

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2014

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CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

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CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

CHARITY INFORMATION

Board of Directors

N J Henderson – Convener
M R Cawley – Vice Convener
J Grant – Treasurer
M A Crewe
C H Dickson
R Dorman
R Duffy (resigned 12 September 2013)
D O' Dwyer
A C Houston
T Halpin
R E Hughes
L McGrath
M C Matheson
P E T Moore (resigned 5 February 2014)
A R Morgan
A J Smyth

Chief Executive Officer A Gunner Logan

Secretary A Gunner Logan

Company Number SC279913

Scottish Charity Number SC029199

**Registered Office and
Principle Address**

Norton Park
57 Albion Road
Edinburgh
EH7 5QY

Auditors

Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh EH3 6AD

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT

The Board of Directors present their report and financial statements for the year ended 31 March 2014.

The Board of Directors

The Board of Directors, who are also trustees for the purposes of charity law, named on page 1 have served during the year under review unless otherwise indicated.

Structure, governance and management

Constitution and governing document

CCPS is a Scottish Charity and a company limited by guarantee, governed by a Memorandum and Articles.

Appointment and Removal of Trustees

There is an annual election process for trustees of the Charity (who are also Directors of the company) with provision for co-option of further Trustees from within the membership. CCPS has produced a governance manual which is the principal tool for inducting new Trustees/Directors.

There are three sub-committees of the Board: the first oversees the work of the Scottish Government-funded Housing Supporting Enabling Unit (HSEU), which is a collaborative project between CCPS and the Scottish Federation of Housing Associations (SFHA); the second facilitates the contribution to the CCPS strategic agenda of those member organisations that provide care and support services to children and young people; and the third oversees the work of the Criminal Justice Voluntary Sector Forum (CJVSF), an initiative funded by The Robertson Trust and The Monument Trust that brings together the major voluntary sector providers of criminal justice services in Scotland.

In addition to these formal sub-committees, the board also remits matters relating to staff terms & conditions to a small working group comprising the Convener, the Treasurer and two other board members. Working groups and reference groups are convened from time to time to support specific projects and programmes, for example the Providers & Personalisation Reference Group.

Decision making

The Board meets four times a year; the full membership also meets four times a year. The strategic plan is put to the full membership with a recommendation from the Board to adopt; the Board then delegates implementation of the plan to the Chief Executive Officer who provides detailed reports on progress to the Board, and regular updates to the wider membership.

Risk

The Board approves a risk management review annually, identifying the risks to which CCPS is exposed and approving systems and procedures to mitigate those risks.

CCPS mission

CCPS exists to identify, represent, promote and safeguard the interests of third sector and not-for-profit social care and support providers in Scotland, so that they can maximise the impact they have on meeting social need.

CCPS aims to:

- Champion quality care and support provided by the third sector
- Challenge policy and practice that inhibits or undermines the sector's ability to provide quality care and support
- Prepare providers for future challenges and opportunities
- Support providers to understand, negotiate and influence the complex policy and practice environment in which they operate.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT (continued)

Activities overview

This year saw the development and passage through the Scottish Parliament of three major pieces of legislation, each with significant implications for care and support providers. Accordingly, there was a distinct focus within CCPS on policy work and influencing activity with respect to the three relevant bills: the Public Bodies (Joint Working) (Scotland) Bill; the Children and Young People (Scotland) Bill; and the Procurement Reform (Scotland) Bill.

A substantial amount of further policy activity was undertaken relating to the development of secondary legislation, regulations and guidance associated with the Social Care (Self-Directed Support) (Scotland) Act 2013, and preparation for its commencement in April 2014.

Consequently, CCPS staff and members were regular visitors to the Scottish Parliament in Edinburgh throughout the year, appearing as witnesses before those parliamentary committees with a remit for legislative scrutiny; and to the Scottish Government buildings at St Andrews House and Victoria Quay in Edinburgh and Atlantic House in Glasgow, serving on the variety of advisory and working groups associated with the legislation.

This focus on policy resulted in some very positive developments for providers, most notably an amendment to the procurement bill to the effect that advertising and competition will no longer be required for care service contracts. Having spent a number of years lobbying for such a measure, involving the gathering of a considerable body of evidence documenting the negative impact of competitive tendering in the care sector, CCPS was delighted to have secured this important provision.

In addition to policy activity, CCPS worked to monitor the ongoing impact of austerity measures in public services, including further funding cuts imposed by local authorities, increasingly stringent price competition within the market for care and support, and a formidable set of challenges arising from the programme of welfare reform introduced by the Westminster coalition government.

More positively, CCPS was able this year to highlight – and celebrate – new evidence of excellence and high quality in voluntary sector care and support provision. Gradings awarded by the national regulatory body, the Care Inspectorate, demonstrated yet again that our sector provides a significantly greater proportion of highly-graded services than our counterparts in either the public or private sector.

The CCPS Board agreed to revise, update and roll forward the organisational strategic plan in light of all these developments, and agree a programme of work based on a set of key priorities. A report of the organisation's performance and achievements in this respect is set out below.

In taking forward its agenda for the year, CCPS continued to act in concert with other third sector organisations and interests in order to maximise its effectiveness. We formed the Third Sector Health and Social Care Advisory Group, alongside colleagues in the Health and Social Care Alliance, Voluntary Action Scotland (VAS), SCVO, Voluntary Health Scotland and others. This proved invaluable as a means of co-ordinating our efforts in relation to the legislation on health and social care integration. In addition, a series of informal networks, developed last year to ensure that all those representing the third sector on government working groups relating to health and social care integration are able to valuable information, were strengthened and formalised.

