

Social Care and Social Work Improvement Scotland, known as the

# Care Inspectorate

**Annual Report and Accounts**

**2018/19**

Annual Report and Accounts of the Care Inspectorate

This report is laid before the Scottish Parliament under Schedule 11 Section 15(2) of the Public Services Reform (Scotland) Act 2010

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## Foreword by Paul Edie, Chair

Almost everyone will use a form of care service at some stage in their lives. The Care Inspectorate is the scrutiny and improvement support body for social care and social work in Scotland. We work across early learning and childcare, services for children and young people, social care including integrated health and social care, social work as well as community justice. This means we have an unparalleled wealth of data, information and experience of how people, families and communities are affected by the provision and quality of such care services, enabling us to protect vulnerable people and communities and to help support their rights.

Our scrutiny and assurance work, coupled with our data and intelligence, demonstrated that the overwhelming majority of care services continued to perform well and, in most cases, continued to improve. There are some excellent examples of care which is designed to meet people's individual rights, needs and choices and enable them to live as independently as possible. However, where the quality of care did not meet the standards that we would expect, our inspectors worked with providers and others to take the necessary action, from improvement support to enforcement.

Through our own ambitious transformation plan, today's Care Inspectorate is a flexible, adaptable and sustainable organisation. We continue to advocate and support robust self-evaluation and to influence policy and practice, using our evidence, with a focus on driving change and improvement on work aligned to wider legislation.

The integration of health and social care is supported by Scotland's new Health and Social Care Standards Health and Social Care Standards. The Care Inspectorate led the review, development and implementation of these, in partnership with Healthcare Improvement Scotland, working with a broad range of stakeholders from the public, private and third sector.

I believe these new standards are amongst the most progressive anywhere in the world and am pleased to note the successful roll out of these across health and social care settings. This has involved listening to the needs of, and working with, stakeholders and partners, on pilots with service providers, the development of new inspection methodology based on the standards and a self-evaluation approach.

During 2018/19, the organisation appointed a new Chief Executive and my sincere thanks to Gordon Weir for his excellent tenure as interim Chief Executive which provided stability and clear leadership during a period of change and transition. I was delighted to confirm the appointment of Peter Macleod, as the new Chief Executive, in December 2018. With his strong values and commitment to collaboration, Peter has made a significant impact on what we do and how we do it.

I would like to thank our Chief Executive and board members (old and new) and the executive group for their vision and leadership. I would also like to thank the Care Inspectorate's staff for the vital role they play to ensure that hundreds of thousands of people across the country experience better quality care and their rights protected and promoted. Their dedication allows the Care Inspectorate to provide assurance

and protection to some of the most vulnerable people in our society and I cannot thank them enough for this.

I hope you will find this report of interest and an opportunity to reflect on the organisation's work and the important contribution it makes.

Paul Edie  
Chair

# Annual report

## Section A: Performance report

### 1. Performance Overview

#### 1.1 Statement by Chief Executive on performance in the period 2018/19

##### Foreword

I am pleased to introduce our annual report for 2018/19. This was the eighth year of operation for the Care Inspectorate and this report highlights our performance in providing public protection and assurance and supporting improvement in care across the 12,886 registered care services that we regulate, inspect and support to improve in Scotland. The achievements of our staff and partners demonstrate the dedication of our workforce and of colleagues across the public, private and third sectors.

I am delighted and privileged to have been appointed Chief Executive of the Care Inspectorate. The organisation makes an important contribution to world class care and social work and ensures that our activities are intelligence-led, targeted, proportionate and risk based. Our vision is that people across the country receive high-quality, safe and compassionate care that meets their needs, rights and choices. We have delivered rigorous scrutiny and assurance work that is directed at supporting improvement in care.

Our scrutiny and improvement support activities continued to provide public assurance and to build confidence that social care and social work in Scotland is rights-based, through robust and independent scrutiny, assurance and improvement support processes. Through our experience, intelligence and information, we continued to drive and inform policy development and implementation, through collaboration and evidence based approaches to scrutiny and improvement support.

Our breadth of activities, in collaboration and partnership with others at a local and national level enabled us to support people's understanding of high quality, safe and compassionate care. This included through the promotion of the Health and Social Care Standards in line with the quality of service people should expect. And by helping to ensure people's voices are heard, as part of our contribution to reduce health and social inequalities.

Putting people who experience care at the heart of everything we do allowed us to lead on the support the delivery of safe, person led, outcome focused, compassionate and rights-based care. The implementation of the new standards allowed us to continue to build on this. As well as collaborating with other scrutiny bodies, the new standards were produced with organisations representing people who both experience and provide care and, as outlined below, there has been welcome international interest in the approach we have taken in Scotland.

We continued to undertake significant development work and improve the quality, efficiency and effectiveness of our activities against our five major change programmes; business transformation, digital transformation, intelligence, strategic workforce planning and strategic Learning and Development plan. In turn, we delivered a breadth of activity against our four key leadership themes of consolidating excellence, cultural change, building a competent and confident workforce and collaborative working. You can find our Board papers using the following link:

<http://www.careinspectorate.com/index.php/publications-statistics/35-corporate-annual-reports-accounts/corporate-board-meeting-papers>

### **Consolidating excellence**

We continued to be recognised for our expertise and ability to design and lead programmes of improvement and support across the sector. A number of staff successfully completed the Scottish Improvement Leaders programme and we shared our work with an international peer group, including improvement support work around pressure ulcers in care homes, delivered in collaboration with Healthcare Improvement Scotland and Scottish Care. One of the projects, which focuses on intergenerational practice through the Care About Physical Activity (CAPA) programme, also won an award at the Quality Improvement Awards. We also collaborated with providers and Generations Working Together to produce Bringing Generations Together, looking at the impact that bringing generations together can have on the quality of people's lives. Activ8, the CAPA conference, took place in Perth, and showcased the significant, transformational and sustainable impact of the programme on people's lives across Scotland. An evaluation of the programme, using measurable data, demonstrated the significant impact on the lives of older people and also nursery and school children, prison staff and prisoners and other providers and organisations. The Scottish Government approved a proposal to extend and scale up the impact of the CAPA programme, testament to our ability to build capacity and capability in context to improvement in social care.

Compassion in care is an important theme. We contributed on the review of Part 1 of the Children (Scotland) Act 1995 and initiated a range of collaborations in order to promote compassion in residential care. A grant to Aberlour Child Care, from the Life Changes Trust, and to co-produce a project promoting love and compassion for care experienced children and young people, allowed us to develop this with them, Includem and Who Cares? Scotland. We also agreed to co-produce a resource with the SSSC to illustrate how people of all ages experience compassion across social care settings.

Other scrutiny and improvement bodies, from further afield, took a keen interest in our work and we were invited to share this at the annual EPSO (European Partnership of Supervisory Organisations), the network for European social care and health regulators. This allowed us to share the experience of our Young Inspector Volunteers. We also presented our work on developing the new Health and Social Care Standards and supporting positive risk and outdoor play for children, to networks in Canada. The Singaporean ministry of health invited us to share our experiences of modernising approaches to scrutiny and improvement. The European Commission also recommended that Romania consider the Care Inspectorate as a

model for developing national quality assurance approaches in social services. And, along with colleagues from Healthcare Improvement Scotland, we presented our approach to scrutiny and improvement support at the Institute for Healthcare Improvement's International Forum on Quality Safety in Healthcare, in the Netherlands. We also hosted knowledge exchange visits with peer groups from the Netherlands, Malta, Denmark, Sweden and Hong Kong. We also advised regulators from the Irish Republic on developing care standards and were approached by the Nigerian government on developing standards for nursing homes. This level of recognition and interest from our international peers is testament to the impact, reach and contribution of our organisation's work to world class care.

Evidence showed that our work in leading and championing the Health and Social Care Standards, and our change in approach to regulating services had a positive impact on wider cultural change across social care. Our work in this area continued to provide a vehicle for partnership working as well as shaping national policy. The Ministerial Steering Group for Health and Community Care's progress review on the integration of health and social care stated that proposals to share good practice will reflect the standards. The standards were also taken into consideration as part of the Scottish Government's Alcohol and Drugs Strategy and we contributed to the development of statutory guidance for Integrated Joint Boards. The new model is changing how quality is described and understood and Scotland Excel welcomed the focus on relationships and rights-based care and the standards were added to their criteria for invitations to tender and service specifications. A key report by Scottish Care also reflected positively on the impact of the standards and our new inspection methodology on the quality of care and the overall tone of our service regulation. The Scottish Human Rights Commission cited the standards as evidence to the UK Parliament's Joint Committee on Human Rights, in relation to how the Human Rights Act has been realised in Scotland. Also, colleagues developed an online resource for staff and services to support the implementation of the Health and Social Care Standards and we collaborated with Carers Scotland, Carers Trust Scotland, national care organisations and the wider voluntary sector on the implementation of the standards. Several universities and colleges requested presentations on the standards to staff delivering health, social care and early learning and childcare courses, with a focus on compassion and people's rights, rather than traditional rules based compliance.

We continued to deliver business and digital transformation and implemented some of our new inspection frameworks for care services, starting in care homes for older people. We published the new Quality Framework for Care Homes for Older People and started inspections in line with this new methodology, aligned to the health and social care standards and with a strong focus on self-evaluation. We also commenced the development work to extend this across all other care settings.

Our Children and Young People teams finalised the report on Child Sexual Exploitation in line with our work to identify children at risk and support staff in their role of prevention and protection of those in their care. Separately, we published our Joint Inspection of Adults Support and Protection, in collaboration with Her Majesty's Inspectorate of Constabulary in Scotland and Healthcare Improvement Scotland. We also completed the first two joint inspections of services for children in need of care and protection and published a triennial review for the early learning and childcare



and children and young people sectors for the period 2014/2017. We produced guidance to support providers and commissioners of services of Scotland's most vulnerable children to make decisions about placements that can meet the needs of individual children. In terms of services focused on community payback orders, we completed our first inspection of criminal justice social work services, to support developments around the presumption against short sentences. Governance of justice services in context to health and social care integration emerged as a theme across these inspections. The work of our inspectors and the development of a self-evaluation guide, co-produced with stakeholders, supported the early stage of the implementation of the Community Justice Strategy.

We published a joint report, with SSSC, on vacancies in care services, the first report of its kind to ensure consistent reporting on this subject; we also published our annual report on complaints statistics. In addition, we published two overviews of inspection findings, from joint strategic inspections of services for children and young people as well as our findings from inspections in regulated care services for children and young people.

### **Cultural change**

The organisation continued to change, with the delivery of the next phase of our transformation plan, including the launch of a new intranet site. We developed our collective leadership model, to support the importance of relationships, connections and collaborative working. We engaged our workforce through a coaching conversations programme and staff feedback was overwhelmingly positive. Coaching conversations is also central to LEAD, our new personal development for staff. We embedded our new complaints process and started to give some consideration to the potential development of an app. As part of the registration review and our digital and business transformation, we also held provider events across Scotland, to develop aspects of a new registration process.

Our culture representative group made excellent progress on a review of our culture strategy and initiatives to progress an empowered culture across the organisation and we started some work to look incorporating the principles of 'joy at work' into our wider cultural programme.

I am committed to build a values based organisation, with a common purpose, and am pleased with the significant progress that has been made in this area. It is important that we continue to lead by example, given our expectation of others around values such as compassion, dignity and respect in all that we do in supporting people who experience care.

### **A competent and confident workforce**

An evaluation of the work of our Improvement Support team, to support inspection staff to develop their improvement support role, showed very positive outcomes. This is something that we continued to build on as part of our wider scrutiny and improvement support activity. The launch of our new Professional Development Award in Scrutiny and Improvement Support was positively received by staff, as well as the SQA and SSSC, with the latter now requiring this for registered scrutiny staff; it was agreed that this future cohort would include regulated service inspectors from the Care Inspectorate and Healthcare Improvement Scotland.

The work on the Short Observational Tool for Inspection (SOFI) pilot for day care of children's service was completed and evaluated. This included staff training to enable early learning and childcare colleagues to utilise this additional tool in respect of their inspection methodology.

We developed a new approach to recruitment and coordinated 50 campaigns, attracting over 500 candidate applications; the employee turnover rate remained unchanged at 8%. We also hosted a number of interns to meet our commitment to Youth Employment, Investors in Young People and Developing Scotland's Young Workforce, in turn, supporting Scotland's Year of Young People.

Following a rigorous assessment programme, we demonstrated our commitment to improving health and wellbeing of our workforce, by successfully maintaining the Gold level Healthy Working Lives Award Programme. A Health Working Lives strategy and action plan was developed for the next three years, providing a framework for us to plan operational delivery and health and wellbeing programmes for staff. We continued to promote and be involved in other health working lives initiatives, including the Paths for All Step Count Challenge.

Meeting the needs of our broad range of customers remains an important aspect of our work. As well as digital and business transformation, in order to help meet customer expectation and improve customer satisfaction, a number of our staff gained the Lean Six Sigma Yellow Belt qualification.

### **Collaborative working**

Our Improvement Support team continued to work with providers and partnerships, care services, Scottish Care and NHS Scotland. We also supported the Scottish Prison Service in developing their approach to self-evaluation, using the expertise and experience of our staff. The Care Inspectorate/ Healthcare Improvement Scotland improvement work plan and joint working arrangements were agreed, with the plan outlining key leads linking in to specific pieces of work across the organisation. We worked with the Technology Enabled Care section of the Scottish Government, local authorities, NHS Education for Scotland, the Scottish Fire Service and others, to develop guidance for local authorities and care providers. This is aimed at developing and enhancing the availability of telecare services and responders across Scotland. We also worked with the Competition and Markets Authority to support the provision of advice to care homes on consumer law and effective practice. We collaborated with Scottish Government and the Centre for Excellence for Looked After Children in Scotland and developed a shared data set. This is to support partners to demonstrate how well they are working together to keep children safe and delivering their responsibilities as corporate parents. We strengthened our collaborative working with other regulators, for example, through shared learning and best practice with the Regulation and Quality Improvement Authority.

We continued to work in partnership with Education Scotland to develop a shared inspection framework for both organisations. This was done through consultation with staff from both organisations and more widely. We continued to build on our established relationship with the Care Quality Commission, banks and commissioners, with work around improving predictive intelligence and expertise,

and risk mitigation, to protect continuity and improvement in care outcomes for vulnerable people.

Our work continues across a number of interesting and connected issues, as well as around emerging challenges. Our approach is to target resources in a more strategic way, to where they will have the greatest impact, and informed by our enhanced intelligence capacity. We have strengthened quality assurance procedures and are resolving many more simple complaints about care services through front-line resolution.

I would like to thank our staff for their dedication and commitment and for embracing change. In turn, this enables us to continue to provide scrutiny, assurance and improvement support to help services to meet the needs of people who experience care and the many networks and organisations that support them.

**Peter Macleod**  
**Chief Executive**

## 1.2 Purpose of overview section

The overview section provides information on the statement of purpose and activities of the Care Inspectorate and on key issues and risks affecting the organisation. This section also reports on any going concern and provides a performance summary against the organisation's strategic aims.

## 1.3 Statement of purpose and activities of the organisation

The Care Inspectorate is the official statutory body responsible for inspecting standards and furthering improvement of social work and social care in Scotland. That means we regulate and inspect care services to make sure they are operating at the levels we expect. We also carry out joint inspections with other bodies to check how well local partnerships are working to support adults and children. We help ensure social work, including criminal justice social work, meets high standards.

It is our responsibility to help ensure that people experience high quality care and support. We play a key part in improving care for adults and children across Scotland, acting as a catalyst for change, improvement, innovation and promoting good practice.

We are an executive non-departmental public body. This means we operate independently from Scottish Ministers but are accountable to them and are publicly funded. Our functions, duties and powers are set out in the [Public Services Reform \(Scotland\) Act 2010](#) and associated regulations.

Our Board sets our strategic direction and oversees governance, while taking account of legislation and Scottish Government policy guidance. You will find more about [our Board](#) on our website. Our staff team is led by our Chief Executive and three executive directors.

We regulate 12,886 care services. The bulk of these are childminders, care homes, care at home, daycare of children, and housing support. In addition, we also regulate adoption and fostering services, secure care, school accommodation, nurse agencies, and offender accommodation. You will find more information about the numbers and types of services we regulate on [our website](#).

Our regulatory work includes registering and inspecting care services, dealing with complaints and carrying out enforcement action, where necessary. We also play a significant role in supporting improvement in care services and local partnerships.

### **Care Inspectorate vision**

The Care Inspectorate believes that people in Scotland should experience a better quality of life as a result of accessible, excellent services that are designed and delivered to reflect their individual needs and promote their rights.

## **Care Inspectorate purpose**

The Care Inspectorate will contribute to this vision by:

- providing assurance and protection for people who experience care and their carers
- delivering efficient and effective scrutiny assurance and improvement support
- acting as a catalyst for positive change and innovation
- enabling self-evaluation, identifying and spreading good practice.

## **Care Inspectorate values**

- Person-centred – we will put people at the heart of everything we do.
- Fairness – we will act fairly, be transparent and treat people equally.
- Respect – we will be respectful in all that we do.
- Integrity – we will be impartial and act to improve care for the people of Scotland.
- Efficiency – we will provide the best possible quality and public value from our work.

## **Care Inspectorate Strategic Objectives<sup>1</sup>**

1. We will give public assurance and build confidence that social care and social work in Scotland is rights-based and world class, through robust and independent scrutiny and improvement processes.
2. We will inform local and national policy to contribute to ensuring a world class care system in Scotland, through intelligence-led, risk-based, and evidence-based approaches to scrutiny and improvement.
3. We will support peoples' understanding of high quality, safe and compassionate care by promoting standards and quality of service they should expect and help make sure their voices are heard.
4. We will perform as an independent, effective and efficient scrutiny and improvement body, working to consolidate excellence, deliver cultural change, invest in a competent, confident workforce and work collaboratively with partner agencies to support the delivery of safe and compassionate, rights-based care.

