

**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

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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

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:  
  
6B61D53E33A3418...  
John Coughlan CBE  
**Chair of the Board**

Signed by:  
  
8202AF854D7947C...  
Oonagh Smyth  
**Chief Executive Officer**

## **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.

## **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.

**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 of 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."*

## 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)*



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.

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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

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

- 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.

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.

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

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."*

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



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

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

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

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.

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.

<b>Trustees</b>	<b>Date of appointment or resignation</b>
John Coughlan ( <i>Chair</i> )	
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)

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.

### **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

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**



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

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**

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

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:  
  
6B61D53E33A3418...

**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 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.

## **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 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](http://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. 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*



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

	Note	2024 Unrestricted £	2024 Restricted £	2024 Total £	2023 Total £
<b>Income</b>					
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
<b>Total income</b>	4, 14	<b>4,809,695</b>	<b>37,130,672</b>	<b>41,940,367</b>	<b>35,315,397</b>
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
<b>Total resources expended</b>	5	<b>7,543,179</b>	<b>34,809,002</b>	<b>42,352,181</b>	<b>35,280,907</b>
<b>Net (outgoing) / incoming resources before transfers</b>		<b>(2,733,484)</b>	<b>2,321,670</b>	<b>(411,814)</b>	<b>34,490</b>
Transfers and designations	14 e	2,284,692	(2,284,692)	-	-
<b>Net incoming resources</b>		<b>(448,792)</b>	<b>36,978</b>	<b>(411,814)</b>	<b>34,490</b>
<i>Other comprehensive income</i>					
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)
<b>Net movement in funds</b>		<b>2,834,140</b>	<b>36,978</b>	<b>2,871,118</b>	<b>(935,714)</b>
<b>Total funds brought forward</b>	14	<b>40,160,046</b>	<b>282,724</b>	<b>40,442,770</b>	<b>41,378,484</b>
<b>Total funds carried forward</b>	14	<b>42,994,186</b>	<b>319,702</b>	<b>43,313,888</b>	<b>40,442,770</b>

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

**Consolidated group balance sheet**  
At 31 March 2024

	Note	2024	2024	2023	2023
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8	4,191,003		4,374,238	
Tangible assets	8	173,199		192,463	
Investments	9	36,814,557		33,531,625	
			<b>41,178,759</b>		<b>38,098,326</b>
<b>Current assets</b>					
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	
		<b>15,762,131</b>		<b>14,610,369</b>	
Creditors: amounts falling due within one year	12	(13,527,002)		(12,026,580)	
			<b>2,235,129</b>		<b>2,583,789</b>
<b>Total assets less current liabilities</b>					
Provision for liabilities and charges	13	(100,000)		(239,345)	
			<b>43,313,888</b>		<b>40,442,770</b>
<b>Pension liability</b>	15b, 17b,c		-		-
<b>Net assets after pension</b>			<b>43,313,888</b>		<b>40,442,770</b>
<b>Funds</b>					
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	
<b>Total group funds</b>			<b>43,313,888</b>		<b>40,442,770</b>

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:  
  
6B61D53E33A3418...

John Coughlan CBE

**Trustee and Chair of the Board**

Company registered number: 03866683

**Company balance sheet**

At 31 March 2024

	Note	2024 £	2024 £	2023 £	2023 £
<b>Fixed assets</b>					
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
<b>Current assets</b>					
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	
<b>Creditors:</b> amounts falling due within one year	12	(13,647,294)		(10,272,697)	
<b>Net current assets</b>			2,216,631		2,563,789
<b>Total assets less current liabilities</b>			43,407,487		40,682,115
Provisions for liabilities and charges	13	(100,000)		(239,345)	
<b>Net assets before pension</b>			43,307,487		40,442,770
<b>Pension liability</b>	15b, 17		-		-
<b>Net assets after pension liability</b>			43,307,487		40,442,770
<b>Funds</b>					
Unrestricted ( <i>before pension</i> )	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	
<b>Total charitable company funds</b>			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:  
  
 6B61D53E33A3418...