This year has seen the development of further alliances, including among others the Housing Co-ordinating Group which involves the CCPS-hosted HSEU, the Scottish Federation of Housing Associations (SFHA) and others; close joint working with Self Directed Support Scotland (SDSS) in relation to the production of guidance on SDS; joint working with Children in Scotland, the Improvement Service and VAS on the GIRFEC National Third Sector Project (Getting It Right For Every Child) and the Children and Young People Bill; and collaboration with the Voluntary Sector HR (Human Resources) Network with respect to our workforce development programme.

CCPS membership remained stable at 72 of Scotland's most substantial third sector providers of care and support. This level of commitment and support from hard-pressed organisations has been very important in enabling CCPS to act as a strong voice for providers and exert appropriate influence on their behalf.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT (continued)

Activities overview (continued)

CCPS continued to benefit from significant levels of Scottish Government funding in 2013-14. Financial support for the HSEU continued at previous levels, and funding for the second year of the CCPS three-year Providers & Personalisation Programme was confirmed: in addition, the P&P Programme benefited from additional resource enabling us to produce guidance for service users relating to the Self-Directed Support legislation.

CCPS was awarded a further grant by the Scottish Government in 2013-14 to engage third sector providers in a range of workforce development initiatives: a team of workforce associates was recruited to take forward an ambitious programme of work supporting providers in this crucial area.

CCPS benefited this year from funding from the Big Lottery Third Sector Intervention Fund to support its work on the Children and Young People Bill and to engage its membership with the National GIRFEC Third Sector Project. This work will continue throughout the coming year.

The Robertson Trust and The Monument Trust provided welcome funding for our new venture, the Criminal Justice Voluntary Sector Forum (CJVSF) which brings together voluntary sector providers active in this area. We are delighted to report that within the first year of operation of the CJVSF, these funders were sufficiently impressed with its achievements to agree to underwrite the costs of a further two years' activity.

CCPS is grateful to all its funders for their continuing interest in and support for our work.

The CCPS staff team remained at ten (eight full time, two part time) at the year end, with the addition of two freelance associates and a secondment from a member organisation (Includem) engaged to develop the workforce programme. Both core and 'project' staff are working collaboratively on a range of issues of common interest, including welfare reform, funding trends and the contribution of the third sector to prevention.

Achievements and performance

Funding for care and support continues to be a challenge for providers, and CCPS worked hard during 2013-14 to raise awareness of the continuing downward pressure on budgets.

- CCPS continued to conduct and publish its regular 'Provider Optimism' survey, initiated in 2009-10 in collaboration with the CBI to track trends in a range of key areas including operating surpluses, volume of business and deficit levels among third sector providers. Findings from the surveys were brought to the attention of key policy and decision makers through the CCPS Stakeholder Bulletin issued electronically to politicians, senior civil servants, local government officers and members and a range of other interests. Surveys conducted in 2013-14 incorporated a specific focus on housing support, workforce matters and issues of relevance to providers of criminal justice services, in collaboration with the HSEU, the Workforce Development Network and CJVSF.
- CCPS continued to disseminate the findings of its 2012 research into hourly rates for care and support, and to discuss them with key interests. A 'Chatham House' discussion seminar for providers and commissioners was organised jointly with the Association of Directors of Social Work (ADSW); a separate discussion was held with the Society of Local Authority Chief Executives (SOLACE). We are pleased that awareness of the issues for providers is growing and that commissioning authorities are, in some cases, considering raising their hourly rates in response.
- CCPS and SCVO worked jointly on a survey examining trends in local government funding for the voluntary sector, in particular the prevalence of longer-term (ie. three years or more) funding agreements. The findings were discussed initially with the Cabinet Secretary for Finance, John Swinney MSP, and subsequently at his behest with COSLA. An ongoing programme of dialogue and development is now promised.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT (continued)

Achievements and performance (continued)

- Mr Swinney invited CCPS, alongside a range of other third sector interests, to a pre-budget round table discussion in the late summer of 2013. As in previous years, CCPS produced briefing material for members on the draft budget, as well as electronic updates throughout the year on key developments relating to care and support funding. Written and oral evidence on the draft budget was given both to the Health and Sport Committee and the Local Government and Regeneration Committee.
- CCPS promoted dialogue throughout the year between providers and funding authorities, where specific difficulties arose. Following the imposition of a blanket 5% cut to all providers by Dundee City Council, CCPS met with the Director of Social Work and the Council Leader to convey members' concerns. In addition, CCPS entered into detailed correspondence with Fife Council in relation to its decision to cap its care at home rate through a framework tender.

The UK Government began to implement its **welfare reform** programme in April 2013. CCPS, in close collaboration with the HSEU and the CJVSF, worked to develop a number of related projects:

- Alongside partner agencies Shelter and the Child Poverty Action Group, the SCOTWRAS service (Scottish Welfare Reform Advice Service) was initiated for care and support workers.
- A number of briefing and training events on welfare reform and its implications were held for providers.
- Research into the impact of welfare reform on social services providers, funded by the Economic and Social Research Council (ESRC), was commissioned in collaboration with IRISS (Institute for Research and Innovation in Social Services).
- The CCPS Director was invited by the Deputy First Minister, Nicola Sturgeon MSP, to serve on the Expert Working Group on Welfare in an Independent Scotland. The Group, chaired by Martyn Evans, Chief Executive of the Carnegie UK Trust, met several times during the year and heard a wealth of evidence from stakeholders, including CCPS.