## **How we register care services**

Every care service falling within the definition in the Public Services Reform (Scotland) Act 2010 must be registered with the Care Inspectorate. We register all new care services to ensure that they meet legal requirements, evidence their ability to provide good quality care and take into account the national care standards. We may make variations to any conditions of registration. When a service cancels its registration or is faced with sudden closure, our regulatory approach aims to safeguard the people who are using the service by working with the provider, local authority and others to ensure changes are planned and uncertainty is minimised.

## **How we inspect care**

Our scrutiny and improvement plan is agreed annually by Scottish Ministers. In 2018/19, the majority of inspections were unannounced. Using intelligence, our inspection plan focuses on poorer performing and high risk services. Inspectors use a variety of methods, depending on the type of service they are inspecting to

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▪ <sup>1</sup> During 2018/19, we continued to consult widely on the development of a new corporate plan. This considered three strategic outcomes for the period 2019/2022: people experience high quality care, people experience positive outcomes and people's rights are respected.

examine the experiences of and outcomes for people as a result of using a care service.

With regulated care services, we visit every service we inspect and talk to people who use care services, their carers and their families. We talk to staff and managers privately and in groups, examine what quality of care is being provided, look at the activities happening on the day, examine records and files, and ensure people have choices that reflect their needs and promote their rights. We may make recommendations and requirements, or take enforcement action if necessary. We take account of self-evaluation from the service itself and assess the performance of the service against the Health and Social Care Standards. We grade care services using a six-point scale from unsatisfactory to excellent across four themes: their quality of care and support; their quality of environment; their quality of staffing; and their quality of management and leadership.

We also deal with complaints about regulated care services. Upheld complaints about a service may affect its grades and how frequently we inspect it.

During 2018/19, we continued with our joint inspections for children's services and older people's services. The inspections of services for children and young people are led by the Care Inspectorate, working alongside education, health and police scrutiny partners. We examine how well services are provided in community planning partnership areas, and how well those services are working together to improve the outcomes for children and young people, reduce health and social inequalities and raise attainment. Working with Healthcare Improvement Scotland, we have continued our work on inspections of services for older people during 2018/19. We also reviewed our joint methodology, to build a methodology that reflects the integrated landscape and to allow us to examine the quality of strategic commissioning in Scotland.

These joint inspections allow us to undertake scrutiny of social work services in local authorities, including criminal justice social work. If things go seriously wrong in criminal justice social work, we help make sure the right lessons are learned by providing scrutiny of serious incident reviews. Local authorities must also notify us about the death of a looked after child, and where necessary we review the circumstances surrounding the death. We also review inter-country adoptions on behalf of Scottish Ministers. We review significant case reviews and have agreed new processes with the Scottish Government for doing this in respect of such reviews about children and young people.

## **1.4 Key issues and risks affecting the organisation**

Every year, as part of our corporate planning process, we consider the major risks that might prevent us from achieving our objectives and look at how we can reduce these risks. On an annual basis, the Board undertakes a strategic review of risk to examine the major risks facing the Care Inspectorate and maintains and receives the resulting risk register throughout the year.

The risk register details each major risk that has been identified, the likelihood of it occurring and the scale of impact were it do to so. The register then identifies specific objectives deriving from, or linked to, the corporate plan that may help to mitigate the impact on the Care Inspectorate were any or all of the risks to materialise. Each risk is scored in its raw state and re-assessed after consideration of mitigating factors. This facilitates a clearer understanding of where executive and management level scrutiny and preventative measures need to be focused. Eight strategic risks are included on the risk register. These can be grouped into the following themes:

- reputational risks which could lead to a loss of confidence in the Care Inspectorate as a national scrutiny and improvement body and authoritative voice on the standard of care and social work services.
- resource risks which could affect the Care Inspectorate's capacity to deliver its strategic objectives.
- external environment influences including political, legislative and partnership working influences.

The Board are monitoring the financial impact of the SSSC decision to end shared ICT services. Non-recurring funding of £0.205m has been agreed for 2019/20 to provide time for the Care Inspectorate to make adjustments.

In addition, the consideration of risk is a standing item at each meeting of the Board and Committees.

## **1.5 Going concern**

The Care Inspectorate Board has no reason to believe the Scottish Government and Scottish Ministers have any intention to withdraw or reduce support to the Care Inspectorate. It is therefore appropriate to prepare the accounts on a going-concern basis.

The Statement of Financial Position as at 31 March 2019 shows net liabilities of £16.5m. The net liabilities are mainly the result of actuarial assumptions adopted for the application of accounting standard IAS 19.

IAS 19 requires the liabilities and assets of the pension scheme to be valued. The pension liability represents the best estimate of the current value of pension benefits

that will have to be funded by the Care Inspectorate. The liability relates to benefits earned by existing or previous Care Inspectorate employees up to 31 March 2019.

The Care Inspectorate participates in a pension fund which is the subject of an actuarial valuation every three years. This actuarial valuation is different from the valuation required by the accounting standard IAS 19. The actuarial valuation determines employer contribution rates that are designed to bring fund assets and liabilities into balance for the fund as a whole over the longer term.

Therefore, the liability will be reduced through the payment of employee and employer contributions each year. Any future increases in employer contributions will require to be reflected through the grant-in-aid agreed with the sponsor department.

## 1.6 Performance summary

### Financial performance

Our budget is funded mainly by a mixture of grant in aid from the Scottish Government and fees paid by service providers. (Grant in aid means the Scottish Government provides funding but without imposing day-to-day control over how we spend it.) In managing our finances, we are not allowed to use overdraft facilities or to borrow.

The Scottish Government sets the maximum fees the Care Inspectorate may charge. Changes to maximum fee rates require a public consultation exercise. The maximum fees charged to care service providers have not increased since the 2005/06 financial year.

Our grant funding position for 2018/19 was as follows:

	<b>Budgeted Position</b>	<b>Actual Funding</b>
Grant in aid	£21,389	£21,389
Other government grant	£1,445	£1,555
<b>Grant Funding 2018/19 (Note 12)</b>	<b>£22,834</b>	<b>£22,944</b>

Other government grant includes Scottish Government specific programme funding totalling £885k during 2018/19 and £670k towards the cost of implementing a business and digital transformation programme.



The table below shows our revenue budget position.

	<b>Budget £000</b>	<b>Actual £000</b>	<b>Variance £000</b>
Revenue expenditure	37,569	38,149	580
Fee income	(11,850)	(11,911)	(61)
Other revenue income	(1,431)	(2,060)	(629)
<b>Net expenditure before grant funding</b>	<b>24,288</b>	<b>24,178</b>	<b>(110)</b>
Grant in Aid	(21,389)	(21,389)	0
Specific grant funded projects	(425)	(885)	(460)
Business & Digital Transformation	(1,020)	(670)	350
<b>Total 2018/19 grant funding</b>	<b>(22,834)</b>	<b>(22,944)</b>	<b>(110)</b>
<b>Net expenditure after grant funding</b>	<b>1,454</b>	<b>1,234</b>	<b>(220)</b>

### **Reconciliation to Statement of Comprehensive Net Expenditure (SCNE)**

We prepare our annual accounts in accordance with the Accounts Direction issued by Scottish Ministers. The Accounts Direction (reproduced at Appendix 1) requires compliance with the Government Financial Reporting Manual (FRoM). Our funding and budgeting position is different from the accounting financial position as shown in the Statement of Comprehensive Net Expenditure (SCNE) for three reasons.

1. For budgeting purposes we consider grants and grant in aid to be income. The accounting position must present grants and grants in aid as sources of funds and are credited to the general reserve on the Statement of Financial Position.
2. Post-employment benefits (pensions) must be accounted for using International Accounting Standard 19 'Employee Benefits' (IAS 19). IAS 19 requires accounting entries for pensions to be based on actuarial pension expense calculations. Our funding position is based on the cash pension contributions we make as an employer to the pension scheme.
3. Grant in aid used for the purchase of non-current assets is credited to the general reserve and the balance is reduced by the amount of depreciation charged each year. The current year depreciation charge is £75k.

The table below reconciles the deficit shown on the Statement of Comprehensive Net Expenditure (SCNE) to the deficit recognised for funding and budgeting purposes. The budgeted deficit of £1.454m is funded by a general reserve balance built up in previous years to assist with funding our business and digital transformation programme and invest in ICT modernisation. The actual deficit is

£0.220m less than budgeted deficit and this will assist with budget pressures in 2019/20.

	Ref	£000	£000
Deficit per the SCNE	SCNE		28,582
Revenue funding from grants & grant-in-aid	Note 15		(22,944)
Reverse IAS 19 pension accounting adjustments	Note 5b		(4,329)
To fund depreciation and asset disposals	Note 6		(75)
<b>(Surplus)/Deficit on budget basis</b>			<b><u>1,234</u></b>
<b>Movement of General Reserve Balance:</b>			
Accumulated revenue reserve		2,689	
Capital reserve		<u>236</u>	
<b>Opening General Reserve Balance</b>	<b>Note 15</b>		<b>2,925</b>
(Surplus)/Deficit on budget basis			1,234
Depreciation			75
<b>Closing General Reserve Balance</b>	<b>Note 15</b>		<b><u>1,616</u></b>

### Supplier payment policy

The Care Inspectorate is committed to the Confederation of British Industry Prompt Payment Code for the payment of bills for goods and services we receive. It is our policy to make payments in accordance with the Scottish Government's instructions on prompt payment and a target of payment within 10 days. We paid 99.13% (2017/18: 90.69%) of invoices within 10 days.

### The Scottish Regulators' Strategic Code of Practice

The Care Inspectorate is subject to the Scottish Regulators' Strategic Code of Practice ('the Code'). The Code is made by the Scottish Ministers and laid before the Scottish Parliament in accordance with the provisions of the Regulatory Reform (Scotland) Act 2014. The Code sets out how regulators should exercise their functions in a way which is consistent with the principles of better regulation and promotes sustainable economic growth. The Care Inspectorate is committed to mainstreaming compliance with the Code in all of its regulatory work. The Care Inspectorate takes account of the Code in the development and review of its policies, procedures and methodologies. It complies fully with the Code in making its regulatory decisions, particularly in relation to registration and enforcement actions, which may impact significantly upon businesses.

## **Summary of Main Achievements**

Over the year, we completed much of what we set out to achieve and we made significant progress in many key areas of our work. These achievements are covered in more detail in Section 2 below.

Performance against our Key Performance Indicators (KPIs) was mixed. We met our targets for the KPIs associated with delivering public assurance and confidence through our scrutiny and improvement work. We exceeded our 99% target for the percentage of first statutory inspections completed. We also exceeded our 90% target for whether people thought our inspections would help the service to improve: with 98% of people experiencing care and 98% of staff who responded stating that they believed our inspections would help the service to improve. We only just missed our target for the percentage of registrations completed within timescales.

On the other hand, we fell short of some important targets, in particular those we set for investigating complaints within target timescales. The drops in performance were in part due to recording practices changes, but also due to resourcing issues which we will work to resolve in 2019/20.

Section 2 below provides a complete overview of our performance against our key performance outcomes along with some key achievements completed throughout the year.

## 2. Performance Analysis

### 2.1 How do we measure performance

We monitor our performance against:

- the four strategic objectives in the corporate plan for 2016 to 2018
- the key performance indicators (KPIs) associated with our strategic objectives.

Regular monthly and quarterly reports on our performance, structured around our strategic objectives, priorities and KPIs, provide our Executive Team and managers with information to monitor progress and act where necessary. Quarterly performance reports are discussed by the Board of the Care Inspectorate and are published on our website. The following section provides a summary of our performance over the year – fuller detail is available in our quarterly reports on our website.

<http://www.careinspectorate.com/index.php/publications-statistics/35-corporate-annual-reports-accounts/corporate-board-meeting-papers>

### 2.2 Detailed analysis of development and performance

Our corporate plan sets out four strategic objectives, with a number of priorities and performance measures under each. The following is a summary of key work and achievements under each strategic objective.

**Strategic objective 1: We will give public assurance and build confidence that social care and social work in Scotland is rights-based and world class, through robust and independent scrutiny and improvement processes.**

#### Delivering our scrutiny and improvement programme

##### Registered care services

At 31 March 2019, there were 12,886 registered care services operating in Scotland. The majority of these services perform well: 88% of services that had been inspected and graded by the end of the year were good or better for every theme. Over the year, 95% (95% in 2017/18) of those services that started the year with grades of good or better for every theme maintained or improved on those grades. You will find more information about numbers and types of services, and their grades, on our website, at <http://www.careinspectorate.com/index.php/statistics-and-analysis>

Over the year we inspected 99.9% of the statutory care service inspections on our plan, exceeding our 99% target. One statutory inspection was not completed due to the service being mainly inactive through the year.

In total, we undertook 15,052 care service scrutiny interventions this year (16,270 in 2017/18), including inspections, new registrations, complaints, enforcements and variations. At a sample of inspections, we asked people whether they think our

inspections will help the service to improve: 98% of people experiencing care and 98% of staff who responded thought that it would.

Measure	Description	Target	Performance 2018/19 (2017/18)
KPI 1	% of first statutory inspections completed	99%	99.9% (99.3%)
KPI 2	% of people who tell us our scrutiny interventions help services to improve:		
	a) People experiencing care	90%	98% (93%)
	b) Staff in care services	90%	98% (98%)

### Enforcements

We served a total of 28 (19 in 2017/18) non-technical enforcement notices about 26 different services in 2018/19. You can find further statistical information about enforcement on our website.

<http://www.careinspectorate.com/index.php/statistics-and-analysis>

### Strategic scrutiny

#### Children and young people

- We published findings from our joint inspections of children's services in:
  - Perth and Kinross, South Ayrshire (progress review), Moray (progress review) and Argyll and Bute
- We also published a review of the effectiveness of the delivery of services by community planning partnerships (CPPs) in Scotland to meet the needs of children and young people, including those identified as most vulnerable.

#### Adult services

- We published findings from our joint inspections of adult strategic planning in:
  - Renfrewshire, Clackmannanshire and Stirling and North Ayrshire
- We also published progress reviews from our joint inspections of services for older people in:
  - Western Isles, Aberdeen City and City of Edinburgh
- We published the findings of the adult support and protection inspections carried out jointly with Her Majesty's Inspectorate of Constabulary in Scotland (HMICS) and Healthcare Improvement Scotland (HIS) in six health and social care partnership (HSCP) areas (North Ayrshire, East Dunbartonshire, Highland, Aberdeenshire, Dundee City and Midlothian).

#### Criminal justice

- Working with stakeholders including Community Justice Scotland we agreed a process for deciding on the focus of, and priority areas for, the first two years of inspections of criminal justice social work.
- We commenced our first scrutiny of justice services with an inspection of criminal justice social work services' implementation of community payback

orders in Scottish Borders and validated a self-evaluation of community justice in North Lanarkshire.

You can find copies of all strategic reports under 'Inspection Reports' here:

<http://www.careinspectorate.com/index.php/publications-statistics>

### **Developing our scrutiny methodology**

From 1 April 2018, our inspections took account of the Scottish Government's new Health and Social Care Standards. You can find out more about the health and social care standards here: <http://www.newcarestandards.scot/>

During 2018/19 a range of new inspection frameworks were either implemented, piloted or developed. These frameworks fully reflect and support the implementation of the health and social care standards.

- The framework for inspecting care homes for older people was implemented. Inspectors and service providers are reporting that inspections using the new framework are more focussed on improving outcomes for people.
- The framework for inspecting care homes for adults was piloted. Initial feedback from these inspections indicates that scrutiny practice is more focussed on assessing people's experience of rights, respect and wellbeing. The new framework will be rolled out in May 2019.
- The children and young people teams have contributed to the development of the quality framework for care homes for children and school care accommodation (special residential schools), with the pilot for this taking place in April 2019.

### **International interest in the outcomes-focussed approach**

Our approach to scrutiny and improvement, has generated a significant level of interest from other countries and provided opportunities for collaborative working and impact internationally. We have undertaken funded visits to Singapore, Bulgaria and Canada and visits from Malta, Denmark and Hong Kong. Over the year, we presented at the European Partnership for Supervisory Organisations in Copenhagen, the International Forum on Quality and Safety in Healthcare in Amsterdam, at this year's prestigious European Social Services Conference in Seville, and the international conference on integrated care in San Sabastian.

### **Collaboration with partners and Multi-agency intelligence sharing**

In addition to the specific examples above, we worked in collaboration with several partners over the year to maximise the impact our collective scrutiny interests.

Amongst others we collaborated and shared information with:

- Education Scotland to continue our annual programme of inspections of day care of children services that offer pre-school education.
- Community justice partners, including Community Justice Scotland and Scottish Prison Service.
- Healthcare Improvement Scotland around our improvement activities in care, and on the focus of joint inspections and better targeting and coordination of improvement activity to support effective integration.
- The Improvement Service to ensure we co-ordinate our activities to support self-evaluation and improvement in care.

- NHS Education for Scotland Knowledge Services looking at developing care planning guidance
- We contributed to the Audit Scotland-led annual shared risk assessment process, compiling our intelligence to highlight risks in each of the 32 local authority areas in Scotland.
- We shared intelligence we hold about care and the care systems within NHS Board areas as part of the Sharing Intelligence for Health and Care multi-agency group, which includes Healthcare Improvement Scotland, NHS Education Scotland, the Mental Welfare Commission, Audit Scotland and Public Health Intelligence Scotland.
- The Care Inspectorate is part of the United Kingdom's National Preventive Mechanism (NPM), which is responsible for the independent monitoring of all places of detention throughout the UK. The subgroup in Scotland tailors scrutiny of the treatment of detainees and the conditions in which they are held.

### **Improvement focus**

We have a significant statutory role in supporting improvement across the care sector. A core part of our work includes time spent with services focusing on how they can develop and improve in a sustainable way. Examples of our improvement support focus include:

- Five members of our Improvement Support Team graduated from Scottish Improvement Leader Programme in December 2018.
- We delivered a series of improvement workshops designed to improve knowledge and understanding of the Model for Improvement and how to apply this in practice for our own staff as well as for providers, partnerships and other agencies.
- We redeveloped The Hub: our online centre giving access to a wide range of improvement resources, which is now used widely across the sector.
  - We partnered with the Scottish Government to host their new training directory for early-years practitioners and all Scottish Government funded self-directed support resources.
  - We partnered with Social Services Knowledge Scotland (SSKS) to develop a new section on research resources and skills.

