20,404

Notes *(continued)*

11. Debtors

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade debtors	**1,054,308**	1,028,145	**837,939**	578,310
Amounts owed by group undertakings	**-**	-	**250,246**	1,063,439
Prepayments, other debtors and accrued income	**114,221**	327,264	**108,765**	194,762
	1,168,529	1,355,409	**1,196,950**	1,836,511

12. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade creditors	**272,976**	383,624	**218,258**	333,910
Other creditors	**399,290**	912,709	**252,420**	657,581
Accruals *(note 12a)*	**7,617,068**	7,088,787	**7,572,047**	6,975,642
Deferred income *(note 12b)*	**1,694,558**	1,680,614	**716,567**	1,132,929
	9,983,892	10,065,734	**8,759,292**	9,100,062

12a) Accruals include disbursements and contract for services of £6m *(2020: £5.9m)* which are committed to the payment of milestones relating to activities undertaken during the year. The remainder of the accruals are purchase orders of £0.7m *(2020: £0.6m)* and other accruals of £0.9m *(2020: £0.5m)*.

12b) Deferred income includes £0.18m *(2020: £0.5m)* HEE, £0.12m *(2020: £0.3m)* DfE Child and Family ASYE contract, £0.14m NHS England *(2020 £nil)*, £0.25m *(2020: £0.3m)* from other funders to be disbursed to the sector and £1m AOD and Skills for Care Solutions customers invoiced and received in advance.

13. Provision for liabilities and charges

	2021	2020
	£	£
At beginning of year	**137,384**	137,384
Charge in year	**22,000**	-
Release of provision for terminated London office premises	**(59,384)**	-
At end of year	**100,000**	137,384

The provision at the beginning of the year is for Leeds and London office potential dilapidation costs. This provision is reviewed annually and is released on the termination of the leases, when costs to revert the premises back to its original condition are incurred. During the year, the decision to terminate the lease and close the office in London was taken and specific expenditure incurred and accounted for.

Notes *(continued)*

14. Reserves

Restricted	At beginning of year	Incoming resources	Resources expended	Gift aid payment and taxation	Unrealised gain/(loss)	Transfers and designations	At end of year	Commitments (note 14f)	At end of year
	£	£	£	£	£	£	£	£	£
DHSC									
Revenue grant	613,307	23,470,000	(23,894,994)	-	-	290,150	**478,463**	(478,463)	-
Capital grant	-	2,790,000	-	-	-	(2,716,074)	**73,926**	(73,926)	-
Learning disability and autism	-	579,996	(471,567)	-	-	4	**108,433**	(108,433)	-
Office of the Chief Social Worker	-	237,347	(282,739)	-	-	45,392	-	-	-
Personal relationships	-	50,000	(26,059)	-	-	-	**23,941**	(23,941)	-
Liberty protection and safeguarding	154,639	-	(148,312)	-	-	-	**6,327**	(6,327)	-
DHSC work programme	**767,946**	**27,127,343**	**(24,823,671)**	**-**	**-**	**(2,380,528)**	**691,090**	**(691,090)**	**-**
DfE	-	5,810,793	(5,589,972)	-	-	(220,821)	-	-	-
Others	-	951,259	(728,131)	-	-	(223,128)	-	-	-
Other restricted funding	-	6,762,052	(6,318,103)	-	-	(443,949)	-	-	-
Total restricted	**767,946**	**33,889,395**	**(31,141,774)**	**-**	**-**	**(2,824,477)**	**691,090**	**(691,090)**	**-**

