



A Meeting of the Care Inspectorate Board is to take place at **10.00 am** on **Wednesday 30 September 2020**.

In light of the guidance about minimising social contact issued by the Scottish Government in relation to Covid-19, the meeting will be held remotely by video-link. Arrangements are in place to enable members of the public to attend the meeting by this method and a public notice has been placed on the Care Inspectorate website.

AGENDA

PUBLIC SESSION

1.	Welcome and Introductions
2.	Apologies
3.	Declarations of Interest
4.	Minute of Board meeting held on 13 August 2020 (paper attached)
5.	Action Record of Board meeting held on 13 August 2020 (paper attached)
6.	Matters Arising
7.	Chair's Report – Report No: B-31-2020
8.	Chief Executive's Report – Report No: B-32-2020
	STRATEGY AND POLICY
9.	Monitoring our Performance 2020/21 - Quarter 1 - Report No: B-33-2020
10.	Interim Review of Current Performance Measures - Report No: B-34-2020
11.	Revision of Corporate Plan – Report No: B-35-2020
12.	Strategic Risk Register Monitoring – Report No: B-36-2020
	MONITORING AND GOVERNANCE
13.	Minute of Audit and Risk Committee meeting held 10 September 2020 (papers attached)

14.	Care Inspectorate Annual Report and Accounts 2019/20 (papers attached) 14.1 Audit Committee Annual Report to the Board - Report No: B-37-2020 14.2 Draft Annual Report and Accounts 2019/20 14.3 External Audit Annual Report by Grant Thornton 14.4 Letter of Representation
15.	Budget Monitoring – Report No: B-38-2020
16.	Human Resources Annual Report – Report No: B-39-2020
17.	Care Inspectorate Wellbeing Strategy – Presentation
18.	Annual Procurement Performance – Report No: B-40-2020
	OPERATIONAL
19.	Proposed Board and Committee Cycle 2021/22 (paper attached)
	STANDING ITEMS
20.	Identification of Risk
21.	Board Schedule of Business 2020/21 (paper attached)
22.	Any Other Competent Business
23.	Close of Public Meeting and Date of Next Meeting: 17 December 2020 at 10.30 am by Teams video-call.
	PRIVATE ITEMS
24.	Scrutiny, Assurance and Improvement Plan 2020/21 – Report No: B-41-2020
25.	Financial Strategy 2020-21 to 2026-27 - Report No: B-42-2020
26.	Digital Transformation Update: Outline Business Case, Phase 2 – Report No: B-43-2020
27.	Market Oversight – Report No: B-44-2020
28.	Care Inspectorate’s Powers of Enforcement – Report No: B-45-2020



BOARD ACTION RECORD

Item No	Title	Action	Responsibility	Timescale	Status/Comments
Actions from 18 June 2020					
10.0	MONITORING OUR PERFORMANCE 2019/20 - Q4: REPORT B-18-2020	Update on registration performance, in relation to expansion of early learning and childcare.	EDS&A	For September Board	Completed
		Update on CI's activity around services for children and young people following on from the Independent Care Review	CE	For December Board	
13.0	COMPLAINTS ACTIVITY ANNUAL REPORT 2019/20: REPORT B-21-2020	Link with deaf and signing community in order to promote awareness of complaints process.	Chief Inspector (Adult Services)	In preparation for mid-year complaints report	

Item No	Title	Action	Responsibility	Timescale	Status/Comments
Actions from 13 August 2020					
8.0	SCRUTINY AND ASSURANCE PLAN – REPORT NO: B-26-2020	Modify wording in report to clarify the powers of the Care Inspectorate to enter services when assessed necessary to do so.	EDSA/ECSM	Immediate	Report modified and re-published to website. Completed

CE: Chief Executive
 EDS&A: Executive Director of Scrutiny and Assurance
 iEDI&TD: Interim Executive Director of IT, Transformation & Digital
 HFCG: Head of Finance and Corporate Governance
 ECSCM: Executive and Committee Support Manager

EDC&CS: Executive Director of Corporate and Customer Services
 EDS&I: Executive Director of Strategy and Improvement
 HOWD: Head of Organisational Workforce Development
 HLS: Head of Legal Services



Title:	CHAIR'S REPORT
Author:	Paul Edie, Chair
Appendices:	None
Consultation:	N/A
Resource Implications:	None

EXECUTIVE SUMMARY

This report provides an update on key developments and activities since the Chair's report provided to the Board on 18 June 2020.