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

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

**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

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

## 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.

## 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.



### **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.

**4. Income**

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

**5. Total resources expended**

	Note	Staff costs 5 (a) £	Other costs £	Group Total 2024 £	Staff costs 5 (a) £	Other costs £	Group Total 2023 £
<b>Trading activity cost of raising funds</b>	14	<b>889,652</b>	<b>418,048</b>	<b>1,307,700</b>	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
<b>Charitable activities</b>	5c	<b>11,227,589</b>	<b>29,816,892</b>	<b>41,044,481</b>	9,432,092	24,707,796	34,139,888
<b>Total resources expended</b>	7,14	<b>12,117,241</b>	<b>30,234,940</b>	<b>42,352,181</b>	9,926,827	25,354,080	35,280,907
<b>Unrestricted</b>		<b>425,234</b>	<b>7,117,945</b>	<b>7,543,179</b>	239,673	6,106,530	6,346,203
<b>Restricted</b>		<b>11,692,007</b>	<b>23,116,995</b>	<b>34,809,002</b>	9,687,154	19,247,550	28,934,704
<b>Total resources expended</b>	5d	<b>12,117,241</b>	<b>30,234,940</b>	<b>42,352,181</b>	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
<b>Total</b>	<b>754,889</b>	<b>607,709</b>

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: £18.1m) 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.

**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
<b>Total resources expended</b>		<b>42,352,181</b>	<b>35,280,907</b>

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

	Group	
	2024 £	2023 £
<i>After charging:</i>		
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
<i>And after crediting:</i>		
Bank interest receivable (note 4)	43,691	15,939
Other income - FRS 102 interest adjustment (note 4, 17)	2,224,000	1,257,000

## 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
	<u>213</u>	<u>199</u>

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)
	<u>9,360,190</u>	<u>7,823,968</u>
Employer's social security costs	1,137,047	1,001,928
Employer's pension costs ( <i>before FRS102 adjustments</i> )	993,004	1,091,931
	<u>11,490,241</u>	<u>9,917,827</u>
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	-
	<u>12,117,241</u>	<u>9,926,827</u>

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.

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.

<b>Trustee directors' emoluments</b>	2024	2023
	£	£
Aggregate emoluments (including employer's National Insurance Contributions (NIC)) (pension £nil)	<b>38,576</b>	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.

## 8. Fixed assets

### 8a) Intangible and tangible assets

	ICT software and licenses (note 8b)	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
	£	£	£	£	£	£	£	£	£	£	£
<b>Cost</b>											
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
<b>At end of year</b>	<b>1,510,062</b>	<b>11,406,962</b>	<b>12,917,024</b>	<b>109,116</b>	<b>8,621</b>	<b>13,034,761</b>	<b>127,158</b>	<b>202,860</b>	<b>4,680</b>	<b>334,698</b>	<b>13,369,459</b>
<b>Depreciation and amortisation</b>											
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
<b>At end of year</b>	<b>903,739</b>	<b>7,830,185</b>	<b>8,733,924</b>	<b>109,116</b>	<b>718</b>	<b>8,843,758</b>	<b>89,360</b>	<b>67,459</b>	<b>4,680</b>	<b>161,499</b>	<b>9,005,257</b>
<b>Net book value</b>											
<b>At 31 March 2024</b>	<b>606,323</b>	<b>3,576,777</b>	<b>4,183,100</b>	<b>-</b>	<b>7,903</b>	<b>4,191,003</b>	<b>37,798</b>	<b>135,401</b>	<b>-</b>	<b>173,199</b>	<b>4,364,202</b>
<b>At 31 March 2023</b>	<b>233,888</b>	<b>4,140,350</b>	<b>4,374,238</b>	<b>-</b>	<b>-</b>	<b>4,374,238</b>	<b>55,159</b>	<b>137,304</b>	<b>-</b>	<b>192,463</b>	<b>4,566,701</b>

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)
<b>At end of year</b>	<b>21,471,432</b>	<b>36,814,557</b>	<b>21,471,432</b>	<b>33,531,625</b>

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 £
<b>Costs</b>		
At beginning and end of year	3	309,185
<b>Provisions</b>		
At beginning and end of year		(289,185)
<b>Net book value</b>		
At 31 March 2024 and 2023		<b>20,000</b>

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**

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

**Assets and liabilities**

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

**11. Debtors**

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

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

**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
	<b>13,527,002</b>	12,026,580	<b>13,647,294</b>	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 (2 <sup>nd</sup> floor)	(139,345)	-
<b>At end of year</b>	<b>100,000</b>	239,345

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

**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
	£	£	£	£	£	£	£
<b>Restricted</b>							
<b>DHSC</b>							
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)	-	-	-
<b>Total DHSC income</b>	<b>282,724</b>	<b>30,239,228</b>	<b>(27,960,291)</b>	<b>(2,241,959)</b>	<b>319,702</b>	<b>-</b>	<b>319,702</b>
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	-	-	-
<b>Other restricted funding</b>	<b>-</b>	<b>6,891,444</b>	<b>(6,848,711)</b>	<b>(42,733)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total restricted funding</b>	<b>282,724</b>	<b>37,130,672</b>	<b>(34,809,002)</b>	<b>(2,284,692)</b>	<b>319,702</b>	<b>-</b>	<b>319,702</b>