14. Reserves *(continued)*	**At beginning of year**	**Incoming resources**	**Resources expended**	**Gift aid payment and taxation**	**Unrealised gain/(loss)**	**Transfers and designations**	**At end of year**	**Commitments (note 14 f)**	**At end of year**
Unrestricted	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Unrealised investment gain	6,595,271	-	-	-	3,956,341	-	**10,551,612**	-	**10,551,612**
Fixed asset reserve	4,193,586	-	(2,402,732)	-	-	2,716,070	**4,506,924**	-	**4,506,924**
SfCD business continuity	124,541	52,050	(43,540)	-	-	-	**133,051**	-	**133,051**
SfC business plan and strategy *(14 d)*	1,171,062	74,487	(403,312)	-	-	3,457,763	**4,300,000**	-	**4,300,000**
SfC business continuity	3,298,418	-	-	-	-	(1,401,204)	**1,897,214**	-	**1,897,214**
SfC closure reserve	7,986,357	-	-	-	-	(886,092)	**7,100,265**	-	**7,100,265**
Lease renewal	2,388,534	-	-	-	-	(1,430,329)	**958,205**	-	**958,205**
AOD cumulative return/business continuity	47,193	-	(1,193)	-	-	95,824	**141,824**	-	**141,824**
Dilapidation reserve to fund	137,384	-	(37,384)	-	-	-	**100,000**	-	**100,000**
Dilapidation provision	(137,384)	-	37,384	-	-	-	**(100,000)**	-	**(100,000)**
AOD goodwill amortisation	53,526	-	(43,526)	-	-	-	**10,000**	-	**10,000**
SfCSL and AOD gift aid	-	592,555	-	-	-	(592,555)	**-**	-	**-**
Pension reserve to fund liability accrued below	7,750,000	-	-	-	-	865,000	**8,615,000**	-	**8,615,000**
Unrestricted (before pension)	**33,608,488**	**719,092**	**(2,894,303)**	**-**	**3,956,341**	**2,824,477**	**38,214,095**	**-**	**38,214,095**
Pension liability	(7,750,000)	768,000	(550,000)	-	(1,083,000)	-	**(8,615,000)**	-	**(8,615,000)**
Unrestricted	**25,858,488**	**1,487,092**	**(3,444,303)**	**-**	**2,873,341**	**2,824,477**	**29,599,096**	**-**	**29,599,096**
Total company funds c/f	**26,626,434**	**35,376,487**	**(34,586,077)**	**-**	**2,873,341**	**-**	**30,290,185**	**(691,090)**	**29,599,095**

14. Reserves *(continued)*	**At beginning of year**	**Incoming resources**	**Resources expended**	**Gift aid payment and taxation**	**Unrealised gain/(loss)**	**Transfers and designations (note 14 d, e)**	**At end of year**	**Commitments (note 14 f)**	**At end of year**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Total company funds b/f	**26,626,434**	**35,376,487**	**(34,586,077)**	**-**	**2,873,341**	**-**	**30,290,185**	**(691,090)**	**29,599,095**
SfCSL	-	875,365	(378,634)	(496,731)	-	-	-	-	-
AOD	-	557,890	(461,662)	(95,824)	-	-	404	-	404
Total trading activities	**-**	**1,433,255**	**(840,296)**	**(592,555)**	**-**	**-**	**404**	**-**	**404**
Total aggregate funds	**26,626,434**	**36,809,742**	**(35,426,373)**	**(592,555)**	**2,873,341**	**-**	**30,290,589**	**(691,090)**	**29,599,499**
AOD eliminated	(10,927)	(49,734)	60,661	-	-	-	-	-	-
AOD investment amortised	(53,527)	-	43,527	-	-	-	**(10,000)**	-	**(10,000)**
Goodwill accounting reserve	53,527	-	(21,824)	-	-	-	**31,703**	-	**31,703**
Gift aid eliminated	-	(592,555)	-	592,555	-	-	-	-	-
Consolidating adjustments	**(10,927)**	**(642,289)**	**82,364**	**592,555**	**-**	**-**	**21,703**	**-**	**21,703**
Group unrestricted funds	**25,847, 561**	**2,278,058**	**(4,202,235)**	**-**	**2,873,341**	**2,824,476**	**29,621,202**	**-**	**29,621,202**
Total group funds	**26,615,507**	**36,167,453**	**(35,344,009)**	**-**	**2,873,341**	**-**	**30,312,292**	**(691,090)**	**29,621,202**

Notes *(continued)*

14 a) Unrestricted reserves

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

Free reserves are accumulated to fund potential liabilities of SfC. Potential liabilities include estimated redundancy and early retirement costs, up to 6 months' operational costs, lease liabilities, and necessary costs and commitments that Skills for Care may face during an unforeseen period of funding difficulty. At 31 March 2021, the designated funds were sufficient to fund the minimum potential liabilities. The F&GP Committee, SfC Solutions, AOD board and the SfC Board oversee the business development strategy to plan to fund any potential funding gap in the future.