The Board is invited to:

- Note the information contained in this report.

Links:	Corporate Plan Outcome/Principle		Risk Register - Y/N	N	Equality Impact Assessment - Y/N	N
For Noting	X	For Discussion		For Assurance		For Decision

If the report is marked Private/Confidential please complete section overleaf to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report: *(see Reasons for Exclusion)*

This is a public board report.

Reasons for Exclusion

a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

CHAIR'S REPORT

1.0 INTRODUCTION

This report summarises some of my activities over the last few weeks since our last Board meeting in June.

As well as the events listed below I, together with our Chief Executive and other officers, have been meeting on an approximate fortnightly basis with the Cabinet Secretary, Ms Freeman, to brief her on developments surrounding our work during the current pandemic.

I have also been meeting with Mr Joe Fitzpatrick, the Public Health Minister, on an approximate fortnightly basis, alongside Non-Territorial NHS Chairs and Sandra Campbell, Convener of the Scottish Social Services Council,(SSSC) to discuss issues surrounding our responses to the pandemic.

Below I have also listed a number of informal meetings for the three Boards I sit on. I should stress that these are not decision making meetings and a number of other public Boards have found it very helpful to have members gather informally to keep in touch and it also presents an opportunity to be kept abreast of any developments out with the normal Board cycles.

I would also note the meeting, on 25 August 2020, of the Health and Sport Committee of the Scottish Parliament where Peter MacLeod, our Chief Executive and Accountable Officer, supported by Kevin Mitchell, Director of Scrutiny and Assurance, were on hand to answer MSPs questions about our activities during the current pandemic and also on any wider issues raised.

2.0 NHS CHAIRS MEETING WITH CABINET SECRETARY - 22 JUNE 2020

This was the regular scheduled meeting with NHS and as you appreciate this was dominated by our response to the current pandemic.

3.0 SSSC SPECIAL COUNCIL MEETING – 23 JUNE 2020

As well as a report on the impact Covid 19 has had on the work of the SSSC this special meeting looked at the Emergency Placement Scheme for skilled volunteers to work in the social care as part of the current emergency. The SSSC had been asked to administer this scheme.

4.0 HEALTHCARE IMPROVEMENT SCOTLAND (HIS) BOARD MEETING 24 JUNE 2020

This meeting looked at, among other things, a report on external assurance in care homes and highlighted the work HIS were doing to support the Care Inspectorate's inspections in care homes. Of note was the particular expertise they brought in infection control to these inspections.

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Report No: B-31-2020

I would like to record my thanks to Healthcare Improvement Scotland for the very practical support they have provided to us during this challenging period.

5.0 SUPERVISION and Regulation INNOVATION NETWORK FOR CARE (SINC) MEETING – 1 JULY 2020

This meeting with other European Health and Social Care Regulators addressed the challenges faced to restart the inspection activities after the crisis.

We heard the perspectives coming from three countries: Portugal, Sweden and the Netherlands.

I have found these meetings with other regulators to have been hugely helpful allowing us to compare and contrast responses and learn from each other.

6.0 SSSC DEVELOPMENT SESSION – 9 JULY 2020

This looked at workforce planning and the profile of the social care sector workforce.

7.0 HIS NON-EXECUTIVE INFORMAL SESSION – 21 JULY 2020

This was an informal catch up with other Non-Executives.

8.0 CARE INSPECTORATE SPECIAL PUBLIC BOARD MEETING - 13 AUGUST 2020

We held a Special Board meeting to help to deal with some of the regular business of the Board.

9.0 BOARD CHAIRS MENTORING MEETING – 19 AUGUST 2020

I have been acting as a mentor to an aspiring Board Chair to help provide more diversity across our public bodies. This meeting gathered together some of the mentors with some of our mentees to discuss how the project was progressing.