### **Building capacity**

The Care About Physical Activity (CAPA) programme is funded by the Scottish Government through Active Scotland and aims to increase physical activity amongst older people in the care sector.

- The CAPA evaluation (<http://bit.ly/capaevaluation>) has been published and shows excellent results using measurable data.
- The programme has had a significant impact on the lives of older people across the eight partnerships involved and, nursery and school children, prison staff and prisoners, other providers, organisations and local communities. There has been a positive impact on the wider health and social care system as a result.
- The Scottish Government Active Scotland Division provided further funding to the Care Inspectorate to expand the CAPA programme to a second phase, over an 18 month period, until May 2020. It will spread and scale up the improvements from CAPA and have a greater reach and impact across

Scotland.

We worked with partners over the year to develop, or support the development of, a range of resources including:

- 'Animal Magic' – an online publication showcasing the health and therapeutic benefits of being around animals for children and adults
- 'Gender equal play in early learning and childcare' - a collaboratively produced improvement resource promoting gender equality in how practitioners engage with children.
- 'Reducing pressure ulcers in care homes' - An iHub webpage providing information, best practice guidance and resources on reducing pressure ulcers in care homes.

**Strategic objective 2: We will inform local and national policy to contribute to ensuring a world class care system in Scotland, through intelligence-led, risk-based, and evidence-based approaches to scrutiny and improvement.**

### **Developing our Intelligence-led approaches**

In line with being an intelligence-led organisation and implementing phase one of our new intelligence model, members of the intelligence team:

- Completed a degree-level Professional Development Award (PDA) in intelligence analysis.
- Developed intelligence products about specific aspects of care, which in turn enabled us to target some of our improvement work.
- Created solutions which could be embedded in our new systems to help target resources and improve efficiency. These included:
  - Using current visualisation and analysis techniques to identify the factors that may lead to deterioration in the quality of a care home for older people.
  - Developing grading profiles to help ensure we grade services consistently.
- Updated the suite of intelligence tools that inform inspections and the work of our relationship managers and link inspectors.
- Developed a training package for staff and ran several training events over the year.

### **Informing policy development and implementation**

We continued our active involvement in the development of a number of key policies, and supported their implementation. The Care Inspectorate have been asked to:

- Continue jointly working with Healthcare Improvement Scotland to develop standards for the introduction of Barnahus and statutory guidance for integrated joint boards on community engagement.
- Support the Scottish Government's key policy of extending the entitlement for all three and four and eligible two-year olds from 600 to 1,140 hours by 2020.
  - Evaluate the impact of additional graduates within ELC settings
  - Support local authorities to plan for and deliver the additional early learning and childcare hours by 2020
- Share our findings at national and international conferences, and we have supported research into promoting being active by some Scottish universities.



- Help inform the development of national policy and legislation
- Support the national work of the iHub in four test sites to improve identification of palliative and end of life needs in care homes. This work will be built upon with a new Palliative and end of life care (PEOLC) Care Home Improvement Collaborative which is led by the iHub but which will have an associate improvement advisor from the Care Inspectorate as part of the core programme team.
- Continue engaging with the Scottish Child Abuse Inquiry Provide evidence to a number of Scottish Parliamentary Committees and respond to a wide range of relevant consultations over the year.

### **Publishing our findings**

We continued to publish publications to inform local and national policy. All our publications are available in the publications section of our website <http://www.careinspectorate.com/index.php/publications-statistics>. We published a range of publications including:

- Review publications such as ‘Review of care services for early learning and childcare 2014-17’ and ‘Review of care services for children and young people 2014-17’.
- Thematic publications such as ‘Preventing and responding to child sexual exploitation: evidence from inspections of care services for children and young people’.
- Statistical Publications such as ‘Early Learning and Childcare Statistics’, ‘Complaints Statistics 2015/16-2017/18’, ‘Fostering and Adoption Statistics 2017-2018’ and jointly with the Scottish Social Services Council (SSSC) ‘Staff Vacancies in Care Services, 2017’.

<b>Measure</b>	<b>Description</b>	<b>Target</b>	<b>Performance 2018/19 (2017/18)</b>
KPI 3	% of people who say our national reports and publications are useful	90%	61% (N/A) – based on very low numbers 18 responses

Our publications are used frequently with each of our main publications getting hundreds of downloads. Very few publication users completed a feedback survey but those that did rated the presentation and interpretation of information highly. Reasons for publications being rated as not useful included the timeliness of the publication and the publication not providing the specific information that the reader was interested in

### **Sharing information**

We make a great deal of information available on our website including:

- Detailed information about every registered care service in Scotland
- Open data in our public datastore, which contains key information about individual care services, along with interactive summary tables.

- We also publish regular quarterly statistical summaries on our website.

During 2018/19, we responded to:

- 42 freedom of information requests, of which 40 were sent out within the statutory 20-day deadline
- 24 data protection requests, of which 19 were sent out within the statutory 40-day deadline

We have regular information sharing arrangements in place with a wide range of other bodies, including public bodies such as Scottish Government, the Scottish Social Services Council, Education Scotland and the Scottish Public Services Ombudsman. Copies of our formal agreements are available on our website.

<http://www.careinspectorate.com/index.php/publications-statistics/79-corporate-annual-reports-accounts/data-sharing-memorandums-of-understanding?limitstart=0>

**Strategic objective 3: We will support peoples' understanding of high quality, safe and compassionate care by promoting the standards and quality of service they should expect, and help make sure their voices are heard.**

### **Involving people in our work**

In order to make meaningful improvements to social work and social care we expect services to involve people who experience care in their work, and we have made significant steps to ensure that we involve people in our own work. This includes:

- providing information in public inspection reports and thematic reports, through our website, The Hub and the media, as well as through public and community events.
- holding regular forums with our stakeholders, including people who experience care and service provider representatives through our Quality Conversations and other fora.

We hold Investors in Volunteers status, reflecting our commitment in this area, and the wide range of ways we involve people who experience care in our work, some of which are outlined below.

- Our Board includes members who experience care.
- Our strategic inspections of children's and adult's services include consultation with people who experience care.
- We worked with our Young Inspection Volunteers to secure them places on the college-based Community Achievement Awards course.
- A young inspection volunteer took part in a workshop presentation on the involvement of people experiencing care and support at the European Social Services Conference in Seville.
- Our new involvement strategy was developed in consultation with people who volunteer with us.

Our inspection volunteer programme involves people with personal experience of care in our inspections. In 2018/19 7.5% of all inspections in 2018/19 included an inspection volunteer.

Measure	Description	Target	Performance 2018/19 (2017/18)
KPI 4	% of inspections involving an inspection volunteer	Not applicable	7.5% (7.2%)

### Listening to people who experience care

Our inspections of regulated care services involve consulting with and speaking to people who experience care. 93% of respondents told us they were happy or very happy with the quality of care they received in 2018/19.

During inspections, our inspectors have used different ways to engage with people who experience care, for example using the Short Observational Framework Inspection (SOFI) tool. All staff inspecting adult care have received SOFI training and it is now embedded in our scrutiny activity and is a core assurance at inspections of care homes and day care services. Plans are being finalised to roll out SOFI training to early learning and childcare (ELC) colleagues.

### Concerns and complaints

We have a statutory duty to deal with complaints made to us about registered care services and our new complaints handling procedure sets out how we do this. <http://www.careinspectorate.com/index.php/complaints>

In 2018/19, in order to better reflect our new complaint procedure, we reviewed our KPI5 measure ‘% of complaints about care services that are investigated within the relevant timescales’ and it is now presented as two separate measures.

- KPI5(a) includes only those complaints that progressed to a full investigation.
- KPI5(b) shows the wider experience of those who have made a complaint where we have reached a resolution, including both full investigation and front line resolution.

We investigated 70% of complaints (including front line resolution) about care services within the relevant timescales, below our target of 80%, and a decrease from 80% last year. When front line resolution is excluded the percentage of complaints about care services investigated within the relevant timescales drops to 50%, down from 72% last year. The drops in performance on both measures are in part attributable to changes in recording but also due to resourcing issues which we will work to resolve in 2019/20.

Measure	Description	Target	Performance 2018/19(2017/18)
<b>KPI 5(a)</b>	% of complaints about care that are investigated within the relevant timescales (excluding FLR)	80%	50% (72%)
<b>KPI 5(b)</b>	% of complaints about care that are investigated within the relevant timescales (including FLR)	80%	70% (80%)

\*Both KPI 5 a and b exclude complaints received in the final week of 2018/19 due to migration to new complaints app

**Strategic objective 4: We will perform as an independent, effective and efficient scrutiny and improvement body, working to consolidate excellence, deliver cultural change, invest in a competent, confident workforce and work collaboratively with partner agencies to support the delivery of safe and compassionate, rights-based care.**

### Cultural change

We reviewed our culture strategy and agreed future actions to progress and promote an empowered culture in our organisation. These actions include

- our 'Joy in Work' project which will encourage colleagues to develop a growth mindset and learn how we can get rid of the blocks in the way of experiencing joy at work.
- continuing our Coaching Conversations training.

Measure	Description	Target	Performance 2018/19 (2017/18)
KPI 7	Staff absence rate	To be agreed	3.7% (4.4%)
KPI 8	Staff vacancy levels	To be agreed	Inspectors 4.4% (2.4%)  Non-inspectors 6.5% (4.1%)

### Delivering best value

We agreed a Best Value Review Programme for the four years 2018/19 to 2021/22. This will assess the resources available for completing the reviews within the context of the major change initiatives such as Business/Digital Transformation and the ICT modernisation programmes. The Improvement and Efficiency Social Enterprise (iESE) provided a report on their review of support services which has been used to create an action plan.

### Efficient and effective working

We are continually exploring ways to make our processes more efficient and effective. The following illustrate some examples of how we have built efficiencies into our key processes this year.

- A number of our staff were trained in Lean Six Sigma which will help us meet customer expectation and improve our customer service processes.
- We launched a new intranet, making it easier for staff to find key information about the organisation for use in their day-to-day work.
- We started the implementation of 'MyView', the new HR and payroll system.

## Business and digital transformation

The first phase of our digital transformation programme culminated in the internal launch of our new complaints app on 21 March. Early indications are that the time taken to process end to end transactions for each part of a complaint has greatly reduced. By the end of the year we had completed much of the preparatory work that will inform the development of our next app which will focus on registration.

We continue to deal efficiently with key processes:

- We completed 77% of new registrations within the agreed timescales, narrowly missing our target of 80%.
- When investigating complaints about the Care Inspectorate our aim is to address the issues that arise and resolve any problems quickly. We completed 73% of investigations within the specified timescales.
- Our Internal Auditors reported progress against the majority of their recommendations, with 86% of those due for completion by the end of the year now closed.

Measure	Description	Target	Performance 2018/19 (2017/18)
KPI 6	% registrations completed within timescales	80%	77% (80%)
KPI 9	% of complaints investigated about the Care Inspectorate that were completed within SPSO-recommended timescales	73%	73% (73%)
KPI 10	Audit recommendations met within timescale	100%	86% of recommendations were fully implemented with the remaining 14% partially completed

## Confident, competent workforce

We are committed to investing in a competent and confident workforce. As part of our workforce development programme:

- We launched LEAD (Learn, Experience, Achieve and Develop) our new process for managing and supporting individual performance and development. This new process will support and drive our vision for a culture of collective leadership, empowerment and personal responsibility. We released an online learning resource for our staff, called KnowHow, at the same time.
- The professional development award in Scrutiny and Improvement was validated by successful verification visits from both Scottish Qualifications and Scottish Social Services Council. The course is developing our professional practice and the standing of care regulation, scrutiny and improvement as a specialist professional and academic discipline.
- We developed and introduced a new induction programme for inspection staff, and our evaluation of this showed that staff are equipped to undertake inspections in a shorter period of time.

- We were successful in maintaining the Gold award for Healthy Working Lives (HWL). We were also recognised as a Disability confident committed employer. The disability confident scheme aims to help successfully employ and retain disabled people and those with health conditions.

## 2.3 Sustainability report 2018/19

The Climate Change (Scotland) Act 2009 places duties on public bodies relating to climate change. This report provides an overview of the Care Inspectorate's carbon emission for the year ending 31 March 2019.





A new Carbon Management Plan covering the period 2018-2023 was launched in 2018. This plan identified a target reduction of 28% from the 2015/16 baseline data to 956 tCO<sub>2</sub>e. The objectives of the plan are considered annually alongside the sustainability report.

As a regulatory body, our core business is to inspect care and social work services throughout Scotland, leading to high travel related CO<sub>2</sub> emissions. We also have a presence in 14 locations from as far north as Shetland to as far south as Dumfries. These properties are of varying sizes, from 30m<sup>2</sup> to 2819m<sup>2</sup> on a variety of lease terms, making control of our stationary CO<sub>2</sub> emissions difficult.

This year has seen us exceed our target through our estates rationalisation. We have also invested in new technology which we hope will reduce our travel carbon emissions.

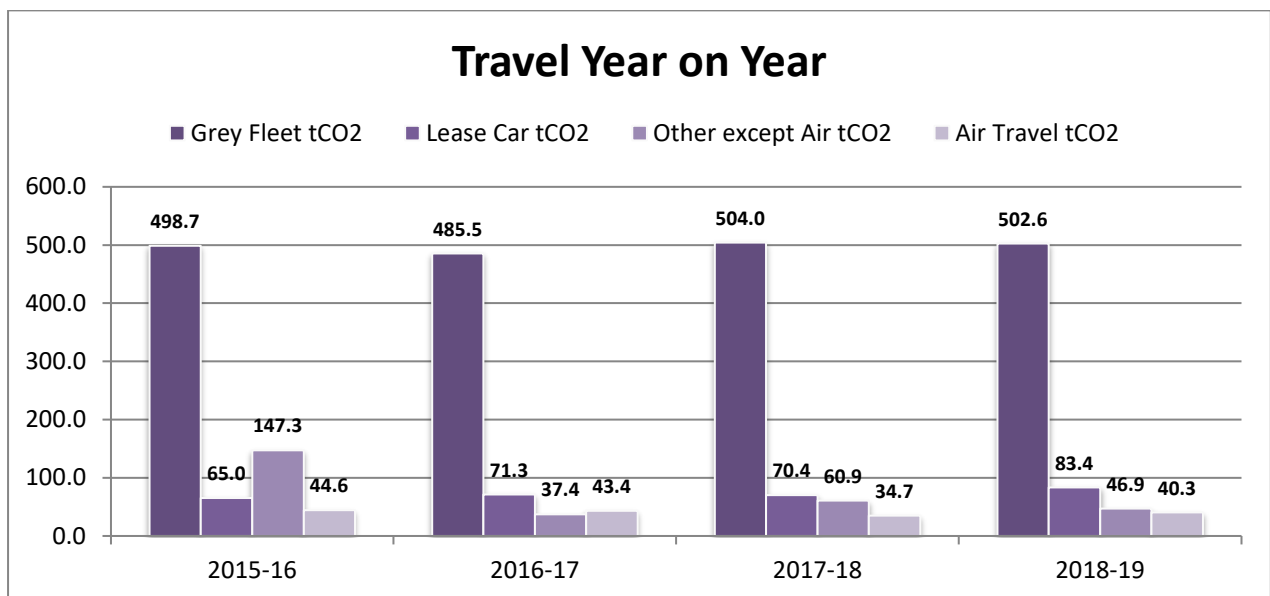
We do not have the direct energy consumption and costs from all of our landlords so the figures for electricity, gas, water and rates are aggregated from offices for which we have accurate figures and proportioned across the estate.

### Summary of Performance

Area	Performance 2018/19 Against 2015/16 Baseline	Status
Total CO <sub>2</sub> e	Carbon emissions have decreased by 31%.	
Travel	Carbon emissions have decreased by 11%.	
Gas, Water and Electricity	Carbon emissions have decreased by 58%.	
Waste and Recycling	Carbon emissions have decreased by 50%.	