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

	2021	2020
	£	£
Unrestricted reserves (before pension)	**38,236,202**	33,597,561
14 b) Non free reserves		
Investment reserve	**(10,551,612)**	(6,595,271)
Fixed asset reserve	**(4,506,924)**	(4,193,586)
Goodwill accounting reserve	**(31,703)**	(53,526)
	23,145,963	22,755,178

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 general reserves which are free reserves of the charity.

Fixed asset reserve: total value of 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 all assets have been fully depreciated.

AOD investment / goodwill: investment not amortised representing nominal value of shares.

	2021	2020
14 c) Free reserves	**£**	£
Made up of the following designations detailed in 14d):		
FRS102 pension	**8,615,000**	7,750,000
SfC closure	**7,100,265**	7,986,357
SfC business plan and strategy	**6,197,214**	4,458,553
Lease renewal	**958,205**	2,388,534
AOD business continuity / cumulative return on investment	**141,824**	47,193
Dilapidation reserve	**100,000**	137,384
Dilapidation accrued	**(100,000)**	(137,384)
SfCD business continuity	**133,051**	124,541
AOD reserves	**404**	-
	23,145,963	22,755,178

Notes *(continued)*

14 d) Free reserves designations

FRS102 pension: The company makes contributions to the WYPF, a multi-employer defined benefit scheme. The pension scheme FRS102 valuation gave rise to an estimated deficit of £8.6m as at 31 March 2021 *(2020: £7.7m)*. Trustees designated reserves to meet the increased deficit. As at the last triannual valuation at 31 March 2019 the pension exit valuation of £12.6m is higher than the current year end £8.6m FRS102 accounting valuation.

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 2021, the minimum potential closure liability (excluding £8.6m pension) is £7.1m *(2020: £7.3m)* and the maximum is £12.1m *(2020: £14.3m)*. The liabilities have decreased as we have terminated the lease in our London office and have not signed a replacement.

SfC business plan and strategy: Funds designated by the Trustees to meet any business plan commitments and liabilities which spanned the year ends and to fulfil any potential future funding gap or investment requirements where business cases meet the criteria agreed by members. At March Board, Trustees agreed the principal to support the funding of the newly emerging strategy. Funds were estimated at c£4.3m and would be drawn down using business cases.

Lease renewal: Funds designated to fund the Leeds lease to the end of 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's reserve and provision: Funds designated by the Trustees to meet potential future costs if the company vacates the Leeds premises. We invoked the termination clause in the London office and all associated costs have been included in these financial results. The remaining reserve is for the Leeds office.

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

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

14 e) Transfers

The following transfers were made during the year:

***Restricted funds £2.8m** (2020: £2.4m): **transferred to unrestricted funds** are:*

- ***DHSC funds £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 co fund the overall programme. Transfers include £2.7m *(2020: £2.9m)* capital grant funded additions capitalised in the balance sheet represented by the transfer to fixed asset accounting reserve, £0.3m *(2020: £0.8m)* sector funding from unrestricted funds to cofund DHSC WP activity and £45k transfer between revenue and OCSW as resources are deployed across the whole of the registered professional's programme.
- ***Other funds:*** **£0.4m** *(2020: £0.4m)* surplus on charitable projects, that have no further restrictions, were transferred to unrestricted funds to contribute towards funding corporate activity and governance.

14 f) Commitments relating to DHSC work programme

The company has £0.691m *(2020: £0.767m)* committed to work programme activities spanning the financial year end which were not due for payment before the year end but funded from grant income received during the year.