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
	£	£	£	£	£	£	£	£	£
<b>Unrestricted reserves</b>									
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)			(1,020,234)	95,235		95,235
SfCSL and AOD gift aid	-	166,322	(92,585)	1,020,234		(73,737)	-		-
Other Charitable income	-						-		-
<b>Unrestricted (before pension)</b>	<b>40,160,046</b>	<b>307,788</b>	<b>(4,280,907)</b>	<b>1,020,234</b>	<b>3,282,932</b>	<b>2,497,692</b>	<b>42,987,785</b>	<b>(6,607,000)</b>	<b>36,380,785</b>
FRS102 pension liability	-	2,224,000	(2,011,000)	-	-	(213,000)	-		-
<b>Unrestricted reserves</b>	<b>40,160,046</b>	<b>2,531,788</b>	<b>(6,291,907)</b>	<b>1,020,234</b>	<b>3,282,932</b>	<b>2,284,692</b>	<b>42,987,785</b>	<b>(6,607,000)</b>	<b>36,380,785</b>
<b>Company funds carried forward</b>	<b>40,442,770</b>	<b>39,662,460</b>	<b>(41,100,909)</b>	<b>1,020,234</b>	<b>3,282,932</b>	<b>-</b>	<b>43,307,487</b>	<b>(6,607,000)</b>	<b>36,700,487</b>

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	6,401
Total trading activities	-	2,334,335	(1,307,700)	(1,020,234)	-	-	-	-	-	-	-	-	6,401	-	-	-	-	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	-	-	-	43,313,888	(6,607,000)	36,706,888	-	-	36,706,888	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	-	-	-	43,313,888	(6,607,000)	36,706,888	-	-	36,706,888	36,706,888
<b>Total group funds</b>	<b>40,442,770</b>	<b>41,940,367</b>	<b>(42,352,181)</b>	<b>-</b>	<b>3,282,932</b>	<b>-</b>	<b>43,313,888</b>	<b>(6,607,000)</b>	<b>36,706,888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,313,888</b>	<b>(6,607,000)</b>	<b>36,706,888</b>	<b>-</b>	<b>-</b>	<b>36,706,888</b>	<b>36,706,888</b>

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

**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
	<hr/>	<hr/>
	<b>23,170,655</b>	23,386,575
	<hr/>	<hr/>

**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

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.

**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
	£	£	£	£
<i>Operating leases where payments are due:</i>				
Within one year	79,052	38,321	79,052	25,313
Within second to fifth years	0	46,847	79,052	50,255
	<u>79,052</u>	<u>85,168</u>	<u>158,104</u>	<u>75,568</u>

**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 31<sup>st</sup> 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)
<b>Net assets as at 31 March 2024</b>	<b>319,702</b>	<b>42,994,186</b>	<b>43,313,888</b>
<i>Net assets as at 31 March 2023</i>	<i>282,724</i>	<i>40,160,046</i>	<i>40,442,770</i>

**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



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).

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

<b>Key assumptions (% per annum)</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
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
<b>At last full actuarial valuation</b>			
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.

<b>Assumed life expectancy at age 65</b>	<b>2024</b>	<b>2023</b>
<b>Males</b>		
Member aged 65 at accounting date	21.0	21.6
Member aged 45 at accounting date	22.3	22.9
<b>Females</b>		
Member aged 65 at accounting date	24.2	24.6
Member aged 45 at accounting date	25.2	25.7
<b>Asset allocation</b>	<b>2024</b>	<b>2023</b>
	%	%
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
<b>Total</b>	<b>100</b>	<b>100</b>

\*\* 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.