Legislation for **health and social care integration** – the Public Bodies (Joint Working) (Scotland) Bill – was introduced to the Scottish Parliament in June 2013. CCPS was active throughout the year representing provider interests and concerns in relation to the Bill.

- CCPS continued to serve on the Health and Community Care Delivery Group and the Bill Advisory Group for the new legislation. Regular reports from these groups were provided to our partners on the Third Sector Health and Social Care Advisory Group.
- Written and oral evidence was given to the Scottish Parliament Health and Sport Committee on the Bill, and a number of meetings were held with the Bill Team. Of particular interest and concern to CCPS and its members were the provisions relating to joint strategic commissioning and scrutiny.
- CCPS actively supported work led by the Health and Social Care Alliance, and the Royal College of Nursing, seeking to amend the legislation with respect to third sector involvement and engagement, human rights and quality principles. Important concessions on these and other points were achieved as the Bill went through the parliamentary process, although Ministers resisted placing new obligations on statutory partners on the face of the Bill with respect to third sector participation.
- The HSEU joined forces with other housing interests to form the Housing Co-ordination Group, with a view to ensuring that the Bill reflected the importance of their contribution, and was successful in pushing for an amendment to this effect.
- CCPS produced regular briefings on the Bill and associated matters for its members, and worked to ensure that the workforce development aspects of integration for the sector were addressed, through our newly-established Workforce Development Network.
- The CCPS Director served throughout the year on Board that oversees the Joint Improvement Team (JIT), which plays a key role in supporting local partnerships to deliver integrated health and social care services.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT (continued)

Achievements and performance (continued)

The work of the **CCPS Committee on Care and Support for Children and Young People** was dominated this year by the introduction of the Children and Young People (Scotland) Bill and associated matters. Funded by the Big Lottery's Third Sector Early Intervention Fund (TSEIF), CCPS was able through the committee to initiate an ambitious programme of work designed to engage third sector providers with the policy agenda around this and related developments.

- Regular briefings and updates for CCPS members were produced as the Bill made its way through the parliamentary process. Written evidence was submitted to the Education Committee, focusing on Part Three of the Bill (Children's Services Planning).
- CCPS was successful in prompting a government amendment to the legislation, drafted to ensure recognition in the legislation that quality, impact and effectiveness are key considerations in service provision, and not just cost.
- CCPS played a key role in ensuring that developments in strategic commissioning for adult community care (see below) were shared with and extended to children's services: this work will be continued in the coming year.
- CCPS became a managing partner of the GIRFEC National Third Sector Project, led by Barnardos, the Improvement Service and Voluntary Action Scotland. This work, which is again funded by the TSEIF, aims to promote wider engagement of the third sector in GIRFEC implementation locally. The CCPS Director was invited to serve on Programme Management Board, and the Policy & Development Officer works on the project one day a week.
- The committee also addressed a wide range of other issues, including the development by Scotland Excel of a national framework contract for residential child care (see below).

As noted above, CCPS has spent considerable effort over the years in pushing for legislative change around **commissioning, procurement and tendering**. 2013-14 brought some significant successes in this regard.

- Our lobbying in relation to the Procurement Reform (Scotland) Bill was very successful: government amendments, drafted largely on the basis of evidence from CCPS, secured both an exemption for care contracts from the requirement for advertising and competition, and a commitment to prepare and publish specific guidance on procurement of care and support. This was a significant achievement for the organisation and represented the culmination of several years' work. Amendments lodged by Jim Eadie MSP, with CCPS support, also secured important concessions.
- In anticipation of the Bill, CCPS conducted a major national survey of providers' experiences of procurement and tendering. The findings, published in March 2013, proved extremely influential during the passage of the legislation and are likely to continue to be valuable as the guidance is drafted during the coming year.
- CCPS members were provided with regular updates regarding the legislation; written and oral evidence informed by their experiences of procurement was given to both the Infrastructure and Capital Investment Committee and the Local Government and Regeneration Committee.
- The legislation commits the Scottish Government to the production of further guidance on workforce matters relating to procurement. CCPS supported these provisions and will now be invited to work with the government on the production of the guidance, which will cover issues such as payment of the Living Wage to voluntary sector care and support staff delivering public services, again something that CCPS has pursued for some time.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT (continued)

Achievements and performance (continued)

- CCPS continued its fruitful collaboration with its European membership association, EASPD, with respect to influencing the revision of the European Commission Public Procurement Directives. The new Directives, agreed early in 2014, recognise the specificity of care and support contracts and allow member states to introduce a lighter-touch regime.
- As noted above, Scotland Excel drafted a national framework contract for the procurement of residential child care services. CCPS joined with colleagues in Educating Through Care Scotland (ETCS) and the Scottish Children's Services Coalition to form a Provider Working Group (PWG) with a view to influencing the framework terms and conditions, and representing providers views. Although some significant concessions and amendments were secured, the PWG did not achieve its desired objective of aligning the framework more successfully with moves towards local strategic commissioning: this is something that will be pursued during the coming year, as Scotland Excel develops a further suite of framework contracts.
- CCPS continued to serve on the Scottish Government Public Procurement Advisory Group (PPAG) and the National Steering Group on Joint Strategic Commissioning. We were successful, working alongside other third sector interests, in ensuring that secondary legislation relating to health and social care integration will ensure that providers are engaged in strategic commissioning processes locally.
- The CCPS Providers & Personalisation (P&P) Programme (see below) worked hard during the year to promote the new legislative duties on local authorities to promote a diverse range of providers in relation to self-directed support. As part of this work, P&P held two seminars on commissioning for SDS, and prepared for an Action Learning Set for both commissioners and providers.