Notes *(continued)*

15. Commitments and contingent liabilities

Commitments under non-cancellable operating leases are as follows:

	2021		2020	
	Land and buildings	**Other**	Land and buildings	Other
	£	**£**	£	£
Operating leases where payments are due:				
Within one year	**319,402**	**9,258**	805,050	28,890
Within second to fifth years	**931,588**	**13,547**	2,271,485	27,536
	1,250,990	**22,805**	3,076,535	56,426

16. Analysis of group net assets between funds

	Note	**Restricted**	**Unrestricted funds**	**Total**
		£	**£**	**£**
Tangible fixed assets	*8a*	**-**	**121,347**	**121,347**
Intangible assets	*8a*	**-**	**4,407,287**	**4,407,287**
Investments	*9*	**-**	**32,023,044**	**32,023,044**
Current assets		**8,220,833**	**4,238,671**	**12,459,504**
Creditors falling due within one year	*12*	**(7,529,743)**	**(2,454,149)**	**(9,983,892)**
Creditors falling due after more than one year	*17*	**-**	**(8,715,000)**	**(8,715,000)**
Net assets as at 31 March 2021		**691,090**	**29,621,200**	**30,312,290**
Net assets as at 31 March 2020		*767,946*	*25,847,561*	*26,615,507*

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 £0.2m *(2020: £0.2m)*. There were no outstanding contributions at the end of the financial year.

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:

Notes *(continued)*

17. Pension schemes *(continued)*

Key assumptions (% per annum)	**2021**	2020	2019
Discount rate for liabilities	**2.1**	2.3	2.4
Customer Price Index (CPI) inflation	**2.7**	2.0	2.2
Pension increases	**2.7**	2.0	2.2
Pension accounts revaluation rate	**2.7**	2.0	2.2
Salary increases	**3.95**	3.25	3.45

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	**2021**	2020
Males		
Member aged 65 at accounting date	**21.9**	21.8
Member aged 45 at accounting date	**22.6**	22.5
Females		
Member aged 65 at accounting date	**24.7**	24.6
Member aged 45 at accounting date	**25.8**	25.7

Asset allocation	**2021**	2020
	%	%
Equities	**78.9**	77.5
Property	**4**	4.5
Government bonds	**9**	9.6
Corporate bonds	**4.8**	5.1
Cash	**1.3**	1.9
Other**	**2**	1.4
Total	**100**	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.

Reconciliation of funded status to balance sheet	**2021**	2020
	£'000	£'000
Fair value of assets	**41,268**	32,877
Present value of defined benefit obligation	**(49,883)**	(40,627)
Pension (liability) recognised on the balance sheet	**(8,615)**	(7,750)

Notes *(continued)*

17. Pension schemes *(continued)*

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

	2021	2020
	%	%
Active members	**37**	37
Deferred pensioners	**28**	28
Pensioners	**35**	35

Amount recognised in the income statement	**2021**	2020
	£'000	£'000
Operating cost		
Current service cost	**708**	806
Past service cost	**-**	76
Past service cost – 2018/19 McCloud and GMP indexation	**-**	212
Financing cost		
Interest on net defined benefit liability/(asset)	**160**	165
Pension expense recognised in profit and loss	**868**	1,259
Allowance for administration expenses included in current service cost £'000	**7**	7

Amounts recognised in other comprehensive income	**2021**	2020
	£'000	£'000
Asset gains / (losses) arising during period	**6,859**	(3,867)
Liability (losses) / gains arising during period	**(8,160)**	3,569
Total amount recognised in other comprehensive income and (charged) to SOFA	**(1,301)**	(298)

Changes to the present value of the defined benefit obligation	**2021**	2020
	£'000	£'000
Opening defined benefit obligation	**40,627**	43,402
Current service cost	**708**	806
Interest expense on defined benefit obligation	**928**	1,033
Contributions by participants	**156**	167
Re-measurement gains / (losses) on liabilities	**8,160**	(3,569)
Net benefits paid out	**(696)**	(1,500)
Past service cost	**-**	76
Past service costs – 2018/19 McCloud and Guaranteed Minimum Pension indexation	**-**	212
Closing defined benefit obligation	**49,883**	40,627