10.0 SPECIAL SSSC MEETING – 20 AUGUST 2020

This meeting covered relatively routine business including discussion surrounding Fitness to Practice thresholds.

11.0 NHS CHAIRS – 24 AUGUST 2020

This was the regular bi-monthly meeting with the Ministers.

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12.0 HIS SEMINAR – 26 AUGUST 2020

The Board of HIS met in committee and looked at their remobilisation plan and then in the seminar session looked at Governance issues.

13.0 HIS NON-EXECUTIVE INFORMAL MEETING – 1 SEPTEMBER 2020

This was an opportunity for Board members to catch up on various developments informally.

**14.0 CARE INSPECTORATE NON-EXECUTIVES INFORMAL MEETING
3 SEPTEMBER 2020**

This was an opportunity for Board members to catch up on various developments informally.

15.0 SSSC COUNCIL MEMBERS INFORMAL MEETING - 9 SEPTEMBER 2020

This was an opportunity for SSSC Council members to catch up on various developments informally.

16.0 HIS BOARD MEMBERS INFORMAL MEETING – 10 SEPTEMBER 2020

This was an opportunity for Board members to catch up on various developments informally.

17.0 SSSC DEVELOPMENT SESSION – 17 SEPTEMBER 2020

This session looked at Financial Governance.



Title:	CHIEF EXECUTIVE'S REPORT
Author:	<i>Peter Macleod, Chief Executive</i>
Appendices:	None
Consultation:	Not applicable
Resource Implications:	None

EXECUTIVE SUMMARY	
This report provides the Board with an update on key developments since the Board meeting on 13 August 2020.	
The Board is invited to:	
1.	Note the information contained in this report

Links:	Corporate Plan Outcome	Y	Risk Register - Y/N	N	Equality Impact Assessment - Y/N	N
For Noting	X	For Discussion		For Assurance		For Decision

If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Sensitivity: (see Reasons for Exclusion)	
This is a public Board report	
Disclosure after: N/A	
Reasons for Exclusion	
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g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

CHIEF EXECUTIVE'S REPORT

1.0 INTRODUCTION

- 1.1 On 14 August, I attended a meeting of the Mobilisation Recovery Group, chaired by the Cabinet Secretary. This group considers the mobilisation programme for NHS Boards with particular regard to public health and mental health matters.
- 1.2 On 14 August, and accompanied by Helen Happer, Chief Inspector (Strategic), I also attended a meeting of The Promise Partnership. The Care Inspectorate was selected due to our commitment to the Care Review.
- 1.3 Fortnightly update meetings have continued to take place with the Cabinet Secretary and for these I am joined by the Chair, Kevin Mitchell (Executive Director of Scrutiny and Assurance) and Ingrid Gilray (Intelligence and Analysis Manager).
- 1.4 Other meetings I have attended since the August Board have included the COVID Children and Families Leadership Group and a collaborative discussion with the Chief Executives of the UK and Ireland care regulators.

2.0 COLLABORATION/PARTNERSHIP WORKING

2.1 Joint Assessments of Care Homes

We continue to work closely with directors of public health, health and social care partnerships (HSCPs), Health Improvement Scotland, and local clinical oversight teams led by Directors of Nursing to jointly assess circumstances within each and every care home in Scotland. We come to joint decisions on those care homes that need further intervention to provide the right support from a range of specialists including infection prevention and control experts, community nursing, GP services and inspection.

2.2 Strategic Partnerships

We also continue to work with other bodies and strategic groups, including Scottish Government, the National Contingency Planning Group, the Chief Medical Officer's clinical and professional advisory group, the Care Home Rapid Action and Intelligence Group (CHRAG), health and social care partnerships, Scottish Care and CCPS.