Developments in **regulation and inspection of care** were monitored throughout the year.

- CCPS was invited to serve on the Care Inspectorate's Programme Boards overseeing the development of new inspection methodologies for both children's services and integrated health and social care services for adults. We were able to wield considerable influence over the extent to which these methodologies addressed scrutiny of strategic commissioning.
- CCPS was invited to meet with the new Chair of the Care Inspectorate in April 2013. The Care Inspectorate joined a range of other regulatory bodies, including the Scottish Social Services Council, Healthcare Improvement Scotland and the Office of the Scottish Charity Regulator on a panel Q&A session at the CCPS AGM in September 2013. CCPS has continued to engage with the inspectorate during the year, including offering detailed commentary on its new media strategy. Meanwhile the Head of Children's Services Inspection attended a meeting of the CCPS Committee on Care and Support for Children and Young People to provide an update and to listen to providers' views.
- The senior officials leading the review of the National Care Standards addressed the CCPS membership meeting in June 2013. CCPS was subsequently invited to serve on the review project board.

CCPS continued to play a role throughout the year in initiatives relating to **public service reform**.

- CCPS was invited by Audit Scotland to join a project advisory group relating to its performance audit of the **Reshaping Care for Older People (RCOP)** programme. Meanwhile we continued to represent providers' views and interests on the advisory group for the project *Enhancing the role of the third sector in RCOP*, hosted by the Health and Social Care Alliance; the National Development Group for Older People's Care and the care home fees negotiating group, both convened by COSLA; the independently-chaired Task Force on the future of residential care for older people; and the Herald newspaper's one-off summit on care for older people.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT (continued)

Achievements and performance (continued)

- CCPS continued to play a role in relation to the government's agenda for a '**decisive shift to prevention**' including attending the Prevention Round Table; contributing to a discussion seminar on prevention for senior Scottish Government officials; and developing a proposal for a new 'Change Fund'-type initiative for the third sector around prevention. In addition, the CCPS Director was invited to chair a working group on prevention for the Scottish Leaders Forum, and attended a Scottish Government/SOLACE conference on prevention at the invitation of the SOLACE Chair.

Feedback from the CCPS membership survey conducted in 2012 showed that **provider representation on key government working groups** is of considerable importance to providers. During the year, CCPS was invited to serve on a range of new groups: in addition to those already mentioned in this report, these included the National Social Work Services Forum, convened by the Chief Social Work Adviser; the Audit Scotland Project Advisory Board for the SDS Performance Audit; the NES/SSSC-led National Technology-Enabled Learning Development Group for Health and Social Services; and the Clinical and Care Governance Group associated with the integration of health and social care.

Timely and up to date information is also highly valued by members: during the year, CCPS completely overhauled and redesigned its website, introducing a range of new features and eye-catching graphics. The new site has been well received by members.

Specific work programmes

CCPS continued, with welcome external funding, to host a series of focused work programmes designed to support providers in specific areas of interest. Each of these programmes has produced its own detailed annual report: some of the highlights are presented here.

The **Housing Support Enabling Unit (HSEU)**, funded by the Scottish Government, entered its 10th year of operation in 2013-14. The Unit assists providers of housing support to understand key issues within the sector, demonstrate the impact of their work and raise the profile of housing support and the contribution it makes.

- Considerable attention was given by the Unit throughout the year to the impact of welfare reform on housing support providers and the people they support, in particular those aspects relating to housing benefit. The Unit responded to relevant consultations issued by the Department for Work and Pensions, and ran a series of training events for providers. In January 2014, the HSEU Director was invited as a witness before the House of Commons Work and Pensions Select Committee.
- The Unit continued to develop, maintain and promote the use of the Better Futures Framework and Outcome Monitoring System to housing support providers. The system offer providers a way to measure individual outcomes and also to create reports about service and organisational outcomes.
- As noted above, the HSEU worked with a range of other housing interests to influence the Public Bodies (Joint Working) (Scotland) Act.

The **CCPS Providers & Personalisation (P&P) Programme**, set up with Scottish Government funding to support third sector providers to engage with self-directed support, worked throughout the year to deliver an ambitious programme of policy, practice, information and development support as commencement of the relevant legislation approached.

- The P&P Programme put considerable effort into ensuring that providers were supported to contribute effectively to the drafting of the regulations and guidance associated with the new legislation. In addition, P&P collaborated with Self Directed Support Scotland (SDSS) in taking forward production of guidance on SDS for service users. The guidance was delivered on time and on budget, and has been well received.
- In May 2013, P&P organised a national event attended by 120 providers and capacity builders. Opened by the Minister for Public Health, Michael Matheson MSP, the event enabled providers to share best practice and celebrate provider progress in implementing SDS. Feedback from the event was overwhelmingly positive and the programme was able to collect a number of case studies and best practice examples.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT (continued)

Achievements and performance (continued)

- In March 2014, P&P launched a report containing the findings of a research project on regulation and self-directed support. The research involved working with both providers and service/strategic inspectors from the Care Inspectorate to identify common areas of concerns and potential solutions.