Notes *(continued)*

17. Pension schemes *(continued)*

Changes to the fair value of assets	**2021**	2020
	£'000	£'000
Opening fair value of assets	**32,877**	36,449
Prior year adjustment	**218**	-
Interest income in assets	**768**	868
Re-measurement gains/(losses) on assets	**6,859**	(3,867)
Contributions by employer *per note 5	**1,086**	760
Contributions by participants	**156**	167
Net benefits paid	**(696)**	(1,500)
Closing fair value of assets	**41,268**	32,877

	2021	2020
	£'000	£'000
Actual return on assets		
Interest income on assets	**768**	868
Gains / (Losses) on assets	**6,859**	(3,867)
Actual return on assets	**7,627**	(2,999)

	2021	2020
	£'000	£'000
Amount credited to other income		
Interest income on assets	**768**	868
Interest cost	**(928)**	(1,033)
Net expected return on pension assets	**(160)**	(165)
Current service cost *per note 5	**(708)**	(806)
Past service cost	**-**	(76)
Past service cost – 2018/19 McCloud and GMP indexation	**-**	(212)
Net amount credited / (charged) to statement of financial activities (SOFA)	**(868)**	(1,259)

Included in note 5, resources expended is the difference of £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.

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 2021 are as follows:

	2022
	£'000
Current service costs	**966**
Net internal cost on net defined benefit liability	**173**
Total estimated pension expense	**1,139**
Allowance for administration expenses include in current service cost	**6**
Estimated pensionable payroll over period	**2,126**

Notes *(continued)*

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	2021	2020
				£	£
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	Nil
Rachael Wardell	Surrey County Council	Executive Director of Children, Families and Lifelong Learning	Adults ASYE	22,815	13,664

Glossary of terms

A&R	Audit & Risk Committee
ADASS	Association of Directors of Adult Social Services
AMC	Annual Management Charge
AOD	Affina Organisation Development Limited
ASC-WDS	Adult Social Care Workforce Dataset
ASYE	Assessed and Supported Year in Employment
BAME	Black, Asian and Minority Ethnic
CEO	Chief Executive Officer
COIF	Charities Official Investment Fund
CPA	Care Provider Alliance
CPI	Customer Price Index
CQC	Care Quality Commission
DfE	Department for Education
DHSC	Department of Health and Social Care
DWP	Department of Work and Pensions
F&GP	Finance & General Purposes Committee
FISSS	Federation for Industry Sector Skills & Standards
FRS	Financial Reporting Standard
FTE	Full Time Equivalent
GDS	Government Digital Service
GMP	Guaranteed Minimum Pension
HEE	Health Education England
HEEKSS	Health Education England for Kent, Surrey and Sussex
ICS	Integrated Care System
IE	Individual Employer
IPC	Infection Prevention Control
KPI	Key Performance Indicator
LCIC	Leading Change, Improving Care
LGA	Local Government Association
LGPS	Local Government Pension Scheme
LT	Leadership Team
LTAPS	Leading Together across Public Services
MHCLG	Ministry of Housing, Communities & Local Government
NAAS	National Assessment and Accreditation System
NHS	National Health Service
NHSLA	NHS Leadership Academy
NIC	National Insurance Contribution
NQSW	Newly Qualified Social Worker

Glossary of terms *(continued)*

PA	Personal Assistant
PASS	Professional Assurance (for cabinet office spend control)
PPE	Personal Protective Equipment
QNI	Queen's Nursing Institute
RCOT	Royal College of Occupational Therapists
RM	Registered Manager
SCIE	Social Care Institute for Excellence
SfC	Skills for Care Ltd
SfCD	Skills for Care and Development
SfCSL	Skills for Care Solutions Limited
SOFA	Statement of Financial Activities
TLAP	Think Local Act Personal
ULO	User Lead Organisation
VAT	Value Added Tax
WDF	Workforce Development Fund
WP	Work Programme
WRES	Workforce Race Equality Standards
WYPF	West Yorkshire Pension Fund