Area	Actual Performance	2015/16 Baseline
Total CO <sup>2</sup> Emissions	913.3 tCO <sub>2</sub> e	1,328 tCO <sub>2</sub> e
Travel Related CO <sub>2</sub>	673.2 tCO <sub>2</sub> e	756 tCO <sub>2</sub> e
Total Travel Cost	£1,029,257	£990,873
Total Energy CO <sub>2</sub>	238.2 tCO <sub>2</sub> e	569 tCO <sub>2</sub> e
Energy Consumption (gas & electricity)	985,066 kWh	1.68 MWh
Energy Expenditure (gas & electricity)	£86,300	£145,509
Total Waste CO <sub>2</sub>	0.95 tCO <sub>2</sub> e	1.6 tCO <sub>2</sub> e
Waste	43.9 tonnes	87.4 tonnes
Waste Expenditure	£9,964	£21,279
Total Water CO <sub>2</sub>	0.95 tCO <sub>2</sub> e	1.3 tCO <sub>2</sub> e
Water consumption	2,757 m <sup>3</sup>	3,830 m <sup>3</sup>
Water expenditure	£17,950	£36,267

Travel					
Year	Grey Fleet tCO <sub>2</sub> e	Lease Car tCO <sub>2</sub> e	Other except Air tCO <sub>2</sub> e	Air Travel tCO <sub>2</sub>	Total Travel tCO <sub>2</sub> e
2015-16	498.7	65.0	147.3	44.6	755.6
2016-17	485.5	71.3	37.4	43.4	637.6
2017-18	504.0	70.4	60.9	34.7	670.0
2018-19	502.6	83.4	46.9	40.3	673.2



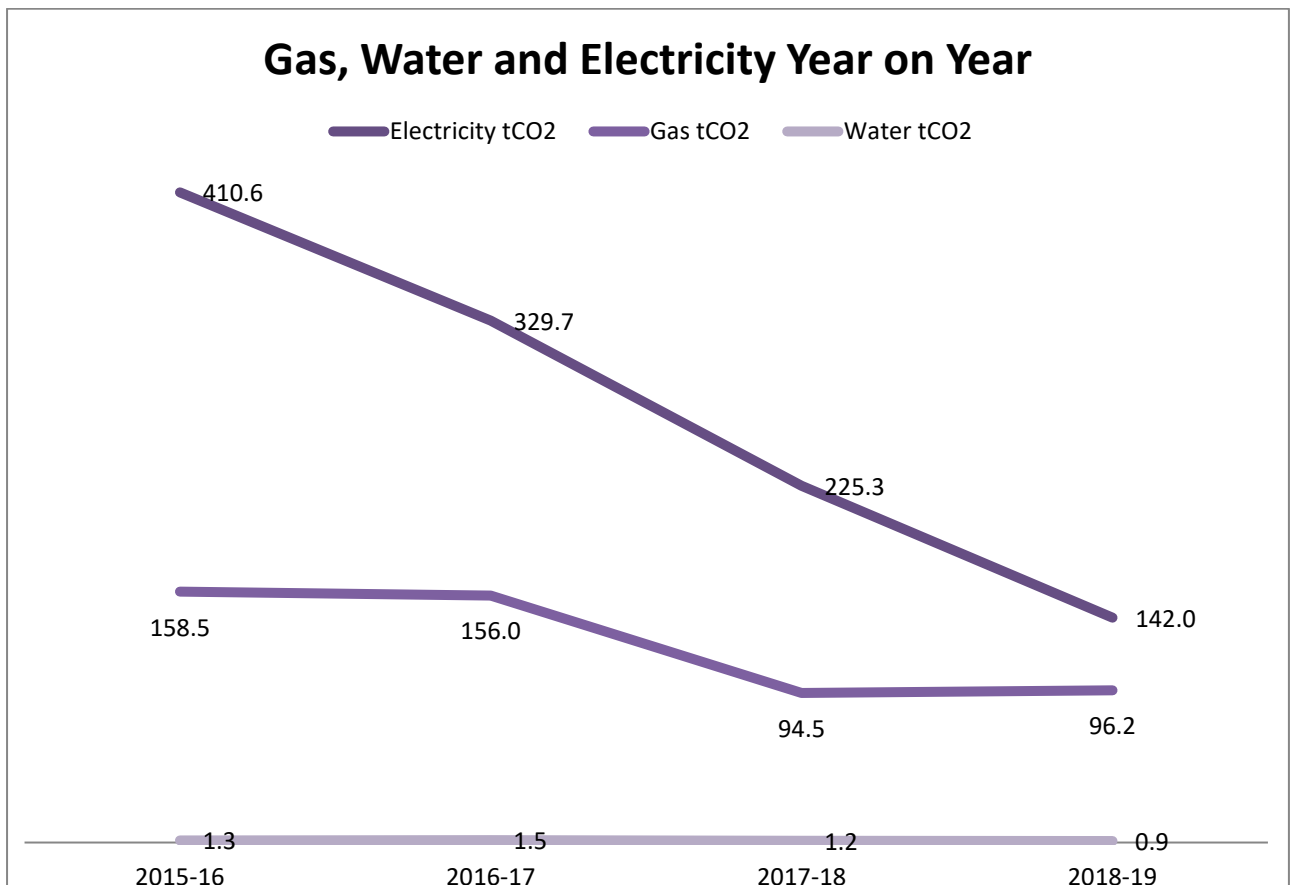
### Performance Commentary

Grey Fleet is employees use of private cars for business journeys. The carbon emissions from grey fleet is similar to that reported in 2017/18. 'Other' includes trains, ferries, buses and taxis, showing a reduced requirement to use public transport and

an overall decrease. Overall, there is a marginal increase from 2017/18 but significantly less than the 2015/16 baseline figure.

Overall, there is an increase of 0.5% in total travel emissions compared to 2017/18. This is mainly due to an increase in the number of FTEs employed during the year. When comparing the carbon emission per FTE there is a reduction of 0.02 tCO<sub>2</sub> (13%) emissions per FTE. Although we require some of our employees to travel within Scotland and further, managers approve employee travel with the expectation that public transport will be used when possible. We also provide video conferencing facilities so that travel is not always required

Year	Electricity tCO <sub>2</sub> e	Gas tCO <sub>2</sub> e	Water tCO <sub>2</sub> e
2015-16	410.6	158.5	1.3
2016-17	329.7	156.0	1.5
2017-18	225.3	94.5	1.2
2018-19	142.0	96.2	0.9

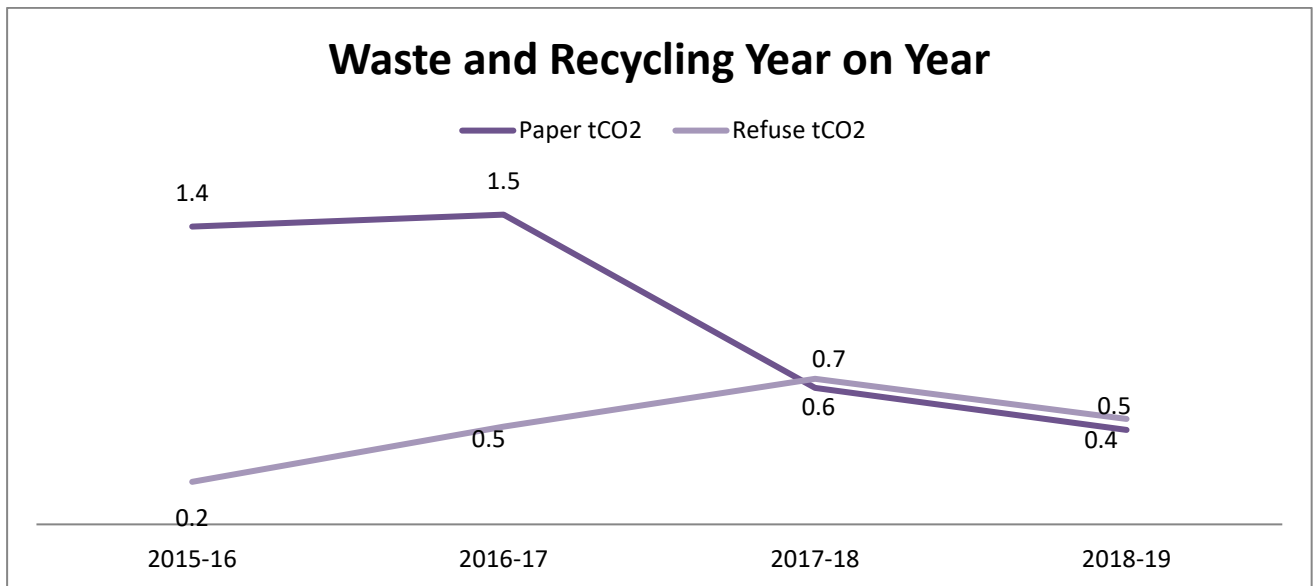


#### Performance Commentary

There has been a considerable decrease in electricity consumption. This is due to the rationalisation of our estate, where we have one less property and a decrease in floor space occupied totalling 38%.



Waste and Recycling		
Year	Paper tCO2	Refuse tCO2
2015-16	1.4	0.2
2016-17	1.5	0.5
2017-18	0.6	0.7
2018-19	0.4	0.5



### Performance Commentary

There is a reduction in both waste paper and refuse for the year. Waste and recycling continue to represent a very small proportion of our overall carbon emissions.

### Sustainable Procurement

Sustainable procurement means taking into account social, economic and environmental considerations as part of the procurement process. Our published procurement strategy details the Care Inspectorate's procurement priorities, one of which is sustainable procurement. An annual procurement report is published showing progress against our strategy and can be found on the Care Inspectorate website.

Peter Macleod  
 Chief Executive  
 26 September 2019

## Section B: Accountability Report

### 3. Corporate Governance Report

#### 3.1 Directors' report

##### Care Inspectorate Board

Members sitting on the Care Inspectorate Board during 2018/19 were:

- Paul Edie (Chair)
- Mike Cairns (until 28/02/19)
- Carole Wilkinson (Chair of Healthcare Improvement Scotland from 10/10/18)
- Hamish Wilson (Interim Chair of Healthcare Improvement Scotland 06/09/18 to 09/10/18)
- Denise Coia (Chair of Healthcare Improvement Scotland to 05/09/18)
- Gavin Dayer
- James McGoldrick (Convener of the Scottish Social Services Council)
- Ian Doig (until 28/2/19)
- Anne Houston
- Linda Pollock
- David Wiseman (until 28/2/19)
- Bernadette Malone (from 18/06/18)
- Naghat Ahmed (from 16/04/18)
- Keith Redpath (from 16/04/18)
- Rognvald Johnson (from 01/03/19)
- Bill Maxwell (from 01/03/19)

Board members are appointed by Scottish Ministers. Further detail on Board members' periods of appointment and remuneration is contained in the Remuneration Report (Section 4.1).

##### Executive Directorate

The Executive Directorate is employed by the Care Inspectorate and the following individuals served on the Executive Directorate during 2018/19:

- Peter MacLeod, Chief Executive (from 07/01/19)
- Karen Reid, Chief Executive (until 31/08/18)
- Gordon Weir, Executive Director of Corporate and Customer Services (Interim Chief Executive for the period 01/09/18 to 06/01/19)
- Kenny Dick (Interim Executive Director of Corporate and Customer Services 03/09/18 to 06/01/19)
- Kevin Mitchell, Executive Director of Scrutiny and Assurance
- Edith MacIntosh, Interim Executive Director of Strategy and Improvement (from 03/12/18)
- Rami Okasha, Executive Director of Strategy and Improvement (until 05/12/18)

### **Register of interests**

A [register of members' interests](#) is maintained and is available for inspection by members of the public. Declarations of conflicts of interest are standing agenda items at each Board and Committee meeting.

### **Personal data related incidents**

There were no data protection breaches reported to the Information Commissioner's Office for the year to 31 March 2019.

### **Disclosure of information to auditors**

So far as I, the Accountable Officer, am aware, our auditors have all relevant information.

I have taken all steps I ought to, to make myself aware of any relevant information and to establish that our auditors are aware of that information.

### **Non audit fees**

Grant Thornton provided services solely relating to the statutory audit. No further assurance, tax or other services were provided.

### **Pensions**

The Care Inspectorate is an admitted body to the local government pension scheme and accounts for pensions under IAS 19 'Employee Benefits' standard as adapted for the public sector. Further information on pensions can be found in the remuneration and staff report, accounting policy note 1.11 and the accounting disclosure note 5.

### **Property**

As at 31 March 2019, the Care Inspectorate leased 14 properties. Of these, 10 are shared with other public sector bodies. The Estate Management Plan for 2017-20 sets out our commitment to reduce our estate through shared opportunities where possible.

## **3.2 Statement of Accountable Officer's responsibilities**

Under paragraph 14(1) of Schedule 11 to the Public Services Reform (Scotland) Act 2010, the Care Inspectorate is required to prepare a statement of accounts for each financial year in the form as directed by Scottish Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Care Inspectorate and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual, and in particular to:

- observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis

- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements
- prepare the financial statements on a 'going concern' basis, unless it is inappropriate to presume that the Care Inspectorate will continue in operation.

Scottish Ministers designated the Chief Executive as the Accountable Officer for the Care Inspectorate. The responsibilities of the Chief Executive as Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Care Inspectorate's assets, are set out in the Non-Departmental Public Bodies' Accountable Officer Memorandum issued by the Scottish Government and published in the Scottish Public Finance Manual.

The Accountable Officer has confirmed that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

For the purposes of the audit, so far as the Accountable Officer is aware, there is no relevant audit information of which the auditors are unaware and all necessary steps have been taken by the Accountable Officer to ensure awareness of relevant audit information and to establish that the Care Inspectorate's auditors are aware of that information.

### **3.3 Governance Statement**

#### **Introduction**

The Care Inspectorate is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Care Inspectorate also has a duty of best value as set out in the Scottish Public Finance Manual. The duty of best value ensures there is a focus firstly on continuous improvement which will help ensure sustainable economic growth for the people of Scotland and secondly on the delivery of the outcomes required of all public services as set out in the National Performance Framework.

In discharging this overall responsibility, members and senior officers are responsible for putting in place proper arrangements for the governance of the Care Inspectorate's affairs and facilitating the exercise of its functions. This includes setting the strategic direction, vision, culture and values of the Care Inspectorate, effective operation of corporate systems, processes and internal controls, engaging with stakeholders, monitoring whether strategic objectives have been achieved and services delivered cost effectively, and ensuring that appropriate arrangements are in place for the management of risk.

This annual governance statement explains the Care Inspectorate's governance and risk management framework.

## **The governance framework**

### **Organisational structure**

The Board is the governing body responsible for ensuring that the Care Inspectorate fulfils its aims and objectives, for promoting the efficient and effective use of staff and other resources and for identifying and managing risk.

The Board must approve the making, revision or revocation of standing orders, the code of conduct for members, the reservation of powers and scheme of delegation, and financial regulations. It must approve the annual report and accounts, budget, corporate plan, risk register and risk management strategy for each financial year.

The Board is also responsible for the approval of the appointment of internal auditors to the Care Inspectorate.

The Board oversees how the Care Inspectorate conducts its business, including the preparation of business plans and budgets, consideration of resource requirements and the effective, efficient and economical use of the Care Inspectorate's resources. The Board is also responsible for the development and implementation of the following key resourcing strategies: estates; finance; human resources; administration; ICT; procurement; organisational development; employee development; and the development, evaluation and review of business processes to ensure that they operate in accordance with the principles of Better Regulation and Best Value.

The Board is made up of a chair and 11 members. The chair and nine of the members are appointed by Scottish Ministers through the public sector appointment process. The Convener of the Scottish Social Services Council and the Chair of Healthcare Improvement Scotland also sit on the Board. The Board members provide a wealth of experience and wide-ranging skills, along with a passionate interest in care and social work. It is a statutory requirement that appointments to the Board must have at least one member who uses or has used a care service and at least one member who cares for, or has cared for, a person using care services. The Board remains ultimately responsible and accountable for all the decisions taken in its name, whether directly or through its committees. The Board meets at least four times per year.

### **Committee Structure Review**

As at 1 April 2018, the following committees operated and reported to the Board; Audit Committee, Quality and Strategy Committee, Remuneration Committee and Resources Committee.

The 2017/18 annual review of Board and Committee effectiveness identified a change to the structure was appropriate. The revised structure of the Board and an Audit Committee was implemented in June 2018.

### Audit Committee

This committee consists of a minimum of four to a maximum of six Board members. Executive officers can be in attendance but are not members of the committee. The committee meets at least four times per year.

The committee makes decisions and recommendations to the Board with respect to the financial reporting arrangements of the Care Inspectorate, the external and internal audit arrangements, ensuring that there is sufficient and systematic review of internal control arrangements of the organisation, including arrangements for risk management and business continuity planning. The committee is also responsible for advising the Board on the development of the strategic performance management framework and the arrangements for securing Best Value.

### **Board members and attendance**

Board members are subject to the Ethical Standards in Public Life (Scotland) Act 2000 and the Care Inspectorate Code of Conduct which has been approved by Scottish Ministers. The key principles which underpin the Code are based on the principles of public life set down by the Committee on Standards in Public Life (originally 'the Nolan Committee') and then expanded by the Scottish Government as well as the six core principles set out in the Good Governance Standard for Public Services.

The Board and its committees review their effectiveness at least annually. There is a Board member performance appraisal process in place and from this each Board member has a development plan. Board and committee thematic development events are also regularly arranged and attended by Board members.

Board meetings are held in public and the minutes of each meeting are available on our website [www.careinspectorate.com](http://www.careinspectorate.com)

### Board Member Attendance at Meetings and Events 1 April 2018 to 31 March 2019

Board Member	Board	Audit		Resources		Appeals Sub Committee	Board Development Events	Chief Executive Interviews	Induction Training	Total
	Attended	Member	Attended	Attended	Member	Attended	Attended	Attended	Attended	Attended
Number of Meetings and Events	4	5		1		2	6	2	2	22
Paul Edie, Chair	4	No	3	No	1	0	6	2	0	16
Naghat Ahmed	4	No	1	No	0	1	5	0	2	13
Mike Cairns *	3	Yes	4	No	0	0	6	0	0	13
Denise Coia *	1	No	0	No	0	0	0	0	0	1
Gavin Dayer	3	Yes	4	No	0	0	6	2	0	15
Ian Doig *	4	Yes	4	Yes	1	0	5	0	0	14
Anne Houston	4	No	0	Yes	1	0	4	2	0	11
James McGoldrick	2	No	0	No	0	0	3	0	0	5
Bernadette Malone *	3	Yes	4	No	0	1	4	0	2	14
Linda Pollock	4	Yes	4	Yes	0	2	4	2	0	16
Keith Redpath	4	Yes	4	No	0	2	5	2	2	19
Carole Wilkinson *	1	No	0	No	0	0	1	0	0	2
Hamish Wilson *	1	No	0	No	0	0	0	0	0	1
David Wiseman *	2	No	0	Yes	1	0	2	0	0	5
Rognvald Johnson *	1	No	0	No	0	0	0	0	0	1
Bill Maxwell *	0	Yes	0	No	0	0	0	0	0	0

\* Board members starting or ending part way through the year unable to attend every meeting or event

### **Accountable Officer**

The Care Inspectorate's Chief Executive, Peter Macleod, is the designated Accountable Officer taking up this responsibility with effect from 7 January 2019. The Accountable Officer is personally responsible to the Scottish Parliament, for securing propriety and regularity in the management of public funds and for the day-to-day operations and management of the Care Inspectorate.

The detailed responsibilities of the accountable officer for a public body are set out in a memorandum from the Principal Accountable Officer of the Scottish Administration which is issued to the Chief Executive on appointment and updated from time to time.

### **Executive Directors**

The Executive Directors support the Chief Executive in his Accountable Officer role through the formal scheme of delegation. In addition to the Chief Executive, the Executive Directors for the financial year 2018/19 comprised:

- Gordon Weir, Executive Director of Corporate and Customer Services
- Kenny Dick, Interim Director of Corporate and Customer Services (03/09/18 to 06/01/19)
- Kevin Mitchell, Executive Director of Scrutiny and Assurance
- Rami Okasha, Executive Director of Strategy and Improvement (until 05/12/18)
- Edith MacIntosh, Interim Executive Director of Strategy and Improvement (from 03/12/18)

Each of these officers has responsibility for the development and maintenance of the governance environment within their own areas of control.