2013-14 was the first year of operation of CCPS's new **Workforce Development Network (WDN)**, funded by Scottish Government and aiming to support providers with a range of related issues including registration and qualifications, health and social care integration, leadership, SDS, and pay and conditions.

- Rather than recruit a full-time member of staff, CCPS opted to create a workforce team, comprising two independent associates, a provider secondment and a number of existing staff, each taking lead responsibility for a specific area of the programme. The new network was launched at a special event for members in June 2103.
- Following extensive awareness raising and consultation, the WDN produced a position paper on the implications of health and social care integration for the voluntary sector care and support workforce. The Scottish Social Services Council (SSSC) confirmed that the paper was influential in relation to its Workforce Development Strategy.
- The WDN supported the roll-out of the SSSC's 'Step into Leadership' programme, promoting it within the sector and influencing cross-sector leadership forum development and recruitment of a middle managers' reference group.
- Through its Provider Optimism Survey, CCPS was able to highlight the continuing pressure placed by tendering and budget cuts on staff pay, terms and conditions within provider organisations. This information was fed into a range of relevant initiatives, including a discussion on the Living Wage organised by Scotland Excel, and other Living Wage initiatives; and a joint CCPS/STUC event held in November 2013. There is gathering momentum around this agenda and we will pursue it further during the coming year.

As noted above, CCPS secured further funding from The Robertson Trust and The Monument Trust to enable us to provide dedicated support to the **Criminal Justice Voluntary Sector Forum**.

- The CJVSF worked with the Scottish Prison Service, The Robertson Trust and Scottish Government to redevelop and promote Partnership Packs for use by third sector organisations interested in working within prisons.
- A debrief session was organised for CJVSF members to capture evidence around their experience of the use of the Public Social Partnership model in relation to the Reducing Reoffending Change Fund.
- The CJVSF facilitated opportunities for providers to engage with the Scottish Government's Redesigning the Community Justice System consultation: this work will be continued during the coming year.
- A Training & Development group was set up to map training needs & activities across CJVSF member organisations and identify relevant opportunities for collaboration.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT (continued)

Plans for future periods

The CCPS board and membership have endorsed a revised strategic plan for the coming year 2014-15. Major features will be:

- A piece of work investigating the possibilities of a new dynamic between providers, commissioners and supported people, exploiting the potential opened up by the Procurement Reform Bill, joint strategic commissioning and self-directed support. CCPS has commissioned this work from Collaborate, an independent agency specialising in partnership as a route to public service reform. This work will be launched at a major CCPS Conference for providers and partner agencies, to be held in November 2014.
- An initiative led by our Committee on Care and Support for Children and Young People, working in collaboration with Children in Scotland to examine the future for children's services in the context of the new legislation.
- A further piece of work commissioned from independent consultants examining new approaches to inspection of regulated care services, based on providers' experience of the current processes. This will inform CCPS input to the Care Inspectorate's review of inspection methodology, announced early in 2014.
- A major emphasis on influencing the development of regulations and guidance associated with the key pieces of legislation passed in 2013-14.
- A programme of work to ensure that providers are fully involved in relevant local processes, especially those relating to strategic commissioning, as health and social care integration is taken forward.
- An emphasis on measures to enable care and support providers to offer improved workforce terms and conditions, including a focus on the Living Wage and its relationship to procurement.
- Planning for the next phase of our work relating to personalisation and self-directed support.
- Providing an opportunity for providers to consider the outcome and potential impact of the referendum on Scottish independence, once the result is known.

Given the positive position with respect to the organisation's current level of free reserves, CCPS is able to do more to support its members in 2014-15 than would be the case with revenue funding alone. The CCPS Board has therefore made provision for a number of these pieces of work to be funded from free reserves, up to a maximum of £63,600.

Financial Review

During the year income exceeded expenditure by £68,474 (2013: £157,740); there was a positive movement in funds of £35,409 (2013: £1,225) for unrestricted funds and a positive movement of £33,065 (2013: positive £156,515) for restricted funds. With total funds brought forward of £503,245, this leaves total funds to carry forward of £571,719 of which £323,158 (2013: £287,749) relates to unrestricted funds and £248,561 (2013: £215,496) relates to restricted funds.

The present level of funding is considered adequate to support the continuation of CCPS's activities.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT (continued)

Achievements and performance (continued)

Reserves Policy

It is the policy of the directors to maintain unrestricted reserves not designated or invested in tangible fixed assets (which are the free reserves of the charity) at a level which equates to 3 months of budgeted expenditure (£83,000). The Board has increased the sum designated for the Pensions Deficit Fund to £105,996 but has returned the £46,443 held in the Development Fund at the end of the year to general reserves (see note 9 in the Notes to the Financial Statements). Free reserves now stand at £216,447. The Board is aware that legislative changes relating to the disclosure of pension liabilities in charity accounts, due to take effect in 2016-17, are likely to reduce this figure considerably and the Board is committed to monitoring the situation closely and taking mitigating action as necessary.