2.3 Inquiry into Care at Home and Housing Support Services

The adult's team has been leading a significant piece of work during the last three months undertaking an inquiry into care at home and housing support services during the Covid-19 pandemic. This has involved all 31 health and social care partnerships in Scotland. It generated much more evidence than was anticipated and whilst that was very encouraging, the analysis was much more

resource intensive than was originally planned. Nevertheless, we have produced a report on our findings which was published on 24 September 2020. [Delivering care at home and housing support services during the COVID-19 pandemic](#)

2.4 Review of “Building Better Care Homes for Adults”

We have established a multi-disciplinary working group to support us in the review of ‘Building Better Care Homes for Adults’. The experience and ongoing learning from the pandemic have provided some key factors that relate to how staffing and the environment could assist services better mitigate the spread of infection wherever possible. We will reflect this learning in a revised resource that will support high quality design, construction and ongoing maintenance of environments which is vital to providing high quality of care and support for adults and older people living in care homes.

2.5 Police Scotland Investigation

We continue to support the Crown Office Procurator Fiscal Service (COPFS) and Police Scotland investigation of Covid-19 or suspected Covid-19 deaths through the submission of evidence which is extremely resource intensive. The investigation is looking into where the deceased might have contracted the virus in the course of their employment or occupation, or where the deceased was resident in a care home when the virus was contracted.

2.6 Other Scrutiny Activity

We are returning to other forms of scrutiny across other service types, including Early Learning and Childcare (ELC) and services for Children and Young people. In addition to the self-assessment, this will take the form of virtual scrutiny or an on-site visit. The level of scrutiny activity will be determined by the risk and intelligence data we hold. We will be working closely with local health and social care partnerships, local authorities, and local health protection teams where concerns are identified in relation to infection prevention and control in settings.

2.7 Early Learning and Childcare Improvement Programme

The Early Learning and Childcare Improvement Programme is a national quality improvement programme to support early learning and childcare settings, who offer funded places, that are not meeting the ‘quality criteria’ of the ELC national standard. Despite challenging times presented, the ELC improvement programme has still managed to deliver a compressed and varied work plan, to support quality improvement within the ELC sector. The programme is now delivering a virtual work plan, some of this work includes, directly supporting ELC providers to identify and progress quality improvement, releasing ELC bitesize resources, developing and sharing ELC good practice resources and supporting internal ELC colleagues to support quality improvement skills and knowledge development at all levels. Two of the team are about to start the

year-long Scottish Improvement Leaders programme and a further two have started the Scottish Foundation Skills programme. More information can be found at <https://hub.careinspectorate.com/how-we-support-improvement/care-inspectorate-programmes-and-publications/early-learning-and-childcare-improvement-programme/>

3.0 STAFF/PARTNERSHIP FORUM ENGAGEMENT

3.1 Inspector Recruitment

We are currently in the process of another recruitment campaign for regulated care inspectors which began on 14 August. This is the first time that the post has been advertised on the higher salary (Grade 7 - £42.5 – 47k). We have received almost 270 applications for posts across ELC, CYP and Adult services. We anticipate that selection days will take place between 12 October and 26 October 2020. The inspector establishment was 264.67 FTE plus senior inspector roles, plus grant funded roles, this increases the overall inspector establishment to 296.67 FTE.

Work has been undertaken to refresh our recruitment approach and the selection process will be conducted in stages with the first being virtual and following this, a socially distanced face to face interview to ensure the candidate's fit with the organisation and our values. The selection process considers competencies, experience, skills and values through a written exercise, professional dialogue, interview and situational questions.

We will be moving to recruit to 23 inspector vacancies however some of these may be filled with existing senior inspectors therefore we can confidently say we will fill all vacancies in October 2020 with people commencing employment in November/December 2020 providing we receive good quality applications.

3.2 Team Manager Review

The formal consultation process in line with our Workforce Change Policy is underway in relation to the implementation of the recommendations from the Team Manager Review. We have established a Partnership Forum Overview Group supported by staff and trade union representatives to support partnership working throughout the process.

3.3 Workforce Survey

To fully understand how the lockdown has impacted our staff we carried out a full workforce survey in July 2020. We used a series of questions to determine how the current situation impacted the employee's ability to perform the full extent of their role and considered their wellbeing and thoughts on returning to the workplace. This was supplemented with a one to one session for each employee with their manager and feedback from these sessions was collected centrally for analysis. The survey informed us that:

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- most colleagues are now working their full contractual hours (or more), and there was little reduction in workforce capacity in terms of hours worked.
- there is not a huge demand for returning to offices in phase three or four and there are very little staff who have an urgent need for this, although some have indicated that more access would be helpful.
- some of our scrutiny and assurance colleagues will not be able to perform on site inspections (small number overall, with the Adults team impacted the most).
- We are following this survey and analysis up with “Covid-19 age” risk assessments

This work will feed into our route map to recovery which is being led by the interim Executive Director of ICT, Transformation and Digital.