### **Internal audit**

The Care Inspectorate's internal audit function has been contracted out. Internal audit forms an integral part of the Care Inspectorate's internal control and governance arrangements. The internal audit service operates in accordance with public sector internal audit standards and undertakes an annual programme of work approved by the Audit Committee. This annual programme is based on a formal risk assessment process which is updated on an ongoing basis to reflect evolving risks and changes.

Each year our internal auditors provide the Audit Committee with assurance on the whole system of internal control. In assessing the level of assurance to be given for 2018/19, our internal auditors take into account:

- All reviews undertaken as part of the 2018/19 internal audit plan;
- Matters arising from previous reviews and the extent of follow-up action taken;
- The effect of any significant changes in the Care Inspectorate's objectives or systems; and
- The proportion of the Care Inspectorate's review needs covered to date.



The internal auditors overall opinion for 2018/19 was:

“the Care Inspectorate has a framework of controls in place that provides reasonable assurance regarding the effective and efficient achievement of objectives and the management of key risks.”

### **Whistleblowing**

Our employee Staff Code of Conduct Policy and associated Whistleblowing Guidance informs and encourages staff to raise serious concerns about wrongdoing or alleged impropriety. The policy is consistent with, and makes explicit references to, the Public Interest Disclosure Act 1998.

### **Risk and risk management**

The Care Inspectorate has a risk management policy. The main priorities of this policy are the identification, evaluation and control of risks which threaten our ability to deliver our objectives. The policy provides direction on a consistent, organised and systematic approach to identifying risks, the control measures that are already in place, the residual risk, the risk appetite and action that is necessary to further mitigate against risks.

Risks identified are maintained on a strategic risk register and addressed in the preparation of the corporate plan. Directorate, department and team plans continue to be developed to more clearly link operational risks with strategic objectives and strategic risk. As a result, there will be an improvement in embedding risk management throughout the organisation.

A revised draft risk register was presented to the Committee in May 2018, together with a refreshed risk appetite statement and risk tolerances outlined for each of the strategic risks. The revised [strategic risk register](#) is published on the Care Inspectorate website. The Committee also approved a revised Care Inspectorate Risk Policy.

### **System of internal financial control**

Within the Care Inspectorate’s overall governance framework, specific arrangements are in place as part of the system of internal financial control. This system is intended to ensure that reasonable assurance can be given that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period.

The Care Inspectorate’s system of internal financial control is based on a framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is the responsibility of managers within the Care Inspectorate. In particular, the system includes:

- financial regulations
- comprehensive budgeting systems
- regular reviews of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance

- the preparation of regular financial reports which indicate actual expenditure against the forecasts
- clearly defined capital expenditure guidelines
- scheme of delegation.

### **Information security**

The Care Inspectorate has a duty to ensure that the personal information entrusted to it is safeguarded properly.

Our previous review of Information Governance strengthened current practice in preparation for the introduction of the General Data Protection Regulations, in May 2018.

### **Counter Fraud & Corruption**

The Care Inspectorate has a Counter Fraud and Corruption Framework, including a counter fraud and corruption policy, strategy and response plan together with a formal action plan. We also maintain a fraud and corruption risk register to document the controls in place to mitigate fraud.

### **Review**

The effectiveness of our governance framework is reviewed annually as part of the preparation of this Governance Statement. Individual policies and procedures that contribute towards the overall governance framework are also subject to periodic review.

This review is informed by:

- the views of the Audit Committee on the assurance arrangements
- the opinions of internal and external audit on the quality of the systems of governance, management and risk control
- 'certificates of assurance' supplied by Executive Directors following a review of the governance arrangements within their specific areas of responsibility
- the work of the member/officer Corporate Governance Review Group
- regular formal monitoring of progress against corporate plan, business plan and budget
- feedback from managers and staff within the Care Inspectorate on our performance, use of resources, responses to risks, and the extent to which in-year budgets and other performance targets have been met
- integrated formal reviews of the effectiveness of the Board and its committees.
- periodic staff surveys.

### **Developing the governance framework**

The following developments were identified for 2019/20:

- We will continue to implement the recommendations from the information governance review.
- We will continue to develop the use of Risk Appetite and Risk Tolerance Statements to better inform operational management decisions, to better incorporate the concept of risk velocity and to develop the assurance

framework to better embed risk management throughout the Care Inspectorate.

- The significant changes the Care Inspectorate are undertaking has meant our business continuity plan require significant updating. This work will be undertaken in 2019/20 and progress monitored by the Audit Committee.
- We will continue the development of the Strategic Performance Management Framework for 2019/20.
- A review of the Counter Fraud and Corruption Framework will be undertaken. It is anticipated that a shared service arrangement will be agreed with the NHS Counter Fraud Services (CFS) during 2019/20.
- We are undertaking an ambitious change programme which is getting more complex as progress is made. We plan an independent review of the governance arrangements for our change programme to ensure we have the best possible chance of success.
- We are working with the Scottish Social Services Council (SSSC) to review our shared service strategy and the governance arrangements we have in place to deliver successful shared services between the Care Inspectorate and SSSC.
- We will ensure the revised national performance framework is integrated into our planning processes.
- We will continue to monitor the Care Inspectorate's progress against the Public Sector Action Plan on Cyber Resilience for Scotland.

### **Certification**

The Care Inspectorate's governance framework has been in place for the year ended 31 March 2019 and up to the date of signing of the accounts.

It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Care Inspectorate's systems of governance. The annual review has provided sufficient evidence that the Care Inspectorate's governance arrangements have operated effectively and that the Care Inspectorate complies with all relevant laws, regulations, guidance and generally accepted best practice in all significant respects.

## **4. Remuneration and Staff Report**

### **4.1 Remuneration report**

#### **Unaudited information**

This report provides information on the remuneration of Care Inspectorate Board members, the Chief Executive and Executive Directors. This report contains both audited information and information which is not specifically subject to audit.

The Board agrees the pay strategy for all staff excluding Board members and the Chief Executive. The pay strategy for staff is decided within the framework provided by the Scottish Government's Public Sector Pay Policy for Staff Pay Remits. The pay strategy for the Chair, Board members and the Chief Executive is decided within the framework provided by the Scottish Government's Public Sector Pay Policy for Senior Appointments. Increases in pay are subject to satisfactory performance.

During the year the Board was advised by the following officers for pay remit matters:

- Chief Executive
- Executive Director of Corporate and Customer Services.

#### **Remuneration policy**

##### **Members**

The remuneration (payment) of Board members is determined by Scottish Ministers. Increases in pay are subject to satisfactory performance.

##### **Chief Executive**

The Chief Executive's remuneration is determined by the Chair in accordance with Senior Public Pay Policy Guidelines. Performance is assessed through an annual appraisal performed by the Chair and this appraisal is submitted to the Scottish Government to allow the Chief Executive's remuneration to be agreed.

##### **Executive Directors**

Executive Directors were on a fixed salary point of £86.9k throughout the year. There is no incremental progression or performance related pay adjustments applied to Executive Directors' pay.

The Care Inspectorate's pay strategy must be approved by the Scottish Government. Subject to that approval, a pay award package is negotiated with trade unions through the Partnership Forum. When the pay award package has been agreed, it is applied to the remuneration of directors and the main body of Care Inspectorate staff.

## Notice periods

### Members

Board members are appointed for a period determined by Scottish Ministers. Board members are eligible to be re-appointed following the end of a period of Board membership. Either party may terminate early by giving notice.

Normally there is no payment available in the event of early termination of the contract. However, where special circumstances exist, Scottish Ministers may decide that compensation for early termination is appropriate and instruct the Care Inspectorate to make a payment. The amount of the payment would also be decided by Scottish Ministers.

Details of the service contracts for Board members serving during the year are detailed below:

Name	Current Term	Date of Initial Appointment	Date of Termination of Appointment
Paul Edie (Chair)	4th	15 April 2013	14 April 2021
Mike Cairns	2nd	1 March 2011	28 February 2019
Denise Coia*	2nd	1 March 2011	5 September 2018
Hamish Wilson*	1 <sup>st</sup>	6 September 2008	9 October 2018
Carole Wilkinson*	1 <sup>st</sup>	10 October 2018	9 October 2022
Gavin Dayer	2nd	20 July 2015	28 February 2023
James McGoldrick**	2nd	1 September 2013	31 August 2019
Ian Doig	2nd	1 August 2012	28 February 2019
Anne Houston	2nd	10 March 2014	9 March 2022
Linda Pollock	2nd	10 March 2014	9 March 2020
David Wiseman	2nd	1 March 2011	28 February 2019
Bernadette Malone	1 <sup>st</sup>	18 June 2018	17 June 2022
Naghat Ahmed	1 <sup>st</sup>	16 April 2018	15 April 2022
Keith Redpath	1 <sup>st</sup>	16 April 2018	15 April 2022
Rognvald Johnson	1 <sup>st</sup>	1 March 2019	28 February 2023
Bill Maxwell	1 <sup>st</sup>	1 March 2019	28 February 2023

\* Denise Coia, Hamish Wilson and Carole Wilkinson are Board members through reciprocal membership arrangements with Healthcare Improvement Scotland.

\*\* James McGoldrick is a Board member through reciprocal membership arrangements with the Scottish Social Services Council.

### **Chief Executive**

Peter MacLeod was appointed as the Care Inspectorate's Chief Executive on 7 January 2019. The local government pension scheme's normal retirement age for this post is 65 and the current post holder will attain normal retirement age in 11.9 years.

Termination of the contract requires a notice period of six months by either party. There is no compensation payment specified in the contract in the event of early termination of the contract.

### **Executive Directors**

The Care Inspectorate has three Executive Director posts:

- Executive Director of Scrutiny and Assurance
- Executive Director of Strategy and Improvement
- Executive Director Corporate and Customer Services.

All executive directors have permanent contracts and are subject to the local government pension scheme's normal retirement age of 65. Termination of the contract requires a notice period of three months by either party.

There are no compensation payments specified in the contract in the event of early termination of the contract. The Executive Directors as at 31 March 2019 was as detailed in the table below:

<b>Name</b>	<b>Title</b>	<b>Date of Appointment</b>	<b>Years to Normal Retirement Age</b>
Kevin Mitchell	Executive Director of Scrutiny and Assurance	22 Feb 2016	6.7
Edith MacIntosh	Interim Executive Director of Strategy and Improvement	3 Dec 2018	7.9
Gordon Weir	Executive Director Corporate and Customer Services	1 Dec 2012	11.9

### **Retirement policy**

The Chief Executive and executive directors do not have any contractual rights to early termination compensation payments but the Care Inspectorate operates a retirement policy that is applicable to all staff (excluding Board members).

This policy allows additional years of pensionable service to be awarded to those members of the pension scheme who have more than five years' pensionable service and meet an age related criteria. The award of additional pensionable

service is limited in order to ensure employees will not receive an enhancement that will take their service beyond that which would be earned up to normal retirement age, nor would take them beyond 40 years' service.

Alternatively, pension scheme members aged over 18 with more than two years' pensionable service may be paid compensation of up to 104 weeks' pay.

The number of years added or the amount of compensation paid, if any, is determined on the basis of individual circumstances and the employee's age and length of service. All awards of additional service and compensation for early termination are subject to a two year pay-back period and must be approved by the Board.

## Audited information

### Care Inspectorate Board members' remuneration

	Salary 2018/19	Salary 2017/18
	£000	£000
Paul Edie (Chair)	45-50	45-50
Mike Cairns (until 28/02/19)	0-5	0-5
Gavin Dayer	0-5	5-10
Ian Doig (until 28/02/19)	0-5	0-5
Anne Houston	0-5	5-10
James McGoldrick	0-5	0-5
Linda Pollock,	5-10	5-10
David Wiseman (until 28/02/19)	0-5	0-5
Bernadette Malone	0-5	n/a
Keith Redpath	0-5	n/a
Naghat Ahmed	0-5	n/a
Rognvald Johnson	0-5	n/a
Dr Bill Maxwell	0-5	n/a

Denise Coia (to 05/09/18), Hamish Wilson (06/09/18 to 09/10/18) and Carole Wilkinson (from 10/10/18) are Board members through reciprocal membership arrangements with Healthcare Improvement Scotland, and James McGoldrick is a Board member through reciprocal membership arrangements the Scottish Social Services Council. No remuneration is paid by the Care Inspectorate for these Board members.

Board members are not eligible to join the pension scheme available to employees of the Care Inspectorate.

### Chief Executive and Executive Directors' remuneration

The salaries and pension entitlements of the Chief Executive and Executive Directors are disclosed in the table below.

	Single Total Figure of Remuneration							
	Salary		Benefits in Kind (to nearest £100)		Pension Benefits*		Total	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
	£000	£000	£	£	£000	£000	£000	£000
Peter MacLeod Chief Executive (from 07/01/19)	25-30	-	0	-	-	-	25-30	-
Karen Reid Chief Executive (to 31/08/18)	45-50	115-120	0	0	11	35	55-60	150-155
Gordon Weir*** Executive Director of Corporate and Customer Services Interim Chief Executive (01/09/18 to 06/01/19)	95-100	85-90	0	0	107	17	200-205	100-105
Kenny Dick*** Interim Director of Corporate and Customer Services) (03/09/18 to 06/01/19)	95-100	-	0	-	-	-	95-100	-
Kevin Mitchell** Executive Director of Scrutiny and Assurance	90-95	90-95	0	0	27	24	120-125	115-120
Rami Okasha Executive Director of Strategy and Improvement	60-65	85-90	1,600	3,300	27	25	85-90	110-115



	Single Total Figure of Remuneration							
	Salary		Benefits in Kind (to nearest £100)		Pension Benefits*		Total	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
	£000	£000	£	£	£000	£000	£000	£000
(until 05/12/18)								
Edith MacIntosh Interim Executive Director of Strategy and Improvement (from 03/12/18)	70-75	-	0	-	-	-	70-75	-

\* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to transfer of pension rights.

\*\* Kevin Mitchell receives an additional payment to compensate him for having to move from the Civil Service Pension Scheme to the Local Government Pension Scheme when his employment transferred at the commencement of the Care Inspectorate

\*\*\* The Executive Director of Corporate and Customer Services, provided professional services to the Scottish Social Services Council (SSSC) during the year through a Service Level Agreement (SLA). The charge to the SSSC for this service was £27.3k (exc VAT).

## Salary

Salary includes gross salary, overtime, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Care Inspectorate as recorded in the annual accounts.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Care Inspectorate and treated by HM Revenue and Customs as a taxable emolument. All benefits in kind are associated with leased cars.

## Fair pay disclosure

We are required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of our workforce. The Chief Executive was the highest paid director in the financial year 2018/19. The full-time annual salary for the Chief Executive is in the salary band £115,000 to £120,000. The mid-point of this band is £117,500 which is 3.01 times greater than the median remuneration of the workforce. In 2018/19, no employees received remuneration in excess of the Chief Executive.

	2018/19	2017/18
Band of Highest Paid employee	£115,000 - £120,000	£115,000 - £120,000
Staff Median Remuneration	£39,069	£38,301
Remuneration Ratio	3.01	3.05
Staff Minimum Full-Time Equivalent Remuneration	£17,214	£16,710
Staff Maximum Full-Time Equivalent Remuneration	£94,671	£92,927

Total remuneration includes salary, overtime and other taxable allowances as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

## Local Government Pension Scheme (LGPS)

Details of the LGPS and the Care Inspectorate's status as an admitted body to Tayside Superannuation Fund are contained in note 5 of the annual accounts. The Chief Executive and executive directors are all members of the LGPS.

	As at 31 March 2019		As at 31 March 2019		Cash Equivalent Transfer Values (CETV)		
	Accrued Pension at Age 65 £000	Related Lump Sum at Age 65 £000	Real Increase in Pension at Age 65 £000	Real Increase in Related Lump Sum at Age 65 £000	As at 31 March 2019 £000	As at 31 March 2018 £000	Real Increase £000
Peter MacLeod Chief Executive (from 07/01/19)	20-25	-	-	-	7	-	-
Karen Reid* Chief Executive (to 31/08/18)	-	0-5		(0-5)	228	214	9
Gordon Weir Executive Director of Corporate and Customer Services Interim Chief Executive (01/09/18 to 06/01/19)	65-70	75-80	5-10	5-10	729	622	92
Kenny Dick Interim Director of Corporate and Customer Services) (03/09/18 to 06/01/19)	55-60	55-60	-	-	556	-	-

	As at 31 March 2019		As at 31 March 2019		Cash Equivalent Transfer Values (CETV)		
	Accrued Pension at Age 65 £000	Related Lump Sum at Age 65 £000	Real Increase in Pension at Age 65 £000	Real Increase in Related Lump Sum at Age 65 £000	As at 31 March 2019 £000	As at 31 March 2018 £000	Real Increase £000
Kevin Mitchell** Executive Director of Scrutiny and Assurance	20-25	-	(0-5)	-	188	155	29
Rami Okasha Executive Director of Strategy and Improvement (until 5/12/18)	-	-	-	-	87	70	15
Edith MacIntosh Interim Executive Director of Strategy and Improvement (from 03/12/18)	15-20	-	-	-	57	0	0

\*Karen Reid, Chief Executive transferred to another employing authority when she left and her pension disclosures will be published in that authority's annual report and accounts.

\* \*The Executive Director of Scrutiny & Assurance is in the process of transferring pension rights from the Civil Service Pension Scheme. When this transfer is completed the pension entitlements disclosed above will increase accordingly.

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the LGPS. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real Increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **Payment of compensation for loss of office**

No Board members or senior management received any payment or other compensation for loss of office.

## 4.2 Staff report

### 4.2.1 Staff numbers by permanent and other

The table below provides analysis of permanent and non-permanent staff engaged to work for the Care Inspectorate during 2018/19. Staff numbers are expressed as the average Full Time Equivalents (FTE) employed during the year.

