2017-18 Draft Budget and Indicative 2018-20 Budget

Report to: Board

Date: 30 March 2017

Report by: Kenny Dick, Head of Finance and Corporate Governance

Report No. B-03-2017

Agenda Item: 14

PURPOSE OF REPORT

To present draft budget proposals for 2017/18 to the Board for approval.

To present indicative budgets for the financial years 2018/19 and 2019/20.

RECOMMENDATIONS

That the Board:

1. Agrees that the draft 2017/18 budget set out in this report (Appendix 1).

2. Agrees that the draft 2017/18 Capital Plan (Section 4 and Appendix 2).

3. Agrees that all fees charged to regulated care service providers remain unchanged from 2016/17 rates.

4. Notes the projected budget position for 2018/19 and 2019/20

Version Control and Consultation Recording Form

Version	Consultation	Manager	Brief Description of Changes	Date
	Senior Management	ET		18/01/17
	Legal Services			
	Corporate and Customer Services Directorate			
	Committee Consultation (where appropriate)	Resources		27/02/17
	Partnership Forum Consultation (where appropriate)			

Equality Impact Assessment			
Confirm that Involvement and Equalities Team have been informed		YES ☐	NO x
EIA Carried Out		YES ☐	NO x
If yes, please attach the accompanying EIA and appendix and briefly outline the equality and diversity implications of this policy.		The budget is the expression of corporate and business plans in financial terms. Specific plans, expenditure and income proposals and the policies on which the budget is based should all have been equality impact assessed where appropriate.	
If no, you are confirming that this report has been classified as an operational report and not a new policy or change to an existing policy (guidance, practice or procedure)		Name: Kenny Dick Position: Head of Finance & Corporate Governance	
Authorised by Director	Name: Gordon Weir	Date: 18 January 2017	

1.0 INTRODUCTION

1.1 Corporate Plan Reference

The budget is developed to support the achievement of the 4 strategic objectives set out in the revised Corporate Plan 2016 – 18.

1.2 Background

1.2.1 The Care Inspectorate's new financial year commences on 1 April 2017 and there is a requirement to have in place an agreed budget before that date. This budget is then used as the basis for measuring financial performance throughout the year. The budget must be agreed by the Care Inspectorate Board and by the Sponsor Department for funding purposes.

1.2.2 The Scottish Government has decided to reduce the recurring grant in aid made available to the Care Inspectorate from the £21.729m agreed for 2016/17 to £21.600m for 2017/18 (still to be confirmed by the Sponsor Department). In addition, the Scottish Government has agreed to provide £0.916m of non-recurring grant in aid to fund the physical activity in care homes project for 2017/18 and 2018/19. The budget anticipates £0.545m of this funding being utilised in 2017/18 and the £0.371m balance being allocated to 2018/19. There are 2 further grant funded projects of a smaller scale (childminding induction and early years design and build) where funding has not been confirmed at this stage. Therefore the grant and associated expenditure are excluded from the budget at this point.

1.2.3 The Scottish Government provided transitional funding to allow the Care Inspectorate to invest in an organisation restructure designed to reduce cost but maintain or enhance the services delivered. The transitional funding was also used to support the setting of a deficit budget for 2016/17. The budget deficit was £0.309m. The Scottish Government has also decided not to increase the maximum fees the Care Inspectorate can charge. The reduced grant in aid, budget deficit and no increase in fees together mean a £0.438m (1.30%) reduction in budgeted expenditure for 2017/18. A cash terms reduction in budgeted expenditure significantly limits the Care Inspectorate's ability to re-invest the money or time saved from efficiencies or cost reductions into improving and developing our scrutiny activities to better provide public protection and assurance. Instead efficiency gains or cost reductions must first be directed to balancing the budget.

1.2.4 It is intended to replace our existing practice management system (PMS) and regulatory management system (RMS) over the next three financial years. The current PMS is based on outdated technology and there is significant risk associated with carrying on with this system. We intend to work in partnership with another public sector body to develop new systems using Agile development. This will require additional revenue funding and investment from the Scottish Government. The Chief Executive is currently discussing this with the Scottish Government in a bid to secure this additional funding.

1.2.5 The Scrutiny and Improvement Plan 2017/18 is being developed within the resources identified for scrutiny and assurance in this draft 2017/18 budget (Appendix 1).

2.0 DRAFT 2017/18 BUDGET COMPILATION

The draft budget is shown in Appendix 1 ("Draft 2017/18 Budget" column).