Directors Responsibilities Statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) observe the methods and principles in the Charities SORP;
- (c) make judgements and estimates that are reasonable and prudent;
- (d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (e) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

DIRECTORS' REPORT (continued)

Statement of disclosure to the auditor

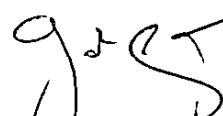
In so far as the Board of Directors are aware

- a) there is no relevant audit information of which the charitable company's auditor is unaware, and
- b) the Board of Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005), the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standards for Smaller Entities (effective April 2008).

Approval

This report was approved by the Board of Directors on 21 August 2014 and signed on their behalf by:


J Grant
Treasurer

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS AND MEMBERS OF CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

We have audited the financial statements of CCPS - Coalition of Care and Support Providers in Scotland for the year ended 31 March 2014 which comprise the Statement of Financial Activities, Income & Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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, and to the directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and the directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, and its directors as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards of Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its 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 applicable to smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**INDEPENDENT AUDITORS' REPORT TO THE
MEMBERS AND BOARD OF DIRECTORS OF CCPS - COALITION OF CARE AND SUPPORT
PROVIDERS IN SCOTLAND (CONTINUED)**

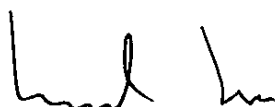
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the Directors' Annual Report and the requirement to prepare a strategic report.



Michael Crerar CA (Senior Statutory Auditor)
For and behalf of Geoghegans, Statutory Auditor
6 St Colme Street
Edinburgh EH3 6AD

21 August 2014

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account) for the year ended 31 March 2014

	Notes	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
Incoming Resources					
Incoming resources from generated funds:					
Grants and donations	3	26,633	443,602	470,235	376,331
Bank interest		535	-	535	1,054
Incoming resources from charitable activities:					
Subscriptions		220,923	-	220,923	227,706
Conference income		-	-	-	41,745
Events income		295	8,445	8,740	3,070
Other income		2,154	36,925	39,079	29,235
Total incoming resources		<u>250,540</u>	<u>488,972</u>	<u>739,512</u>	<u>679,141</u>
Resources Expended					
Charitable activities		196,120	455,907	652,027	502,378
Governance costs		<u>19,011</u>	<u>-</u>	<u>19,011</u>	<u>19,023</u>
Total resources expended	4	<u>215,131</u>	<u>455,907</u>	<u>671,038</u>	<u>521,401</u>
Net income for the year	5	35,409	33,065	68,474	157,740
Funds brought forward		<u>287,749</u>	<u>215,496</u>	<u>503,245</u>	<u>345,505</u>
Funds Carried Forward		<u>£ 323,158</u>	<u>£ 248,561</u>	<u>£ 571,719</u>	<u>£ 503,245</u>

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

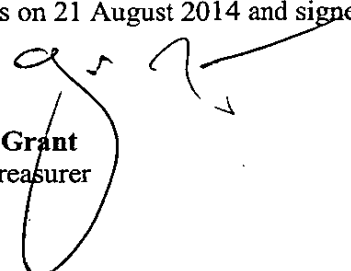
BALANCE SHEET at 31 March 2014

	Notes	2014	2013
Fixed Assets			
Tangible Assets	7	<u>715</u>	<u>1,647</u>
Current Assets			
Debtors	8	15,513	14,900
Cash at bank and in hand		<u>582,389</u>	<u>514,501</u>
		<u>597,902</u>	<u>529,401</u>
Current Liabilities			
Trade creditors		6,244	3,680
Other creditors		10,954	12,505
Accruals and deferred income		<u>9,700</u>	<u>11,618</u>
		<u>26,898</u>	<u>27,803</u>
Net Current Assets		<u>571,004</u>	<u>501,598</u>
Net Assets		<u>£ 571,719</u>	<u>£ 503,245</u>
Funds			
Unrestricted funds	9	323,158	287,749
Restricted funds	9	<u>248,561</u>	<u>215,496</u>
		<u>£ 571,719</u>	<u>£ 503,245</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved and authorised for issue by the Board of Directors on 21 August 2014 and signed on its behalf by:


N J Henderson
Convenor


J Grant
Treasurer

Company Number: SC279913

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements have also been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP) issued in March 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income

Membership subscriptions, grants, conference and other income are accounted for when receivable by the charity. Grants, where entitlement is not conditional on the delivery of specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Investment income

Bank interest is accounted for when receivable.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. The charity is not registered for VAT and expenditure therefore includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in Note 4.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

1 Accounting policies (continued)

Pension costs

CCPS is a member of the Scottish Voluntary Sector Pension Scheme (the Scheme) which is a multiple employer defined benefit scheme. This Scheme closed to future accrual on 31 March 2010. As it is not possible to confirm CCPS's share of the underlying assets and liabilities of the Scheme it is accounted for as defined contribution scheme with costs equal to the contributions made for the accounting period.

CCPS also operates a group personal pension scheme on a defined contribution basis. The contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those costing less than £1,000 are not capitalised.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office equipment – 3 years straight line basis.

Fund accounting

Funds held by the charity are either:

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Board of Directors. Unrestricted funds include designated funds where the directors, at their discretion, have created a fund for a specific purpose.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

Taxation

As a charity the company is exempt from tax on income and capital gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

2 Legal status of the charity

The charity is a company limited by guarantee and not having a share capital. That liability of each member in the event of winding up is limited to £1.