	<b>2018/19</b>	
	<b>Permanently Employed</b>	<b>Others</b>
		<b>Total</b>
Senior Managers	23	23
Other employees	512	31
Agency Workers		10
Secondments Inward		3
<b>Total staff engaged</b>	<b>535</b>	<b>44</b>
Secondments Outwards	<b>(4)</b>	<b>(4)</b>
<b>Net staff engaged on Care Inspectorate activity</b>	<b>531</b>	<b>44</b>
	<b>£000</b>	<b>£000</b>
Salaries	20,821	951
Social security costs	2,323	89
Pension service costs	8,249	144
<b>Total cost directly employed staff</b>	<b>31,393</b>	<b>1,184</b>
Board members <sup>1</sup>		86
Agency Workers		443
Secondments Inward		203
<b>Total cost of staff engaged on Care Inspectorate activity</b>	<b>31,393</b>	<b>1,916</b>
Voluntary early severance/retirement costs	34	0
Other staff costs	484	0
<b>Staff costs (SCNE)</b>	<b>31,911</b>	<b>1,916</b>
Secondments Outwards	<b>(302)</b>	<b>(302)</b>
<b>Net Staff Costs</b>	<b>31,609</b>	<b>1,916</b>

<sup>1</sup>There were 11 Board Members and a Chair contributing during the year. The Chair of HIS and the Convener of the SSSC are not remunerated by the CI. The Chair and nine remunerated Board Members are office holders and are not included in the staff numbers.

	2017/18		
	Permanently Employed	Others	Total
Senior Managers	23		23
Other employees	518	17	535
Agency Workers		7	7
Secondments Inward		3	3
Total staff engaged	541	27	568
Secondments Outwards	(3)		(3)
<b>Net staff engaged on Care Inspectorate activity</b>	538	27	565

	£000	£000	£000
Salaries	20,389	550	20,939
Social security costs	2,175	51	2,226
Pension service costs	7,039	74	7,113
Total cost directly employed staff	29,603	675	30,278
Board members <sup>2</sup>		91	91
Agency Workers		345	345
Secondments Inward		141	141
<b>Total cost of staff engaged on Care Inspectorate activity</b>	29,603	1,252	30,855
Voluntary early severance/retirement costs	44	0	44
Other staff costs	533	0	533
<b>Staff costs (SCNE)</b>	<b>30,180</b>	<b>1,252</b>	<b>31,432</b>
Secondments Outwards	(233)		(233)
<b>Net Staff Costs</b>	<b>29,947</b>	<b>1,252</b>	<b>31,199</b>

Details of the pension arrangements for Care Inspectorate are contained in note 5 to the Accounts. It should be noted that the pension service costs in the tables above include adjustments for International Accounting Standard 19 (IAS19) 'Employee Benefits' pension valuations. The difference between the employer contributions actually paid and the pension cost figure adjusted for IAS19 is detailed in note 3 to the Accounts.

<sup>2</sup>There were 11 Board Members and a Chair contributing during the year. The Chair of HIS and the Convener of the SSSC are not remunerated by the CI. The Chair and nine remunerated Board Members are office holders and are not included in the staff numbers.

#### 4.2.2 Staff breakdown by gender

The table below provides a gender breakdown of directly employed staff as at 31 March 2019. Staff numbers are provided on a head count basis.

Role	Permanent		Other Staff		Total	
	Male	Female	Male	Female	Male	Female
Executive Team	3	1			3	1
Other Senior Managers	7	14			7	14
Other Staff	102	443	10	29	112	472
<b>Total</b>	<b>112</b>	<b>458</b>	<b>10</b>	<b>29</b>	<b>122</b>	<b>487</b>

#### 4.2.3 Sickness absence

In 2018/19, we lost 3.7% (2017/18: 4.4%) (restated from 4.2%) of the total working days available due to sickness absence. This is a significant year on year reduction and the biggest improvement has been in the amount of time lost to long term sickness (2.6% in 18/19 compared with 3.0% in 2017/18).

XpertHR quote the latest public sector averages as 3.8% (both mean and median).

We are committed to working positively in partnership with our trade unions to improve sickness absence rates across the organisation.

#### 4.2.4 Policies in relation to disabled persons

The Equality Act 2010 introduced a positive general duty on public authorities in Scotland, in the exercise of their functions to give due regard to the need to:

- eliminate discrimination, harassment victimisation or any other prohibited conduct
- advance equality of opportunity
- foster good relations, by tackling prejudice and promoting understanding.

To support better performance of the general duty, Scottish Ministers published the specific duties. Details of how we continued to meet these obligations and of the six equality outcomes we worked towards can be found in our Equality Outcomes and Mainstreaming Report and Action Plan 2019-2021.

<http://www.careinspectorate.com/images/documents/5046/Equalities%20report%202019-21.pdf>

Our commitment to equality takes into consideration all nine protected characteristics in the Equality Act and it is our aim that everyone who comes into contact with the Care Inspectorate is treated equitably regardless of age, disability, gender, gender reassignment, marital status, maternity and pregnancy, race, religion or belief and sexual orientation.



We are required to monitor our workforce by protected characteristic and publicly report on this every two years. This allows us to ensure that we know the demographics of our workforce and can address any imbalances that are highlighted by the data.

In terms of our recruitment, selection and training processes, our policies ensure we are giving full and fair regard to our employees or potential employees with disabilities as well as the other protected characteristics. We are a forward thinking employer keen to explore different ways of working and supporting employees to have a good work/life balance. To ensure that we do this in practice we have developed a number of policies as detailed below.

## **Equality and Diversity Policy**

This policy covers all protected characteristics. We have also developed specific guidance for managers and provide appropriate training.

This policy sets out how we will manage and advance equality and diversity within our organisation. We are committed to creating an inclusive and respectful workforce by preventing and eliminating unlawful and unfair discrimination, harassment and victimisation. We will prevent these in every way possible. This policy aims to provide clear advice on how to promote equality and diversity within our organisation and employee responsibility when using our key employment processes (for example, disciplinary, learning and development, managing sickness absence, maternity, paternity and adoption leave, our performance and development system, requests for flexible working and recruitment and selection).

We will treat all workers and job applicants with dignity and respect recognising the value of each individual and embracing the values of diversity. Equality and diversity is not about treating everyone the same. It's about acknowledging and respecting differences and changing the way we work if necessary. We will ensure all our people management policies follow the guiding principles set out in this policy.

The aim of this policy is to create a working environment where:

- all people have the opportunity and support to give their best
- there is no discrimination (direct or indirect), harassment or victimisation
- all decisions are merit-based.

In addition to the Equality & Diversity policy, we also have a range of other policies that cover certain protected characteristics. These include the following:

- Carers Leave- disability by association.
- Adoption, fostering, maternity, paternity & parental leave- family friendly policies- so that regardless of gender/sexual orientation there is a leave option available.
- Flexible working/flexi time to help people balance their personal life with their working life.\*
- Capability, Maximising Attendance, Recruitment & Special Leave also have provisions to help disabled applicants/employees.
- Guaranteed Job Interview Scheme.

\*This allows individuals to manage and attend health or wellbeing-related appointments for themselves or their dependents without the need to take a full days leave. This is of particular benefit to individuals with disabilities those in a caring role and counters issues around discrimination, by association, for people in caring roles.

#### 4.2.5 Expenditure on consultancy

Consultancy expenditure of £122k was incurred in 2018/19 as follows:

- job evaluation services (£1k)
- ICT shared service review (£7k)
- support service review (£26k)
- tax advisory services (£5k)
- Care About Physical Activity Programme (CAPA) evaluation (£37k)
- Care About Physical Activity Programme (CAPA) consultant (£3k)
- ICT consultancy (£43k)

In 2017/18 there was consultancy expenditure of £164k as follows:

- job evaluation services (£29k)
- information governance review (£60k)
- develop our Health and Safety policy and procedures (£1k)
- tax advisory services (£8k)
- Care About Physical Activity Programme (CAPA) evaluation (£46k)
- Care About Physical Activity Programme (CAPA) consultant (£7k)
- space utilisation services (£13k).

#### 4.2.6 Exit packages

The Care Inspectorate granted compensatory payments to 1 (2017/18: 1) individual leaving the organisation during the year.

The tables below show the number of departures and associated costs of operating the scheme. These arose from an organisational restructure which was designed to reduce the overall salary bill in future years.

Year to 31 March 2019		
Exit Package Cost Band	Number of Departures Agreed	Total Cost £000
£25,000 to £50,000	1	34
<b>TOTALS</b>	<b>1</b>	<b>34</b>

<b>Year to 31 March 2018</b>		
<b>Exit Package Cost Band</b>	<b>Number of Departures Agreed</b>	<b>Total Cost £000</b>
£25,000 to £50,000	1	44
<b>TOTALS</b>	<b>1</b>	<b>44</b>

Exit package costs include:

- redundancy payments
- payments to the pension fund where early retirement has been agreed (strain on fund)
- compensation for reduced notice.

Exit costs are accounted for in full when the decision to grant compensation cannot be withdrawn. Redundancy and other departure costs have been paid in accordance with the Care Inspectorate's retirement policy, the Local Government Pension Scheme Regulations for Scotland and the NHS Pension Scheme Regulations. Where the Care Inspectorate has agreed early retirements, the additional costs are met by the Care Inspectorate and not the Local Government Pension Scheme.

## 4.2.7 Trade union activity

### FACILITY TIME STATEMENT

#### The Value of Facility Time

Facility Time generates benefits for employees, managers and the wider community from effective joint working between union representatives and employers.

A number of studies have shown that union workplaces tend to be safer and that trade unions help to promote skills and training in workplace. The Scottish Government recognises this through our support for trade union learning and equality initiatives, including: include Scottish Union Learning, Close the Gap, Fair Work Convention, Partnership Working in the NHS and revised governance arrangements for Higher Education.

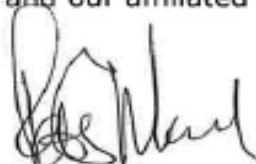
The NatCen study<sup>1</sup> highlighted four main benefits from the use of facility time:

- Provision of a ready-made structure for meaningful consultation and negotiation saves money and reassures members that their views are valued in decision-making.
- Facilitation of partnership working with trade unions improves workplace relations and the reputation of an employer as 'a good place to work'.
- Earlier intervention in relation to complaints, grievances and disciplinary action prevents escalation into more serious problems and saves organisations (and taxpayers) money by reducing the impact on staff time and possible legal costs.
- Better communication during restructuring and redundancy processes improves understanding of decisions, minimises negative impacts and reduces the number of working days lost through industrial action.

The Fair Work Convention<sup>2</sup> highlights these points through its 'Effective voice' principle. As they state: *"It is clear from international evidence that employees and workers want a voice, not only to resolve problems and conflicts (which is important) but also to engage and participate constructively in organisations."*

On organisational change, they say: *"There are many examples in Scotland and elsewhere of how collective voice through trade unions working with employers has addressed a wide range of organisational challenges and contributed to organisational improvements."*

It is the view of the Care Inspectorate that facility time data legally required by the Trade Union (Facility Time Publication Requirements) Regulations 2017, should be set in the context of the vast benefits that facility time bring to the workforce and to the employer, as set out above. This is supported by the Scottish Government, the STUC and our affiliated trade unions.



**Peter Macleod**  
Chief Executive



**Clive Pegram**  
Branch Secretary, UNISON src branch  
Joint Chair (Staffside) CI & SSSC Partnership Forum

<sup>1</sup> <http://www.natcen.ac.uk/our-research/research/the-value-of-trade-union-facility-time/>

<sup>2</sup> <http://www.fairworkconvention.scot/>

The Trade Union (Facility time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations require public sector employers to publish specific information related to facility time provided to trade union officials. The information for 2018/19 follows.

**Table 1**

**Relevant union officials**

The table below details number of employees who were relevant union officials during 2018/19.

<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
11	10

**Table 2**

**Percentage of time spent on facility time**

The table below provides details of the facility time spent by employees who were relevant union officials during 2018/19.

<b>Percentage of time</b>	<b>Number of employees</b>
0%	0
1-50%	10
51%-99%	1
100%	0

**Table 3**

**Percentage of pay bill spent on facility time**

The tables below give details of the percentage of time spent on facility time as a percentage of our pay bill.

Total cost of facility time	£67,149
Total pay bill	£27,583,509
Facility time as a percentage of total pay bill	0.24%

**Table 4**

**Paid trade union activities**

The table below provides hours spent by employees who were relevant union officials during the 2018/19 financial year as a percentage of total paid facility time hours.

Time spent on paid trade union activities as a percentage of total paid facility time hours.	29.5%
--	-------

## 5. Parliamentary Accountability Report

### 5.1 Losses and special payments

There were no losses and special payments incurred by the Care Inspectorate in the year to 31 March 2019 (nil for the year to 31 March 2018).

### 5.2 Fees and charges

#### Fees

The Care Inspectorate charges fees to care service providers applying to register a service and once registered an annual continuation of registration fee is charged.

The Scottish Government sets the maximum fees the Care Inspectorate may charge. Changes to maximum fee rates require a public consultation exercise. The maximum fees chargeable to care service providers have not increased since the 2005/06 financial year.

The Care Inspectorate has authority to charge care service providers for new certificates, variations to conditions of service and for the cancellation of a service. Currently no charge is made for these activities.

Our budget is funded mainly by a mixture of grant in aid from the Scottish Government and fees paid by service providers. The 2018/19 budget was based on funding of 65% from grant in aid and 35% from fees charged to service providers (2017/18 65% grant in aid; 35% fees).

Income collected from fees charged to service providers is as follows:

	2018/19			2017/18		
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000
Application to Register	601	649	48	536	648	112
Continuation of Registration	11,249	11,262	13	11,314	11,263	(51)
<b>Total</b>	<b>11,850</b>	<b>11,911</b>	<b>61</b>	<b>11,850</b>	<b>11,911</b>	<b>61</b>

#### Charges

The Care Inspectorate provides shared services to the Scottish Social Services Council (SSSC) and the Office of the Scottish Charity Regulator. We also share several of our properties with other public sector organisations and a charge is made for this occupancy. Charges are intended to recover the cost to the Care Inspectorate.

Income from shared services and property sharing charges was £1.5m in 2018/19 (2017/18; £1.6m).

### **5.3 Remote contingent liabilities**

There were no contingent liabilities as at 31 March 2019 which require disclosure under IAS 37 or the Scottish Public Manual (nil as at 31 March 218).

**Peter MacLeod**  
**Chief Executive**  
**26 September 2019**



## **6. Independent Auditor's Report**

### **Independent auditor's report to the members of the Care Inspectorate, the Auditor General for Scotland and the Scottish Parliament**

#### **Report on the audit of the financial statements**

##### **Opinion on financial statements**

We have audited the financial statements in the annual report and accounts of the Care Inspectorate for the year ended 31 March 2019 under the Public Services Reform (Scotland) Act 2010. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Taxpayers' Equity and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Public Services Reform (Scotland) Act 2010 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2019 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 FReM; and
- have been prepared in accordance with the requirements of the Public Services Reform (Scotland) Act 2010 and directions made thereunder by the Scottish Ministers.

##### **Basis for opinion**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is 3 years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern basis of accounting**

We have nothing to report in respect of the following matters in relation to which the

ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Risks of material misstatement**

We have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

### **Responsibilities of the Accountable Officer for the financial statements**

As explained more fully in the Statement of the Accountable Officer Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial

statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Other information in the annual report and accounts**

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Report on regularity of expenditure and income**

#### **Opinion on regularity**

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

#### **Responsibilities for regularity**

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

### **Report on other requirements**

#### **Opinions on matters prescribed by the Auditor General for Scotland**

In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

### **Matters on which we are required to report by exception**

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

## **Use of our report**

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Joanne Brown, (for and on behalf of Grant Thornton UK LLP)

110 Queen Street

Glasgow

G1 3BX

September 2019

## **7. Annual Accounts**

Social Care and Social Work Improvement Scotland (Care Inspectorate)  
Annual Accounts

1 April 2018 to 31 March 2019

**SOCIAL CARE and SOCIAL WORK IMPROVEMENT SCOTLAND (CARE  
INSPECTORATE)**

**FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**

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**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2019**

<u>Income</u>	Notes	2018/19 £000	2017/18 £000
Fees charged to service providers	2a	(11,911)	(11,911)
Other operating income	2b	(2,060)	(1,830)
		<b>(13,971)</b>	<b>(13,741)</b>
 <b><u>Expenditure</u></b>			
Staff costs	3a	33,827	31,432
Operating expenditure	6	9,380	7,851
		<b>43,207</b>	<b>39,283</b>
<i>Net operating cost on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities</i>		<b>29,236</b>	<b>25,542</b>
Bank charges (net of interest)		8	14
Net interest on defined pension liability/(asset)	5b	309	1,264
<i>Net operating cost on ordinary activities after interest and net interest on pension scheme net liabilities</i>		<b>29,553</b>	<b>26,820</b>
Total actuarial re-measurements on defined pensions liability	5b	(971)	(39,809)
<b>Total comprehensive net expenditure / (surplus) before Scottish Government funding*</b>		<b>28,582</b>	<b>(12,989)</b>

All operations are continuing.

The notes on pages 75 to 97 form an integral part of these accounts.

The table on page 18 provides a reconciliation between the SCNE and our budgeted position.

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019**

	<b>Notes</b>	<b>2018/19 £000</b>	<b>2017/18 £000</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	161	223
Intangible assets	8	0	13
Trade and other receivables falling due after more than one year	9	26	238
<b>Total non-current assets</b>		<b>187</b>	<b>474</b>
<b>Current assets</b>			
Trade and other receivables	9	3,453	3,355
Cash and cash equivalents	10	1,542	2,504
<b>Total current assets</b>		<b>4,995</b>	<b>5,859</b>
<b>Total assets</b>		<b>5,182</b>	<b>6,333</b>
<b>Current liabilities</b>			
Trade and other payables	11	(3,425)	(3,164)
<b>Total current liabilities</b>		<b>(3,425)</b>	<b>(3,164)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>1,757</b>	<b>3,169</b>
<b>Non-current liabilities</b>			
Other payables greater than one year	11	(141)	(244)
Pension assets/(liabilities)	5a	(18,126)	(13,797)
<b>Total non-current liabilities</b>		<b>(18,267)</b>	<b>(14,041)</b>
<b>Assets less liabilities</b>		<b>(16,510)</b>	<b>(10,872)</b>
<b>Taxpayers' equity</b>			
Pensions reserve	SOCTE	(18,126)	(13,797)
General reserve	15	1,616	2,925
		<b>(16,510)</b>	<b>(10,872)</b>

**Peter MacLeod**  
**Chief Executive**  
**26 September 2019**

The notes on pages 75 to 97 form an integral part of these accounts.