Appendix 1 also shows the variances in cash and percentage terms in comparison to the agreed 2016/17 budget.

2.1 Staff Costs

2.1.1 Incremental Progression and Pay Award

The salary related budget is based on the following:

- The 2017/18 remit for negotiating a pay award effective from 1 April 2017 has not been agreed yet. The budget assumes a £400 cash increase for staff on full time equivalent salaries below £22k and a 1% award for all other directly employed staff. This is in accordance with the 2017/18 pay remit guidance issued by the Scottish Government.
- All staff not at the top of their grade (and who perform satisfactorily) will progress by one incremental step with effect from 1 April 2017.

2.1.2 Employer's Pension

Most Care Inspectorate staff contribute to the Tayside local government pension fund administered by Dundee City Council. The most recent triennial actuarial valuation set the common employer's contribution rate at 17% to apply for financial years 2015/16, 2016/17 and 2017/18.

2.1.3 Employer's National Insurance

Employers' national insurance contributions are budgeted in accordance with the latest information available from Her Majesty's Revenue and Customs (HMRC).

2.1.4 Apprentice Levy

The UK Government has decided to introduce an Apprentice Levy with effect from April 2017. The anticipated additional cost of this Levy is £92k.

2.1.5 Staff Costs Slippage

Staff cost slippage is a saving that arises through the normal turnover of staff i.e. the salary and on-cost saving associated with the delay between an employee leaving and the vacant post being filled. The draft base budget adopts the slippage assumptions of 3.50% (2016/17: 3.50%) for all staff excluding the Chief Executive and Directors where no slippage is assumed.

2.1.6 Executive Team

This budget comprises the Chief Executive and 3 Directors.

2.1.7 Senior Managers

This budget comprises Chief Inspectors, the Heads of … posts and all other managers on grade CS1. The budget includes the outcome of the senior management restructure and contains budget for two posts where the post occupants have not been allocated to a post within the new structure.

It is intended to retain the services of a former Head of Inspection for the first 6 months of 2017/18 in a temporary Practice Development Consultant role. This role will support the development, implementation and evaluation of the new Professional Development Award. A redundancy payment will be due at the conclusion of this temporary role. This will be funded by not filling the currently vacant permanently established Rehabilitation Consultant post in 2017/18.

2.1.8 Admin and Professional Staff

This budget includes changes made as a result of the 20% support staff reduction target and any other agreed permanent or temporary changes made to the establishment during the year. There is a budget allowance for two posts where the post occupants have not been allocated to a post within the new structure.

The budget includes provision for 3 FTE Inspection Assistants (Grade 2) as part of the career pathways pilot. The pilot will be monitored on a quarterly basis with a full evaluation after 18 months.

There is budgetary provision for the shared HR Manager permanent post recently agreed at the Resources Committee meeting of 27 January 2017.

The budget contains provision for two changes to the permanent staffing establishment that have not previously been considered by Committee. It is proposed to delete the Policy Intern post (grade 1) and create an additional Policy Analyst post (grade 5). Although the Policy Intern post has been a success the interns require considerable support from the policy analysts at a time where it is clear additional policy analyst capacity is required. Replacing the intern post with a new policy analyst post will not only deliver the capacity of the new policy analyst but also deliver the capacity needed to enhance the ability of the team to provide strategic policy advice and horizon scanning to the Board and Executive Team. We will consider other support areas where internships can be offered in future. There is a cost of £16.5k associated with replacing a grade 1 post with a grade 5.

The second change is the deletion of a Payments Assistant post and the creation of a new Finance Modern Apprentice post. This new post will be 50% funded by the SSSC. This change creates a total budget saving of £13k (£3k staff costs and £10k addition recharge income)

The Resources Committee are requested to approve the above two changes to the permanent establishment.

2.1.9 Specialist

2.2 FTE Health Improvement Advisers accepted Voluntary Early Retiral / Redundancy in 2016/17. The draft budget reflects this saving.

2.1.10 Strategic Inspectors

The draft budget includes provision for 24 FTE (2016/17: 25 FTE) Strategic Inspectors. The 2016/17 25 FTE included one Strategic Inspector who was seconded to the Scottish Government.

2.1.11 Team Managers

The draft budget includes 24 FTE Team Manager posts. This is based on the revised Team Manager structure agreed by the Resources Committee on 5 December 2016.