3 Grants and donations

	Unrestricted Funds	Restricted Funds	2014 Total	2013 Total
Housing Voluntary Grant Scheme 2013-14 funding re: Housing Support Enabling Unit	3,000	117,640	120,640	120,640
Scottish Government, Office of the Chief Social Work Advisor funding re: Workforce Development Network	7,000	43,000	50,000	70,000
Scottish Government, Adult Care and Support Division funding re: Providers & Personalisation Programme.	-	139,716	139,716	135,691
Scottish Government, Adult Care and Support Division funding re: P & P Guidance Project	11,633	76,083	87,716	-
Co-funding from The Robertson Trust and The Monument Trust re: Criminal Justice Voluntary Sector Forum	5,000	45,000	50,000	50,000
Big Lottery Third Sector Early Intervention Fund funding re: National Third Sector GIRFEC Project	-	22,163	22,163	-
	<u>£ 26,633</u>	<u>£ 443,602</u>	<u>£470,235</u>	<u>£ 376,331</u>

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

4 Total Resources Expended

	Basis of Allocation	Charitable Activities	Governance	Total 2014	Total 2013
Costs directly allocated to activities					
Staff costs	Staff time	378,333	15,341	393,674	322,635
Travel	Direct	12,419	-	12,419	6,037
Printing	Direct	9,091	-	9,091	5,820
Website development	Direct	14,615	-	14,615	1,099
CCPS events	Direct	43,647	-	43,647	25,617
Office costs share	Usage	14,488	-	14,488	13,763
Conference expenditure	Direct	-	-	-	46,114
Membership EASPD	Direct	3,981	-	3,981	3,420
Subscriptions/publications	Direct	1,620	-	1,620	2,462
Research/consultancy	Direct	59,035	-	59,035	35,782
Equipment	Direct	2,009	-	2,009	4,965
Audit fees	Direct	-	2,050	2,050	2,130
Accountancy fees	Direct	-	1,370	1,370	1,470
Outcomes framework costs	Direct	65,934	-	65,934	8,010
Bad debts	Direct	475	-	475	438
Support costs allocated to activities					
Staff costs	Staff time	20,942	-	20,942	19,004
Office costs share	Usage	9,659	-	9,659	9,920
Professional fees	Direct	699	-	699	1,600
Stationery	Direct	2,295	-	2,295	1,295
Computer costs	Direct	448	-	448	47
Depreciation	Direct	933	-	933	1,296
Insurance	Direct	778	-	778	678
Trustee indemnity insurance	Direct	-	250	250	250
Life Assurance costs	Direct	1,259	-	1,259	1,001
Training	Direct	4,213	-	4,213	704
IT support	Direct	4,639	-	4,639	5,353
Bank charges	Direct	515	-	515	491
Total resources expended		£ 652,027	£ 19,011	£671,038	£521,401

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

5	Net movement in funds	2014	2013
		£	£
	This is stated after charging:		
	Depreciation	932	1,296
	Auditors' remuneration (excluding VAT)		
	- audit services	1,775	1,685
	- other services	1,475	1,165
		<u>1,475</u>	<u>1,165</u>

6 Staff costs

No remuneration was paid to the Board of Directors during the year, nor were any expenses reimbursed.

No director or other person related to the charity had a personal interest in any contract or transaction entered into by the charity during the year (2013: None).

The staff costs were:

	2014	2013
Salaries and wages	339,022	273,369
Social Security costs	35,444	27,490
Pension	20,102	17,428
Pension deficit contributions	20,048	23,352
	<u>£ 414,616</u>	<u>£ 341,639</u>

One employee (2013: None) received emoluments of between £60,000 and £70,000 in the year.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows :

Directors (Units)	2	2
Policy and Development	7	6
Administration and support	2	2
	<u>11</u>	<u>10</u>

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

7 Tangible fixed assets

	Office Equipment
Cost	
At 31 March 2013	14,935
Additions	-
Disposals	(2,174)
At 31 March 2014	12,761
Depreciation	
At 31 March 2013	13,288
Charge for the year	932
Disposals	(2,174)
At 31 March 2014	12,046
Net book value	
At 31 March 2014	£ 715
At 31 March 2013	£ 1,647

8 Debtors	2014	2013
Trade debtors	1,340	11,870
Prepayments and other debtors	14,173	3,030
	£ 15,513	£ 14,900

9 Funds	31 March 2013	Incoming Resources	Resources Expended	Transfers	31 March 2014
<i>Unrestricted:</i>					
General Fund	140,620	250,540	(198,316)	24,318	217,162
<i>Designated:</i>					
Development Fund	63,258	-	(16,815)	(46,443)	-
Pensions Deficit Fund	83,871	-	-	22,125	105,996
	<u>287,749</u>	<u>250,540</u>	<u>(215,131)</u>	<u>-</u>	<u>323,158</u>
<i>Restricted:</i>					
Housing Support Enabling Unit	44,898	160,660	(173,755)	14,000	45,803
Providers & Personalisation Programme	64,375	139,716	(136,171)	4,000	71,920
P&P Guidance Project	-	76,083	(37,479)	-	38,604
Criminal Justice Voluntary Sector Forum	37,708	47,350	(43,788)	-	41,270
Workforce Development Network	68,515	43,000	(42,802)	(18,000)	50,713
National Third Sector GIRFEC Project	-	22,163	(21,912)	-	251
	<u>215,496</u>	<u>488,972</u>	<u>(455,907)</u>	<u>-</u>	<u>248,561</u>
	<u>£ 503,245</u>	<u>£ 739,512</u>	<u>£ (671,038)</u>	<u>£ -</u>	<u>£ 571,719</u>