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2018/19	2017/18
		£000	£000
<b>Cash flows from operating activities</b>			
Total comprehensive net expenditure before Scottish Government funding	SCNE	(28,582)	12,989
Adjustments for non-cash items:			
Pension actuarial adjustments	5b (table 2)	4,329	(34,712)
Depreciation and amortisation	7,8	75	86
(Increase)/decrease in trade and other receivables	9	114	(718)
Increase/(decrease) in trade and other payables	11	261	(203)
Increase/(decrease) in non-current liabilities	11	(103)	(23)
Increase/(decrease) in provisions	11	0	(292)
<b>Net cash outflow from operating activities</b>		<u>(23,906)</u>	<u>(22,873)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	0	0
<b>Net cash outflow from investing activities</b>		<u>0</u>	<u>0</u>
<b>Cash flows from financing activities</b>			
Grants from Scottish Government	12	22,944	21,856
<b>Net financing</b>		<u>22,944</u>	<u>21,856</u>
Net increase/(decrease) in cash and cash equivalents in the period	10	(962)	(1,017)
Cash and cash equivalents at the beginning of the period	10	2,504	3,521
Cash and cash equivalents at the end of the period	10	1,542	2,504

The notes on page 75 to 97 form an integral part of these accounts

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Pension Reserve £'000	General Reserve £'000	Total Reserves £'000
<b>Balance at 31 March 2017</b>		(48,509)	2,792	(45,717)
<b>Changes in taxpayers equity for 2017/18</b>				
Adjustment between accounting basis and funding basis for actuarial pension valuation adjustments	5b (table 2)	34,712	(34,712)	0
Total comprehensive Net Expenditure			12,989	12,989
<b>Total recognised income and expense for 2017/18</b>		<b>34,712</b>	<b>(21,723)</b>	<b>12,989</b>
Grant from Scottish Government	12		21,856	21,856
<b>Balance at 31 March 2018</b>		<b>(13,797)</b>	<b>2,925</b>	<b>(10,872)</b>
<b>Changes in taxpayers equity for 2018/19</b>				
Adjustment between accounting basis and funding basis for actuarial pension valuation adjustments	5b (table 2)	(4,329)	4,329	0
Total Comprehensive Net Expenditure			(28,582)	(28,582)
Total recognised income and expense for 2018/19		(4,329)	(24,253)	(28,582)
Grant from Scottish Government	12		22,944	22,944
<b>Balance at 31 March 2019</b>		<b>(18,126)</b>	<b>1,616</b>	<b>(16,510)</b>

The notes on pages 75 to 97 form an integral part of these accounts

## **NOTES TO THE ACCOUNTS**

### **1. Statement of accounting policies**

#### **1.1 Basis of accounts**

The accounts have been prepared in accordance with the Accounts Direction issued by the Scottish Ministers. The Accounts Direction (reproduced at Appendix 1) requires compliance with the Government's Financial Reporting Manual (FReM) which follows International Financial Reporting Standards as adopted by the European Union, International Financial Reporting Interpretation Committee (IFRIC) Interpretations and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The particular accounting policies adopted by the Care Inspectorate are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts are prepared using accounting policies and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors.

#### **1.2 Accounting standards issued not yet effective**

In accordance with IAS8, changes to IFRS that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. IFRS 16 Leases (from January 2019) has been considered. No significant impact on future periods' financial statements is anticipated.

#### **1.3 Accounting convention**

The accounts have been prepared under the historical cost convention except for certain financial instruments and pensions that have been measured at fair value as determined by the relevant accounting standard.

#### **1.4 Going concern**

The accounts have been prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future. Further explanation of the going concern basis is contained in the Financial Performance section (pages 16 to 18).

#### **1.5 Property, plant and equipment**

##### **1.5.1 Capitalisation**

The capitalisation threshold for individual assets is £5,000. This applies to all asset categories.

##### **1.5.2 Valuation**

Property, plant and equipment assets are carried at cost, less accumulated depreciation and any recognised impairment value. The Care Inspectorate does not have any assets held under finance leases.

Depreciated historic cost has been used as a proxy for the current value. All property, plant and equipment have low values and short useful economic lives which realistically

reflect the life of the asset, and a depreciation charge which provides a realistic reflection of consumption.

### **1.5.3 Depreciation**

Depreciation is provided on property, plant and equipment on a straight line basis using the expected economic life of the asset. A full year's depreciation is charged in the year the asset is first brought into use and no depreciation is charged in the year of disposal. The economic life of an asset is determined on an individual asset basis.

### **1.6 Intangible assets**

Acquired intangible assets are measured initially at cost and are amortised on a straight line basis over their estimated useful lives. Acquired intangible assets tend to be software. The economic life of an asset is determined on an individual basis.

### **1.7 Impairment of tangible and intangible assets**

All tangible and intangible non-current assets are reviewed for impairment in accordance with IAS 36 'Impairment of Assets' when there are indications that the carrying value may not be recoverable. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value, less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses this is recognised as income immediately.

### **1.8 Government grants receivable**

Grants and grant in aid in respect of revenue and capital expenditure are treated as a source of financing and are credited to the general reserve.

### **1.9 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Care Inspectorate currently only holds operating leases.

#### **1.9.1 The Care Inspectorate as a lessor**

The Care Inspectorate provides Finance, Human Resources, ICT, Estates and Health and Safety services to the Scottish Social Services Council and this arrangement is disclosed as an operating lease. The Care Inspectorate also sub-lets offices to other public bodies.

Income from operating leases to the value of £1.340m has been recognised in the SCNE.

#### **1.9.2 The Care Inspectorate as a lessee**

Costs in respect of operating leases are charged to the operating cost statement on a straight line basis over the term of the lease.

Costs for operating leases to the value of £0.941m have been recognised in the SCNE.

### **1.10 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position consist of cash at bank and cash in hand.

### **1.11 Pensions**

The Care Inspectorate accounts for pensions under IAS 19 'Employee Benefits' as adapted to the public sector.

The Care Inspectorate is an admitted body to the local government pension scheme and this is a defined benefit scheme. Obligations are measured at discounted present value whilst scheme assets are recorded at fair value. The operating and financing costs of such schemes are recognised separately in the statement of comprehensive net expenditure (SCNE). Service costs are spread systematically over the expected service lives of employees. Financing costs and actuarial gains and losses are recognised in the period in which they arise.

The Care Inspectorate's funding rules require the general reserve balance to be charged with the amount payable by the Care Inspectorate to the pension scheme and not the amount calculated according to the application of IAS 19. Therefore there are appropriations to/from the pensions reserve shown in the statement of changes in taxpayers' equity to reverse the impact of the IAS 19 entries included in the statement of comprehensive net expenditure to ensure the general reserve balance is charged with the amount payable by the Care Inspectorate.

### **1.12 Short-term employee benefits**

The Care Inspectorate permits the carry forward of unused annual leave entitlement and accumulated flexible working hours scheme balances. Entitlement to annual leave and flexible working hours are recognised in the accounts at the time the employee renders the service and not when the annual leave and accumulated hours balances are actually used.

### **1.13 Shared services**

The Care Inspectorate shares its headquarters and some services with the Scottish Social Services Council (SSSC). There is a Service Level Agreement (SLA) between the SSSC and Care Inspectorate and the Care Inspectorate charges the SSSC for property costs and ICT costs based on this SLA. The SLA contains arrangements akin to a lease for accommodation and ICT equipment.

### **1.14 Value Added Tax (VAT)**

The Care Inspectorate can recover only a nominal value of VAT incurred on purchases, with irrecoverable VAT being charged to the SCNE.

### **1.15 Revenue and capital transactions**

Revenue and capital transactions are recorded in the accounts on an income and expenditure basis, that is, they are recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the Care Inspectorate as at 31 March 2019 have been brought into account.

### **1.16 Financial instruments**

The Care Inspectorate does not hold any complex financial instruments. As the cash requirements of the Care Inspectorate are met through grant in aid provided by the Health

and Social Care Integration Directorate, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with our expected purchase and usage requirements and the Care Inspectorate is therefore exposed to little credit, liquidity or market risk.

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Care Inspectorate becomes a party to the contractual provisions of the instrument.

#### **1.16.1 Trade receivables**

Trade receivables are non-interest bearing and are recognised at fair value, reduced by appropriate allowances for estimated irrecoverable amounts.

#### **1.16.2 Trade payables**

Trade payables are non-interest bearing and are stated at fair value.

#### **1.16.3 Provisions**

Provisions are recognised when the Care Inspectorate has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provisions is presented in the Statement of Comprehensive Net Expenditure net of any reimbursement.

#### **1.17 Change in accounting policy**

There have been no changes in accounting policy during the year.

#### **1.18 Operating segments**

Financial reporting to senior decision makers is at an organisation wide level and therefore segmental reporting under IFRS 8 is not required.

#### **1.19 Contingent Liabilities**

In the event that the Care Inspectorate had contingent liabilities, these would be disclosed in accordance with IAS 37.

## 2. Operating income

	2018/19	2017/18
	£000	£000
<b>2.a Fees charged to service providers</b>		
Continuation of registration	(11,262)	(11,263)
Application to register	(649)	(648)
	<b>(11,911)</b>	<b>(11,911)</b>

	2018/19	2017/18
	£000	£000
<b>2.b Other operating income</b>		
Recharges for services provided to other organisations	(1,464)	(1,369)
Secundee recharges	(302)	(233)
Lease income	(86)	(189)
Other income	(208)	(39)
	<b>(2,060)</b>	<b>(1,830)</b>

## 3. Staff numbers and costs

### 3.a Analysis of staff costs

An analysis of staff numbers and costs is disclosed in Section 4.2.1 (staff numbers by permanent and other) of this report. A summary of cost is provided in the table below:

#### **Note 3a:**

<b>Staff cost summary</b>	2018/19	2017/18
	£000	£000
Directly employed staff	32,577	30,278
Indirectly employed staff	732	577
Severance costs	34	44
Other staff costs	484	533
<b>Total staff costs</b>	<b>33,827</b>	<b>31,432</b>

### 3.b Analysis of impact of actuarial pension valuation adjustments (see note 5)

The table below provides details of the difference between the employers' contributions we actually paid to the pension scheme administrator and the service cost disclosed in the Annual Report and Accounts. Our budget is based on employer contributions payable. Service cost is a figure derived from actuarial analysis in accordance with IAS19.

	2018/19			2017/18		
	Local Government Scheme £000	NHS Scheme £000	Total £000	Local Government Scheme £000	NHS Scheme £000	Total £000
Employer pension contributions actually paid	3,442	37	3,479	3,288	43	3,331
<b>Accounting entries (IAS19 note 5)</b>						
Service cost (actuarial basis)	8,356	37	8,393	7,070	43	7,113
<b>Pension costs included in staff costs (SCNE)</b>	<b>8,356</b>	<b>37</b>	<b>8393</b>	<b>7,070</b>	<b>43</b>	<b>7113</b>
Variance between actual cost and accounting basis	4,914	0	4,914	3,782	0	3,782

#### 4. Reporting of voluntary early severance/voluntary early retirement scheme

The total cost of exit packages in 2018/19 was £34k (2017/18: £44k). Details of exit packages are disclosed in Section 4.2.6 (exit packages) of this report.

#### 5. Post employment benefits: pension

International Accounting Standard 19 (IAS 19) 'Employee Benefits' sets out the accounting treatment to be followed when accounting for the costs of providing a pension scheme.

##### NHS pension scheme

As at 31 March 2019 the Care Inspectorate employed 6 people who were members of the NHS Superannuation Scheme (Scotland). The scheme is an unfunded multi-employer defined benefit scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four yearly valuation was undertaken as at 31 March 2016. The next valuation will be as at 31 March 2020 and this will set contribution rates from 1 April 2023. The Care Inspectorate is unable to identify its share of underlying assets and liabilities, therefore is treated for accounting purposes as a defined contribution scheme.

- The Care Inspectorate has no liability for other employer's obligations to the multi-employer scheme.
- As the scheme is unfunded there can be no deficit or surplus to distribute the wind-up of the scheme or the withdrawal from the scheme.



During the year ended 31 March 2019, the Care Inspectorate paid an employer's contribution of £37k (2017/18 £43k) into the NHS scheme at a rate of 14.9% of pensionable pay (2017/18 14.9%). The employer contribution rate for the year to 31 March 2020 will increase to 20.9%.

### **Tayside Superannuation Fund**

The Tayside Superannuation Fund is a multi-employer scheme which includes local authorities and admitted bodies.

The fund is administered by Dundee City Council and the pension scheme is part of the Local Government Pension Scheme. It is a defined benefit scheme, which means that the benefits to which members and their spouses are entitled are determined by pensionable pay and length of service.

Employer contribution rates have been set at 17% for 2018/19, 2019/20 and 2020/21. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2020. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The contributions paid by the Care Inspectorate for the year to 31 March 2019 were £3,442k (2017/18 £3,288k) representing 17.0% of pensionable pay. The employer contribution rate for the year to 31 March 2020 will remain at 17.0%. Employee contribution rates for the LGPS were in the range 5.5% to 10.1% based on earnings bands.

Participation in the defined benefit scheme exposes the Care Inspectorate to the following risks:

- **Investment risk.** The fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- **Interest rate risk.** The fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the fund holds assets such as equities, the value of the assets and liabilities may not move in the same way.
- **Inflation risk.** All of the benefits under the fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- **Longevity risk.** In the event that the members live longer than assumed, a deficit will emerge in the fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the fund, there is an orphan liability risk where employers leave the fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Care Inspectorate, for example higher than expected investment returns or employers leaving the fund with excess assets which eventually get inherited by the remaining employers.

The Court of Appeal has recently ruled transactional protections granted to older members of the Judicial Pension Scheme and the Firefighters Pension Scheme give rise to unlawful discrimination. As the Local Government Pension Scheme (Scotland) (LGPSS) has similar transitional protection arrangements there is likely to be a read across and the implications of remedying the unlawful discrimination will be similar. The implications are it is likely to result in increases to scheme liabilities and service costs. Ultimately this may lead to future increases in employer contribution rates.

The pension disclosure notes include the actuarial assessment of the impact on the Care Inspectorate's share of the fund.

#### 5.a Employee benefits – statement of financial position recognition

	Year to 31 March 2019	Year to 31 March 2018
	£000	£000
Present value of funded obligation	(202,818)	(189,150)
Fair value of scheme assets (bid value)	184,692	175,353
<b>Net liability</b>	<b>(18,126)</b>	<b>(13,797)</b>

## 5.b Statement of comprehensive net expenditure (SCNE) costs for the year to 31 March 2019

**Table 1 - The amounts recognised in the SCNE are as follows:**

	Year to 31 March 2019		Year to 31 March 2018	
	£000	£000	£000	£000
Service cost		8,356		7,070
Administration expenses		77		51
Net interest on the defined liability/(asset)		309		1,264
Difference between actual employer's contributions and actuarial employer's contributions	(13)		(170)	
Return on plan assets in excess of interest	(3,752)		(4,375)	
Change in financial assumptions	9,090		(8,951)	
Changes in demographic assumptions	(6,296)		(10,400)	
Experience gain on defined benefit obligation	0		(5,416)	
Other actuarial gains on assets	0		(10,497)	
Total re-measurements		(971)		(39,809)
<b>Total</b>		<b>7,771</b>		<b>(31,424)</b>
Total return on scheme assets		8,238		8,956

The Care Inspectorate recognises the cost of retirement benefits in the reported operating cost when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made under the Care Inspectorate's funding rules is based on the cash payable in the year. This requires the real cost of post employment/retirement benefits to be reversed out of the general reserve via the statement of changes in taxpayers' equity. The following transactions have been made in the SCNE and the general reserve balance via the statement of changes in taxpayers' equity during the year:

Table 2

<b>Actuarial Adjustments for:</b>	<b>Note</b>	<b>2018/19 £000</b>	<b>2017/18 £000</b>
Staff Costs	3b	4,914	3,782
Administration charges	5b Table 1	77	51
Net interest on defined liability	5b Table 1	309	1,264
Remeasurements	5b Table 1	(971)	(39,809)
<b>Total actuarial adjustment</b>		<b>4,329</b>	<b>(34,712)</b>

The net interest on defined liability / (asset) effectively sets the expected return equal to the IAS19 discount rate (note 5g).

### 5.c Benefit obligation reconciliation for the year to 31 March 2019

Changes in the present value of the defined benefit obligations are as follows:

	Year to 31 March 2019		Year to 31 March 2018	
	£000	£000	£000	£000
Opening defined benefit obligation		189,150		204,872
Current service cost	6,868		7,062	
Past service costs, including curtailments	1,488		8	
Total service cost		8,356		7,070
Interest cost		4,795		5,485
Estimated benefits paid net of transfers in	(3,661)		(4,958)	
Contributions by scheme participants	1,384		1,448	
Total scheme transactions		(2,277)		(3,510)
Changes in financial assumptions	9,090		(8,951)	
Changes in demographic assumptions	(6,296)		(10,400)	
Experience gain on defined benefit obligation	0		(5,416)	
Total actuarial (gains)/losses		2,794		(24,767)
<b>Closing defined benefit obligation</b>		<b>202,818</b>		<b>189,150</b>

## 5.d Fair value of scheme assets reconciliation for the year to 31 March 2019

Changes in the fair value of scheme assets are as follows:

	Year to 31 March 2019		Year to 31 March 2018	
	£000	£000	£000	£000
Opening fair value of scheme assets		175,353		156,363
Interest on assets		4,486		4,221
Estimated benefits paid net of transfers in	(3,661)		(4,958)	
Employer contributions	3,455		3,458	
Contributions by scheme participants	1,384		1,448	
Total scheme transactions		1,178		(52)
Return on assets less interest		3,752		4,375
Other actuarial gains/(losses)		0		10,497
Administration expenses		(77)		(51)
<b>Closing defined benefit obligation</b>		<b>184,692</b>		<b>175,353</b>

## 5.e Projected pension expense for the year to 31 March 2020

	Year to 31 March 2020
	£000
Service cost	7,266
Net interest on the defined liability	394
Administration expenses	81
<b>Total</b>	<b>7,741</b>
Employer contributions	3,400

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2019.