The Team Manager posts have been allocated on the following basis:

Budget Area	**2016/17 FTE**	**2017/18 FTE**
Children and Criminal Justice Inspection	11.0	9.0
Adult Services Inspection	13.0	10.0
Complaints	5.0	3.0
Registration	3.0	2.0
Total budgeted Team Manager posts:	**32.0**	**24.0**

2.1.12 Senior Inspectors

The Team Manager review recommended the introduction of a new post of Senior Inspector. In accordance with the recommendations agreed by Resources Committee on 5 December 2016 the draft budget includes provision for 24 FTE Senior Inspectors. Senior Inspectors are intended to have 50% of the caseload of an Inspector and spend the remaining 50% of their productive capacity to provide support to their allocated Team Manager and Inspectors.

2.1.13 Inspectors

The number of Inspector FTEs provided for in the base budget is 273.5. This is 24 fewer FTEs than was provided for in the 2016/17 budget. This is due to the impact of the Team Manager review which involved the creation of 24 FTE Senior Inspector posts and a corresponding reduction in Inspector FTE.

In previous years the Inspector FTE required to deliver the inspection plan for regulated care services was based on the average inspection hours contained in the workload and workforce management strategy and the number of planned inspections according to frequency guidance. In 2017/18 for the first time planned scrutiny interventions will be tailored to the inspection resources available. It should be noted that as Senior Inspectors have 50% of the scrutiny delivery capacity of an Inspector the 2017/18 scrutiny intervention capacity is reduced by the equivalent of 12 Inspector FTEs when compared to 2016/17.

Registration and Complaints

The draft budget reflects the benefits and efficiencies associated with the inspection, complaints and registration resources being brought together into a single directorate. The Complaints and Registration Inspector FTEs have been reduced by 3 FTE and 4 FTE respectively when compared to 2016/17 FTEs. The budget therefore provides for 38 FTE Complaints Inspectors and 22 FTE Registration Inspectors.

Other Inspector Requirements

The 2017/18 budget includes an allowance of 1.5 Inspector FTE to fund backfill for Inspectors undertaking the new Professional Development Award.

In line with previous years an allowance of 1 Inspector FTE is provided to fund backfill for staff undertaking trade union duties.

Summary of Inspector Resource

	2016/17 FTE	**2017/18 FTE**
Regulated Care Service Inspection Plan	225.2	211.0
Complaints (after Contact Centre adjustment)	41.0	38.0
Registration	26.0	22.0
Fostering & Adoption Methodology Development	2.1	0.0
Historical Abuse resource	1.0	0.0
Qualifications backfill	1.2	1.5
Trade union duties	1.0	1.0
Total	**297.5**	**273.5**

2.1.14 Grant Funded Posts

The Care Inspectorate has received confirmation of specific grant funding for physical activity in care homes. The planned expenditure associated with this grant is included in this draft budget. Funding for two further projects (the extension of childminding induction and early years design and build guidance) is still to be confirmed and the grant income and associated expenditure is not included in the budget at this stage.

2.1.15 Sessional Inspectors

The last sessional inspectors left during 2016/17 and this budget is no longer required.

2.1.16 Practioner Inspectors

New inspection posts of Practioner Inspectors are being trialled as part of the career pathways pilot. The draft budget includes provision for 4 FTE Practioner Inspectors (Grade 4). The Pilot will be monitored on a quarterly basis with a full evaluation after 18 months.

2.1.17 Secondees (Inward)

The secondees budget of £457k is intended to fund the secondments of:

- 1 HMICS secondment (198 days)
- 1 Audit Scotland secondment (0.7 FTE)
- 6 Health Improvement Advisers for the Physical Activity in Care Homes grant funded project

2.1.18 Hired Agency Staff

This budget of £212k (2016/17: £440k) is allocated mainly to ICT. In previous years agency staff have been used for technical support posts and one information governance post. During 2016/17 permanent members of staff have been successfully recruited to replace the more expensive agency staff. This provides a significant budget reduction of £228k. The remaining agency budget is intended to be used to retain ICT development contractors critical to the support of the PMS and RMS systems. This position will be kept under review as the Agile development work progresses.

2.1.19 Training, Courses and Conferences

This budget of £544k is intended to fund the staff development programme, the career pathways pilot and cohorts undertaking the new Professional Development Award (PDA).

2.1.20 Other Staff Costs

This budget of £90k has been held at the same level as 2016/17.

2.2 Accommodation Costs

2.2.1 Estates Rationalisation

The leases on some of our largest properties are coming to end in the last quarter of 2016/17 and the first quarter of 2017/18. This has provided the opportunity to make significant budget savings and reduce our carbon footprint by reducing the space we occupy and where possible share accommodation with other public sector organisations.