<b>Reconciliation of funded status to balance sheet</b>	<b>2024</b>	<b>2023</b>
	£'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)
<b>Asset / (liability) recognised on the balance sheet</b>	<b>-</b>	<b>-</b>

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

	<b>2024</b>	<b>2023</b>
	%	%
Active members	25	25
Deferred pensioners	22	22
Pensioners	53	53

<b>Amount recognised in the income statement</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating cost</b>		
Current service cost	<b>354</b>	708
Past service cost	<b>60</b>	-
<b>Financing cost</b>		
Interest on net defined benefit liability	<b>(627)</b>	(9)
<b>Pension expense recognised in profit and loss</b>	<b>213</b>	699
Allowance for administration expenses in current service cost £'000	<b>5</b>	5
<b>Amounts recognised in other comprehensive income</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Asset gains / (losses) arising during period	<b>2,198</b>	(550)
Actuarial (gains) / losses due to changes in financial assumptions	<b>1,164</b>	18,326
Actuarial (gains) / losses due to changes in demographic assumptions	<b>534</b>	(36)
Actuarial (gains) / losses due to changes in liability experience	<b>(351)</b>	(5,538)
Adjustment gains / (losses) due to restriction of surplus	<b>-</b>	-
Total not recognised in SOFA/profit and loss account	<b>(3,545)</b>	(11,715)
<b>Total amount recognised in other comprehensive income and (charged) / credited to SOFA</b>	<b>-</b>	487
<b>Changes to the present value of defined benefit obligation</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	<b>34,898</b>	46,769
Prior year adjustment	<b>-</b>	-
Current service cost	<b>354</b>	708
Interest expense on defined benefit obligation	<b>1,597</b>	1,248
Contributions by participants	<b>142</b>	134
Actuarial (gains) / losses due to changes in financial assumptions	<b>(1,164)</b>	(18,326)
Actuarial (gains) / losses due to changes in demographic assumptions	<b>(534)</b>	36
Actuarial (gains) / losses due to changes in liability experience	<b>351</b>	5,538
Net benefits paid out	<b>(2,022)</b>	(1,209)
Past service cost	<b>60</b>	-
<b>Closing defined benefit obligation</b>	<b>33,682</b>	<b>34,898</b>
<b>Changes to the fair value of assets</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening fair value of assets</b>	<b>47,544</b>	46,282
Interest income in assets	<b>2,224</b>	1,257
Re-measurement gains/(losses) on assets	<b>1,708</b>	(550)
Contributions by employer	<b>1,416</b>	1,630
Contributions by participants	<b>142</b>	134
Net benefits paid	<b>(2,024)</b>	(1,209)
<b>Closing fair value of assets</b>	<b>51,010</b>	47,544

<b>Actual return on assets</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Interest income on assets	<b>2,224</b>	1,257
(Losses) / gains on assets	<b>2,198</b>	(550)
	<hr/>	<hr/>
<b>Actual return on assets</b>	<b>4,422</b>	707
	<hr/>	<hr/>
<b>Amount credited to other income</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Interest income on assets	<b>2,224</b>	1,257
Interest cost	<b>(1,597)</b>	(1,248)
	<hr/>	<hr/>
<b>Net expected return on pension assets</b>	<b>627</b>	9
Current service cost	<b>(354)</b>	(708)
Past service cost	<b>(60)</b>	-
	<hr/>	<hr/>
<b>Net amount (charged) to statement of financial activities (SOFA)</b>	<b>213</b>	(699)
	<hr/>	<hr/>

**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:

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

**18. Related party transactions**

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

<b>Board member</b>	<b>Organisation</b>	<b>Relationship of board member with organisation</b>	<b>Type of contracts awarded to organisation</b>	<b>2024 £</b>	<b>2023 £</b>
James Bullion	Norfolk County Council	Employed position	ASYE Child & Family		64,000
			ASYE Adults	<b>28,933</b>	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
Birmingham City Council	DfE Commissioner (until September 2023) and part of the DLUHC commissioning team	Registered Managers Network Grant	<b>2,000</b>		
		Adults ASYE	<b>17,658</b>		

**19. Comparative consolidated statement of financial activities**

		2023	2023	2023
	<i>Note</i>	Unrestricted	Restricted	Total
		£	£	£
<b>Income</b>				
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
<b>Total income</b>	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
<b>Total resources expended</b>	5	6,346,203	28,934,704	35,280,907
<b>Net (outgoing) / incoming resources before transfers</b>		(2,519,881)	2,554,371	34,490
Transfers	14e	2,355,026	(2,355,026)	-
<b>Net incoming / (outgoing) resources before</b>		(164,855)	199,345	34,490
<i>Other comprehensive income</i>				
<b>Actuarial gain on pension</b>		487,000	-	487,000
<b>Net unrealised investment gain</b>	9	(1,457,204)	-	(1,457,204)
<b>Net movement in funds</b>		(1,135,059)	199,345	(935,714)
<b>Total funds brought forward</b>		41,295,105	83,379	41,378,484
<b>Total funds carried forward</b>	14	40,160,046	282,724	40,442,770

**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

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