## 5.f Care Inspectorate fund assets

The table below provides details of the estimated asset allocation of the fund for the Care Inspectorate.

Asset class	Assets as at 31 March 2019		Assets as at 31 March 2018	
	£000	%	£000	%
Equities	127,576	69	121,194	69
Gilts	2,645	1	9,297	5
Other bonds	27,711	15	20,301	12
Property	23,057	13	20,665	12
Cash	3,263	2	3,874	2
Alternatives	440	0	22	0
<b>Total</b>	<b>184,692</b>	<b>100</b>	<b>175,353</b>	<b>100</b>

Based on the above, the Care Inspectorate's share of the assets of the fund is approximately 5%.

## 5.g Financial assumptions as at 31 March 2019

The financial assumptions used for IAS19 calculations are below. These assumptions are set with reference to market conditions at 31 March 2019. The estimated duration of the Care Inspectorate's liabilities is 19 years. The discount rate is the annualised yield at the 19 year point on the Merrill Lynch AA rated corporate bond yield curve which has been chosen to meet the requirements of IAS19 and with consideration of the duration of the Care Inspectorate's liabilities. This is consistent with the approach used at the last accounting date.

An estimate of the Care Inspectorate's future cashflows is made using notional cashflows based on the estimated duration of 19 years. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at its single rate, equates to the net present value of the cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted at the Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point).

Similar to the approach used to derive the discount rate, the Retail Prices Index (RPI) assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the notional cashflows described above. The SEIR derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rated corporate bond spot curve is assumed to be flat beyond the 30 year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40 year point.

This is consistent with the approach used at the previous accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, the actuary has made a further assumption about CPI which is that it will be 1.0% below RPI i.e. 2.4% per annum. The actuary believes this is a reasonable estimate for the future differences in the indices, based on the different calculation methods and recent independent forecasts and is consistent with the approach used at the previous accounting date. This is a slightly higher deduction than at the last accounting date CPI was assumed to be 0.9% lower than RPI.

Salary increases are assumed to be 1.0% above CPI in addition to a promotional scale.

Assumptions as at	31 March 2019	31 March 2018	31 March 2017
	% p.a.	% p.a.	% p.a.
Discount rate	2.40	2.55	2.70
Pension increases	2.40	2.30	2.70
Salary increases	3.40	3.30	3.70

#### 5.h Demographic/statistical assumptions

A set of demographic assumptions that are consistent with those used for the formal funding valuation as at 31 March 2017 have been adopted. The post retirement mortality tables used were the S2PA tables with a multiplier of 130%. These base tables are then projected using the CMI 2018 Model, allowing for a long-term improvement of 1.5% per annum with a smoothing parameter of 7.0.

The assumed life expectations from age 65 are:

Life Expectancy from Age 65 (years)		31 March 2019	31 March 2018
Retiring today	Males	19.6	20.3
	Females	21.6	22.2
Retiring in 20 years	Males	21.3	22.1
	Females	23.4	24.1

The actuary has also made the following assumptions.

- Members will exchange half of their commutable pension for cash at retirement.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- Opted-in active members will continue to pay 50% of contribution for 50% of benefits under the new scheme.

## 5.i Sensitivity analysis

The following table sets out the impact of a change in the discount rates on the defined benefit obligation and projected service cost along with a +/- one year age rating adjustment to the mortality assumption.

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	199,032	202,818	206,680
Projected service cost	7,115	7,266	7,421
Adjustment to long-term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	203,387	202,818	202,253
Projected service cost	7,270	7,266	7,263
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	206,108	202,818	199,594
Projected service cost	7,417	7,266	7,118
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	210,031	202,818	195,854
Projected service cost	7,516	7,266	7,025

## 6. Analysis of operating costs

Operating expenditure	2018/19 £000	2017/18 £000
Property costs	2,414	3,020
Administration costs <sup>1</sup>	2,467	1,961
Supplies & services	2,707	1,216
Transport costs	1,624	1,496
Pension administration costs (IAS 19)	77	51
Depreciation & amortisation of assets	75	86
Changes in debt impairment allowance	16	21
	<b>9,380</b>	<b>7,851</b>

1. Administration costs includes £32.5k for external auditor's remuneration (2017/18 £31.9k). External audit provided no services in relation to non-audit work.



## 7. Property, plant and equipment

	2018/19			Total £000
	Furniture and fittings £000	Plant and equipment £000	Information technology £000	
<b>Cost or Valuation:</b>				
At 1 April 2018	562	143	373	1,078
Additions	0	0	0	0
Disposals	(13)	0	0	(13)
<b>At 31 March 2019</b>	<b>549</b>	<b>143</b>	<b>373</b>	<b>1,065</b>
<b>Depreciation:</b>				
At 1st April 2018	(361)	(132)	(362)	(855)
Charged in year	(49)	(2)	(11)	(62)
Disposals	13	0	0	13
<b>At 31 March 2019</b>	<b>(397)</b>	<b>(134)</b>	<b>(373)</b>	<b>(904)</b>
<b>Net book value:</b>				
<b>At 31 March 2019</b>	<b>152</b>	<b>9</b>	<b>0</b>	<b>161</b>
At 31 March 2018	201	11	11	223

**Asset Financing:** All assets are owned

	2017/18			Total £000
	Furniture and fittings £000	Plant and equipment £000	Information technology £000	
<b>Cost or Valuation:</b>				
At 1 April 2017	562	143	524	1,229
Additions	0	0	0	0
Disposals	0	0	(151)	(151)
<b>At 31 March 2018</b>	<b>562</b>	<b>143</b>	<b>373</b>	<b>1,078</b>
<b>Depreciation:</b>				
At 1st April 2017	(309)	(130)	(502)	(941)
Charged in year	(52)	(2)	(11)	(65)
Disposals	0	0	151	151
<b>At 31 March 2018</b>	<b>(361)</b>	<b>(132)</b>	<b>(362)</b>	<b>(855)</b>
<b>Net book value:</b>				
<b>At 31 March 2018</b>	<b>201</b>	<b>11</b>	<b>11</b>	<b>223</b>
At 31 March 2017	253	13	22	288

**Asset Financing:** All assets are owned

## 8. Intangible assets

	2018/19		
	Computer software licences £000	Information technology £000	Total £000
<b>Cost or Valuation:</b>			
At 1st April 2018	21	227	248
Additions	0	0	0
Disposals	0	(40)	(40)
At 31 March 2019	21	187	208
<b>Depreciation:</b>			
At 1st April 2018	(21)	(214)	(235)
Charge for year	0	(13)	(13)
Disposals	0	40	40
At 31 March 2019	(21)	(187)	(208)
<b>Net book value:</b>			
<b>At 31 March 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>
At 31 March 2018	0	13	13

There are no internally developed intangible assets

	2017/18		
	Computer software licences £000	Information technology £000	Total £000
<b>Cost or Valuation:</b>			
At 1st April 2017	21	227	248
Additions	0	0	0
Disposals	0	0	0
At 31 March 2018	21	227	248
<b>Depreciation:</b>			
At 1st April 2017	(21)	(193)	(214)
Charge for year	0	(21)	(21)
Disposals	0	0	0
At 31 March 2018	(21)	(214)	(235)
<b>Net book value:</b>			
<b>At 31 March 2018</b>	<b>0</b>	<b>13</b>	<b>13</b>
At 31 March 2017	0	34	34

There are no internally developed intangible assets

## 9. Trade and other receivables

	2018/19		2017/18	
	£000	£000	£000	£000
<b>Amounts falling due within one year:</b>				
Prepayments and accrued income		1,036		884
Trade receivables	2,359		2,445	
Other receivables	<u>58</u>		<u>26</u>	
		<u>2,417</u>		<u>2,471</u>
		<b>3,453</b>		<b>3,355</b>
<b>Amounts falling due after more than one year:</b>				
Prepayments and accrued income		<b>26</b>		<b>238</b>
		<u>        </u>		<u>        </u>
<b>Total trade and other receivables</b>		<b><u>3,479</u></b>		<b><u>3,593</u></b>

Trade and other receivables are non-interest bearing. Credit terms are generally 30 days. Trade and other receivables are recorded at fair value, reduced by appropriate allowances for estimated irrecoverable amounts. Amounts falling due after more than one year relate to prepaid expenditure.

<b>Provision for impairment of receivables:</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
As at 1 April	(31)	(10)
Charge for the year	(64)	(37)
Unused amounts reversed	5	1
Uncollectable amounts written off	43	15
As at 31 March	<u><b>(47)</b></u>	<u><b>(31)</b></u>

As at 31 March 2019, trade and other receivables of £47k (2017/18 £31k) were past due and impaired. The amount provided is £47k (2017/18 £31k). The aging analysis of these receivables is as follows:

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Up to 3 months past due	(15)	(6)
3 to 6 months past due	(3)	(1)
Over 6 months past due	(15)	(11)
Over 12 months past due	(14)	(13)
	<u><b>(47)</b></u>	<u><b>(31)</b></u>

As at 31 March 2019, trade and other receivables of £2,547k (2017/18 £2,471k) were due but not impaired. The aging analysis of these receivables is as follows:

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Not yet due	1,862	1,986
Up to 3 months past due	150	311
3 to 6 months past due	203	48
Over 6 months past due	111	39
Over 12 months past due	91	87
	<b><u>2,417</u></b>	<b><u>2,471</u></b>

**Analysis of trade and other receivables:**

**Amounts falling due within one year:**

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Bodies external to government	2,908	2,660
Other central government bodies	310	381
Local authorities	233	247
NHS bodies	<u>2</u>	<u>67</u>
	<b><u>3,453</u></b>	<b><u>3,355</u></b>

**Amounts falling due after more than one year:**

Bodies external to government	<b>26</b>	<b>238</b>
<b>Total trade and other receivables</b>	<b><u>3,479</u></b>	<b><u>3,593</u></b>

**10. Cash and cash equivalents**

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Balance as at 1 April	2,504	3,521
Net change in cash and cash equivalent balance	<b>(962)</b>	<b>(1,017)</b>
Balance as at 31 March	<b><u>1,542</u></b>	<b><u>2,504</u></b>

The following balances as at 31 March were held at:

Government Banking Service	1,210	2,396
Commercial banks and cash in hand	<u>332</u>	<u>108</u>
Balance as at 31 March	<b><u>1,542</u></b>	<b><u>2,504</u></b>

## 11. Trade and other payables

	2018/19 £000	2017/18 £000
<b>Amounts falling due within one year:</b>		
Trade payables	1,131	710
Accruals and deferred income	577	684
Other taxation and social security	739	740
Other payables	978	1030
	<b>3,425</b>	<b>3,164</b>
<b>Amounts falling due after more than one year:</b>		
	<b>£000</b>	<b>£000</b>
Early departure cost liability transferred from SWIA	0	27
Shared service income in advance	0	17
Lease incentive	141	200
	<b>141</b>	<b>244</b>
<b>Analysis of trade and other payables:</b>		
	<b>2018/19</b>	<b>2017/18</b>
<b>Due within one year:</b>	<b>£000</b>	<b>£000</b>
Bodies external to government	2,091	1,764
Other central government bodies	842	888
Local authorities	451	492
NHS bodies	41	20
	<b>3,425</b>	<b>3,164</b>
<b>Falling due after more than one year:</b>		
	<b>£000</b>	<b>£000</b>
Bodies external to government	141	199
Other central government bodies	0	45
	<b>141</b>	<b>244</b>

The additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) benefits in respect of employees who retired early were met by paying the required amounts to the PCSPS over the period between early departure and normal retirement date. This was provided for in full when the early retirement programme became binding by establishing a liability for the estimated payments.

Trade and other payables due after more than one year include the lease incentives which are accounted for over more than one year.

## 12. Grants from Scottish Government

<b>Scottish Government grants</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Grant in aid operating costs	21,389	21,389
Transformation delivery programme grant	670	300
Scrutiny approach for Community Justice	326	0
National health and social care standards grant	50	68
Child protection initial case reviews	50	0
Support to early learning and childcare expansion	62	0
Development of childminding induction grant	0	69
Childminder learning and development resources grant	0	30
<b>Total grant in aid funding</b>	<b>22,547</b>	<b>21,856</b>
Care About Physical Activity (CAPA) project funding	210	0
Child protection initial case reviews	70	0
Scottish study of early learning childcare grant	49	0
Technology enabled care programme funding	48	0
Scottish Government Hub funding	20	0
<b>Total grants from Scottish Government</b>	<b>22,944</b>	<b>21,856</b>

## 13. Capital commitments

There were no capital commitments as at 31 March 2019.

## 14. Commitments under leases

### 14.a Operating leases

The total future minimum lease payments under operating leases are shown below. The commitments are shown net of VAT.

<b>Obligations under operating leases comprise:</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Buildings:		
Within 1 year	726	821
Within 2 to 5 years	2,183	2,777
Beyond 5 years	729	1010
	<b>3,638</b>	<b>4,608</b>
Other:		
Within 1 year	91	133
Within 2 to 5 years	30	112
	<b>121</b>	<b>245</b>

#### 14.b Operating lease receivables

The Care Inspectorate provides shared services to the Scottish Social Services Council (SSSC) and the Office of the Scottish Charities Regulator (OSCR). Shared services relating to the provision of facilities, information and communications technology (ICT) and administration services are disclosed as lease arrangements. Sub lease arrangements are also in place with the Scottish Government.

Anticipated rental commitments under operating leases are shown in the table below. The rental commitments are shown net of VAT.

<b>Commitments under operating leases comprise:</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Buildings:		
Within 1 year	774	768
Within 2 to 5 years	2,448	3,069
Beyond 5 years	258	394
	<b>3,480</b>	<b>4,231</b>
Other:		
Within 1 year	0	410
Within 2 to 5 years	0	0
Beyond 5 years	0	0
	<b>0</b>	<b>410</b>

In Dundee, our buildings are shared with the Scottish Social Services Council and the Office of the Scottish Charities Regulator. The anticipated rental commitments are based on these lease arrangements continuing until the end of the lease terms. The shared ICT services with the Scottish Social Services Council ended in February 2019.

#### 14.c Finance leases

There are no obligations or commitments under finance leases.

## 15. Sources of financing

<b>General Reserves</b>		<b>Revenue Transactions</b>	<b>Capital Transactions</b>	<b>General Reserve</b>
<b>2017/18</b>			<b>2018/19</b>	
<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>
2,792	Opening Balance	2,689	236	2,925
12,989	Surplus/(Deficit) for the year	(28,507)	(75)	(28,582)
(34,712)	pension actuarial adjustments	4,329		4,329
(18,931)	Total before grants	(21,489)	161	(21,328)
21,856	Grant-in-aid funding	22,944	0	22,944
21,856	Total grants	22,944	0	22,944
<b>2,925</b>	<b>Total</b>	<b>1,455</b>	<b>161</b>	<b>1,616</b>

## 16. Contingent Assets

The Care Inspectorate has the following contingent asset as at 31 March 2019.

A claim has been lodged with one of our telecoms providers to recover backdated charges for services which have been cancelled. The estimate value of income receivable is £90k.

## 17. Related-party transactions

The Care Inspectorate is a non-departmental public body sponsored by the Scottish Government Health and Social Care Integration Directorate. The Care Inspectorate has shared services arrangements with the Scottish Social Services Council and the Office of the Scottish Charities Regulator. In addition, the Care Inspectorate sub-lets accommodation to Scottish Government. There are no other bodies or organisations that are regarded as related parties with which the Care Inspectorate has had material transactions during the year.

A register of interests is maintained and updated annually. None of the Board members or key managerial staff have undertaken material transactions with the Care Inspectorate during the year.



<b>Related Party</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Scottish Social Services Council	1329	1,282
Office of the Scottish Charities Regulator	136	140
Scottish Government	86	196
Education Scotland	30	83
<b>Total</b>	<b>1,581</b>	<b>1,701</b>

We also received procurement services from the Scottish Government's Central Government Procurement Shared Service to the value of £23k (2017/18: £13k)

#### **18. Post statement of financial position events**

There were no events after the statement of financial position date relating to the 2018/19 financial year.

## Appendix One: Accounts Direction by the Scottish Ministers



### SOCIAL CARE AND SOCIAL WORK IMPROVEMENT SCOTLAND

#### DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of section 14(1) of Schedule 11 of the Public Services Reform (Scotland) Act 2010 hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2012, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers

Dated 1 June 2012

## Glossary

CETV	Cash equivalent transfer value
CIPFA	Chartered Institute of Public Finance and Accountancy
CMI	The continuous mortality investigation
COSLA	Convention of Scottish Local Authorities
CPI	Consumer price index
FReM	Government financial reporting manual
FTE	Full time equivalent
HIS	Healthcare Improvement Scotland
HMICS	Her Majesty's Inspectorate of Constabulary in Scotland
HMRC	Her Majesty's Revenue and Customs
IAS	Internal Accounting Standard
ICT	Information and communications technology
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
IRISS	The Institute for Research and Innovation in Social Services
IRT	Inspection Report Template
KPI	Key performance indicator
LGPS	Local Government Pension Scheme
NMC	Nursing and Midwifery Council
OSCR	Office of the Scottish Charity Regulator
PCSPS	Principal Civil Service Pension Scheme
PMS	Practice Management System
PSR Act 2010	Public Services Reform Act (2010)
PVG	Protecting vulnerable groups
RNIB	Royal National Institute of Blind People
RPI	Retail price index
SCNE	Statement of comprehensive net expenditure
SLA	Service level agreement
SOCTE	Statement of changes in taxpayers equity
SQA	Scottish Qualifications Authority
SSSC	Scottish Social Services Council
VAT	Value added tax
WMT	Workload Management Tool