The main changes are:

- Inverness – office move to share with Scottish Natural Heritage
- Aberdeen – move to a smaller office on a commercial lease but continuing to share with Scottish Government
- Musselburgh – office move to share with Scottish Government at Victoria Quay, Edinburgh.
- Hamilton – reduction from 3 floors to 1 floor at our existing offices
- Paisley – office move to share with Renfrewshire Council

2.2.2 Rent

The rent arrangements for the new and existing Care Inspectorate properties have been analysed to set the 2017/18 rent budget. The estates rationalisation has delivered a reduction in rent of £335k.

2.2.3 Rates

The rates budget for each property has been reviewed. An increase of has been applied to the revised rates figures where appropriate as per advice from our property advisors. After allowing for this general increase in rates the estates rationalisation has delivered a saving in rates of £194k.

2.2.4 Other Property Costs

The budget includes provision for dilapidations and fit out work due in 2017/18 at the Hamilton and Aberdeen offices of £136k and £178k respectively. This is £175k more than the dilapidation costs included in the 2016/17 budget.

This budget also covers other planned and unplanned maintenance, utilities, energy costs and service charges where increases in line with contracts have been applied. The estates rationalisation has resulted in a £208k reduction in these budget areas.

Included within the 2017/18 accommodation costs are costs of £637k that are subsequently recharged to the SSSC and OSCR. A further £98k is recharged to the Scottish Government for the office sharing arrangement in Aberdeen.

There is no provision for general inflation.

The net impact is a £33k reduction in the other property costs budget when compared to 2016/17.

2.3 Administration Costs

This budget of £1.630m has increased by £40k compared to 2016/17.

Part of the savings associated with the reduction in the number of employed Health Improvement Advisers (see section 2.1.9) is offset by an allowance to buy in specialist health advice when this is needed. The draft budget includes an allowance of £66k to fund this specialist advice. This is an increase of £50k to the professional fees budget when compared to 2016/17.

This budget also includes £72k of costs associated with the Physical Activity in Care Homes grant funded project.

The budget movements are detailed in the table below:

	Budget Increase / (Reduction) £000
Reduce circulation of full press cuttings	(6)
Reduce advertising costs	(8)
Bring storage and distribution in-house	(8)
Reduce Care News from 4 to 3 issues	(20)
General Reduction in printed materials	(20)
Reduce conference exhibition costs	(20)
Provision of Flexible Health Advice	50
Physical Activity in Care Homes (grant funded)	72
	40

2.4 Transport Costs

The draft budget includes an increase of £15k for travel costs. This increase is wholly related to the Physical Activity in Care Homes grant funded project. This provides a budget of £1.615m.

It is anticipated that savings from the geographic realignment work and the better use of communications technology will be sufficient to fund the excess travel costs paid to staff affected by the office moves.

2.5 Supplies & Services Costs

The Supplies & Services budget has been increased by £139k compared to 2016/17.

The ICT budget has increased by £90k. ICT costs are strongly affected by the US Dollar / Sterling exchange rate. The weakness of the £ is leading to significant increases in ICT equipment and software licenses.

It should be noted that approximately 88% of the ICT budget is already committed and there is relatively little discretionary expenditure available. It is anticipated that the new Scottish Wide Area Network (SWAN) and telephone contracts will generate in-year savings to supplement the ICT budget.

The proposed HR shared services with SSSC involve a temporary secondment to project lead the development of Pulse HR functionality and reporting. The Care Inspectorate's anticipated share of the cost of this secondment is £31k.

The remaining £18k increase in budget is related to the Physical Activity in Care Homes grant funded project.

2.6 Relevant Income

2.6.1 Shared Services

Work is underway to agree revised Service Level Agreements (SLAs) with the SSSC and OSCR. The draft budget assumes shared service income will remain at the same level as 2016/17 adjusted for pay award assumptions with the exception of:

- New HR Manager recharge £30k
- New Finance Modern Apprentice £10k

2.6.2 Other Income

Other income has reduced by £213k due to the reduced recharge to the Scottish Government for the shared Aberdeen office accommodation (£123k) and a Strategic Inspector secondment in 2016/17 that is not continuing into 2017/18 (£90k).

3.0 DRAFT BUDGET FUNDING POSITION

3.1 Net Expenditure Funded by Grant in Aid and Regulatory Fees

Net expenditure represents the amount to be funded by core grant in aid and fees charged to service providers. This is gross budgeted expenditure less income from recharges of shared costs and other income.