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

9 Funds (cont)

	General Funds (Unrestricted)	Housing Support Enabling Unit (Restricted)	Providers & Personalisation Programme (Restricted)	P&P Guidance Project (Restricted)	Criminal Justice Voluntary Sector Forum (Restricted)	Workforce Developme nt Network (Restricted)	National Third Sector GIRFEC Project (Restricted)	Total
Tangible fixed assets	715	-	-	-	-	-	-	715
Net current assets	322,443	45,803	71,920	38,604	41,270	50,713	251	571,004
Net assets	£ 323,158	£ 45,803	£ 71,920	£ 38,604	£ 41,270	£ 50,713	£ 251	£ 571,719

Housing Support Enabling Unit (restricted)

The Housing Support Enabling Unit is a project funded primarily through the Scottish Government Housing Voluntary Grant Scheme 2013-2014 to assist and support voluntary and independent service providers in relation to their provision of housing support. The HSEU also generates funds from subscribers to their Better Futures outcomes framework software. These subscriptions pay in part for on-going commitments towards maintenance and license fees charged by the software developer.

Providers & Personalisation Programme (restricted)

The Providers & Personalisation Programme is funded by the Scottish Government Adult Care and Support Division (Self Directed Support Branch) and the Third Sector Division to assist and support service providers in relation to the developing agenda for personalisation and self directed support.

P&P Guidance Project (restricted)

The P&P Guidance Project is funded by the Scottish Government Adult Care and Support Division (Self Directed Support Branch) for the purpose of developing provider and service user guidance for self-directed support.

Criminal Justice Voluntary Sector Forum (restricted)

The Criminal Justice Voluntary Sector Forum is funded in equal parts by The Robertson Trust and The Monument Trust to assist and support service providers in relation to work around criminal justice.

Workforce Development Network (restricted)

The Workforce Development Network project is funded by the Scottish Government, Office of the Chief Social Work Advisor to aid with the development of Scotland's Social Service workforce.

National Third Sector GIRFEC Project (restricted)

The National Third Sector GIRFEC Project is funded by the Big Lottery Third Sector Early Intervention Fund over a two year period to develop CCPS capacity to support members' engagement with the National Third Sector GIRFEC Project to influence national children's policy development, with particular focus on the Children and Young People's Bill.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

9 Funds (continued)

Development Fund (designated)

The Development Fund was set aside for future development work over the period 2013-16. This was to include projects such as: the redesign of the CCPS website to ensure it continues to provide the best possible service for our members; along with potential work to develop CCPS members' understanding of the legal issues affecting their sector. The Board took the decision at their February 2014 meeting that this would be undesignated at the financial year end and absorbed into general unrestricted reserves.

Pension Deficit Fund (designated)

The Pension Deficit Fund relates to monies set aside to help meet future contributions payable to meet the charity's share of the Scottish Voluntary Sector Pension Scheme deficit.

10 Pension Commitments

(a) *Defined contribution pension arrangements*

CCPS operates a group personal pension scheme on a defined contribution basis. Employer contributions are paid in the range of 6% to 10% of pensionable salaries while employee contributions are 4% of pensionable salaries. Employer pension contributions payable in the year were £20,102 (2013: £17,428).

(b) *Defined benefit pension arrangements*

CCPS participates in the Scottish Voluntary Sector Pension Scheme (the Scheme). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and was contracted out of the state scheme until 31 March 2010, when the scheme was closed to further accrual.

From 1 October 2007 CCPS operated a final salary with a 1/60th accrual rate benefit structure for active members until the date of Scheme closure on 31 March 2010.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

10 Pension Commitments (continued)

The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind-up the Scheme and it continues in paid-up form.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes and benefits are paid from total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under the FRSSE (effective April 2008) represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the 30 September 2011 was £66.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £28.8 million (equivalent to a past service funding level of 69.7%).

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	%pa
• Investment return pre retirement	5.8
• Investment return post retirement	4.0
• Rate of salary increase	4.4
• Rate of pension increases:	
For pensionable service pre 6 April 2005	2.4
For pensionable service post 5 April 2005	1.9
• Rate of price inflation (CPI)	2.4

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

CCPS - COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2014

10 Pension Commitments (continued)

From 1 April 2013 a new recovery plan came into effect, following the finalisation of the 2011 valuation. Payments for the year to 31 March 2014 were £20,048 (2013 - £23,352) increasing to £20,649 next year.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the entire funding shortfall by 31 March 2028.

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

The recovery plan from the 2011 valuation has been submitted to the Pensions Regulator.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £91 million (from £73 million at 30 September 2012) and indicated a decrease in the shortfall of assets compared to liabilities to approximately £34 million (from £36 million at 30 September 2012), equivalent to a past service funding level of 71% (from 67.2% at 30 September 2012).

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

CCPS has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2013. As of this date the estimated employer debt for CCPS was £701,800 (2013: £789,300).