The Sponsor has indicated core grant in aid will be £21.600m, specific grant funding of £0.545 is available and it is assumed fee income will remain at the 2016/17 level of £11.850m. This provides a net expenditure funding figure of £33.995m.

The net expenditure position based on the draft 2017/18 budget is:

	2016/17 Budget £000	**Draft 2017/18 Budget £000**	**Variance £000**
Gross Expenditure	35,632	35,399	(233)
Less:			
Shared service charges	(1,225)	(1,292)	(67)
Miscellaneous income	(235)	(112)	123
Seconded Officer income	(90)	0	90
Net Expenditure	**34,082**	**33,995**	**(87)**
Funding Position:			
Grant in Aid	21,729	21,600	129
Specific Project Funding	194	545	(351)
Regulatory Fee Income	11,850	11,850	0
Total Funding	**33,773**	**33,995**	(222)
Budget (Surplus) / Deficit	**309**	**0**	**(309)**

The significant work undertaken to restructure and identify efficiencies and savings has led to a position where a balanced budget for 2017/18 can be recommended to the Sponsor and Board.

3.2 Grant in Aid

The Sponsor Department has indicated that the grant in aid available to the Care Inspectorate will be £21.600m. This is a reduction of £0.129m from the 2016/17 funding position.

The Chief Executive is seeking additional revenue funding to support the Agile development work that is necessary to mitigate the risks associated with the near obsolete and difficult to maintain core PMS ICT system.

The Sponsor Department will provide a formal grant in aid letter in due course.

3.3 Specific Grant Funding

Scottish Government has provided additional grant of £0.918m for the Physical

Activity in Care Homes project. It is anticipated that £0.545m of this grant will be utilised in 2017/18.

3.4 Fee Income

The fee rates for all service types are currently set at the statutory maximum with the exception of care home fees. It is not intended to increase the current fee charged to care home services in isolation from a strategic review of fees charged to all service types. Therefore the draft 2017/18 budget has been prepared on the basis that fee rates will remain unchanged from 2016/17.

4.0 CAPITAL PLAN 2017/18

The Care Inspectorate does not receive any funding specifically for capital expenditure and the capital plan submitted with this report does not infer any additional resources for 2017/18.

Capital expenditure is financed by using an appropriate amount of grant-in-aid intended for revenue purposes to fund the capital expenditure.

ICT equipment requires to be replaced on a cyclical basis. There are currently no other commitments to any planned capital projects in 2017/18 or subsequent years. Property related alterations and improvements may need to be treated as capital expenditure, requiring a contingency for unplanned expenditure of a capital nature.

Contingency expenditure is intended to provide an allowance to enable the Care Inspectorate to react to events such as equipment failures that require to be capitalised without the need to obtain retrospective approval from the Board and Sponsor Department. The contingency allowance is a reasonable estimate of the expenditure anticipated to be incurred during the year. Expenditure that exceeds the contingent amount agreed in the capital programme would require the appropriate approval.

The Capital Plan for 2017/18 is included as Appendix 2.

5.0 INDICATIVE BUDGETS FOR 2017/18 AND 2018/19

Indicative budgets for 2018/19 and 2019/20, based on the draft 2017/18 budget, have been prepared and are shown in Appendix 3.

The significant assumptions used in the preparation of the indicative budgets are detailed in sections 5.1 to 5.5 below.

5.1 Incremental progression

The indicative budgets assume that all staff not currently at the top of their salary scale will perform satisfactorily and will receive incremental progression.

5.2 Pay Award

The indicative 2018/19 and 2019/20 budgets assume pay awards that are in line with the 2017/18 pay award assumptions i.e. a £400 increase for staff earning less than £22k and a 1% pay uplift for other staff.

5.3 Employers' Charges

An actuarial evaluation of the Tayside Pension Fund is due and this will set the employer contribution rates for 2018/19 and 2019/20. It is assumed the rate the employers' pension contribution rate will remain at 17% for 2018/19 and 2019/20.

No significant change in employer national insurance rates is assumed for 2018/19 or 2019/20.

The apprentice levy is assumed to be unchanged from 2017/18 assumptions.

5.4 Property Costs

2018/19 will be the first year in which the full year savings from the estates rationalisation agreed in 2016/17 will be enjoyed. The indicative budget includes provision for business rates, energy costs and contractual cost increases.

5.5 All Other Expenditure, Income and Funding

All other expenditure has been maintained broadly at the 2017/18 draft budget level adjusted for expenditure related to the physical activity grant.

It should be noted there is currently no budgetary provision for investment in the development of ICT systems.

It has been assumed that grant in aid and fee rates will be maintained at the 2017/18 levels until 31 March 2020.

6.0 BALANCING THE 2017/18 AND 2018/19 BUDGET

Based on this analysis; efficiencies, budget reductions and or funding increases amounting to £0.000m in 2018/19 and £0.502m in 2019/20 are required.

6.1 The 2018/19 indicative position is a balanced budget. This is mainly due to the full year savings associated with the estates rationalisation offsetting cost pressures such as incremental progression and pay awards.

6.2 The impact of cash preserved funding is a significant issue to the development of a balanced 2019/20 budget. It will not be possible to deliver significant budget reduction from estates rationalisation in this period as there are limited lease break and lease end date opportunities. Budget reductions on discretionary spend have been made year on year and opportunities to make further savings will also be limited.

However, the following initiatives are expected to deliver efficiencies and cost reductions:

- Workforce Management Strategy
- Career pathways
- Agile development of scrutiny methodology and the associated ICT systems
- Intelligence strategy

The impact of these initiatives on the development of a balanced 2019/20 budget will be regularly reviewed throughout 2017/18 and 2018/19.

7.0 BUDGET RISKS AND SENSITIVITY ANALYSIS

7.1 Pay Award

The indicative 2018/19 budget includes the same pay award assumptions as the 2017/18 draft budget.

- Each £50 increase for staff earning below £22k costs £6k
- Each 1% increase in the pay award to staff on other salaries will cost an additional £242k.

7.2 Employer Pension

As noted in section 6.3 an actuarial evaluation of the Tayside Pension Fund is due and this will set the employers' pension contribution rates for 2018/19 and 2019/20.

- A 1% increase or decrease in the employer pension contribution rate will mean a change in employer pension costs of £210k.

7.3 Pay and Grading Review

It is intended to review the Care Inspectorate's pay and grading system. There are also a number of posts affected by the recent restructure where job evaluation needs to be undertaken.

This presents a budget risk as there are likely to be transitional costs and a recurring change to the directly employed staff cost budget. The directly employed staff cost budget is 75% of the Care Inspectorate's gross total budget.

7.4 Scrutiny Methodology and Supporting ICT System Development

It is intended to develop our scrutiny methodology and the ICT system that supports the methodology using Agile development techniques.

This will require additional investment in new resources but is also likely to result in the need for significant redeployment of existing resources.

The resource requirements for this Agile development will extend over the full three year budget period relevant to this report. The resource needs have not been quantified at this stage and until this is completed a significant budget risk exists.

The Chief Executive is discussing this development work and the need for additional investment with the Scottish Government.

7.5 Grant in Aid

The indicative budgets assume grant in aid will remain at the 2017/18 level of £21.600m. Each 1% increase or decrease in grant aid will either lessen or add to the budget deficit by £216k.

7.6 Fee Rates

Any increase to fees will be complex and dependent on an increase to statutory maximum fees but an average 5% increase to fee rates would generate additional income of £590k.

8.0 BENEFITS FOR PEOPLE WHO USE CARE SERVICES AND THEIR CARERS

Setting a budget and the subsequent monitoring of the budget to actual income and expenditure throughout the year ensures that the resources available to the Care Inspectorate are directed in accordance with corporate plans and objectives, with the ultimate aim of bringing benefits to people who use care services and their carers.

9.0 CONCLUSION

This draft budget has been set with a view to maximising public assurance and benefits to people who use care services and their carers. This draft budget is closely aligned and is intended to support the Corporate Plan, Scrutiny and Improvement Plan and the Care Inspectorate's overall aim of making a positive impact on the quality of services, while focussing and targeting scrutiny activity where it is most effective.

It is essential that the Care Inspectorate continues to identify and implement efficiencies in order to maintain and, where possible, accelerate progress on re-directing resources to where they are most needed.

Due to the full year effect of the estates rationalisation savings being first realised in 2018/19 the indicative budget position is a balanced budget for 2018/19 based on the assumption funding remains the same as 2017/18.

The indicative budget for 2019/20 demonstrates that without a funding increase, further efficiencies or cuts will be required to deliver a balanced budget. There is limited scope for savings from discretionary budgets and therefore the budget savings required will need to be sourced from other areas of the budget.

LIST OF APPENDICES

Appendix 1 - Draft 2017/18 Detailed Budget
Appendix 2 - Draft 2017/18 Capital Plan
Appendix 3 - Draft 2017/18 Budget and Indicative Budgets 2018/19 and 2019/20