3.4 Staff Training

To support all our staff transition effectively to remote working, we have invested heavily in specific training, virtual communication and ICT skills to support home working. We recognised the need to act quickly to build confidence, develop skills and ensure our staff felt supported and equipped with the transition to remote working.

Sixty-six webinars have been attended by 380 employees covering a range of ICT and virtual communication topics including: MS Teams OneDrive/ Sharepoint, OneDrive/ Sharepoint for Business Support staff, Surface Pro, Office 365 Refresher.

Eight webinars have been attended by 200 employees to support home working and virtual communication. Webinar topics included: managing remote workers, working from a table at home – how to sit comfortably, working from home – psychological impact.

A range of bitesize self-directed learning resources have also been used by our staff to support them during this period.

125 employees have completed over 70 learning hours, accessing 789 bitesize learning resources in our KnowHow toolkit during lockdown.

Yammer groups have also been used to encourage ongoing discussion around working from home and wellbeing. Groups have regularly shared online resources and articles, with practical advice on working from home.

3.5 Support Programme for Inspectors

Working in collaboration, managers, internal knowledge leads and the OWD team, we responded quickly to develop a support programme for inspectors undertaking on-site inspections in high risk services during the Covid-19

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pandemic. The group also collaborated with colleagues from external organisations such as NES, HPS and SSSC to collate learning materials and up to date best practice guidance.

The purpose of the training was to ensure all volunteer inspectors understood the processes and requirements of undertaking onsite inspections in high risk services during the Covid-19 pandemic. Key learning themes included:

- PPE
- infection prevention, control and hygiene measures
- palliative care and end of life support
- medication
- the inspection process in high risk services
- our adapted process for recording inspections

A blended learning model was used, with staff completing an online programme which included guidance, e-learning and videos. Participants were then invited to attend two virtual training sessions delivered by our knowledge leads.

4.0 BUDGET/TRANSFORMATION**4.1 Procurement**

Procurement savings of £742k were realised during 2019/20. This comprises £592k cash and £150k non-cash savings. These savings release efficiencies for either savings or reinvesting in other value-added Care Inspectorate activities.

4.2 Audit Opinion

We received an unmodified audit opinion in the 2019/20 annual report and accounts.

4.3 Sustainability and Process Efficiencies

We continue to explore opportunities for sustainability and process efficiencies and have implemented the following:

- continuation fee invoices are now emailed to service providers, reducing carbon emissions and costs of printing and postage;
- an increase in communication with service providers regarding fees directly from Microsoft Office applications. Again, this is realising resource efficiencies;
- a developed electronic approval process, providing a clear audit trail of approval steps within a process.

5.0 POLICY AND STRATEGIC DEVELOPMENT

5.1 Care Inspectorate Evidence to Health and Sport Committee

I gave evidence to the Health and Sport Committee on 25 August 2020 along with the Executive Director of Scrutiny and Assurance as part of its pre-budget scrutiny, while also considering the impact of Covid-19. The session went well with the Committee asking for some additional information following the meeting, which we subsequently provided. A copy of our responses will be provided to Board members.

5.2 Proud Scotland Employer Award

We are delighted to have been nominated for the Proud Scotland Employer award which recognises an employer who has led the way in creating a culture conducive to happiness and security within the workplace despite not making it to the final.

5.3 Safe Staffing Project

The Chief Inspector Adults and the Head of Improvement Support commenced the Safe Staffing Project for which the Scottish Government has provided funding to meet the new legislation. A project lead was appointed, and a work plan put in place. This post will sit between the Scrutiny and Assurance and Strategy and Improvement Directorates and will be jointly led by the Chief Inspector Adults and the interim Head of Improvement Support. This is to promote strategic joint working in the Care Inspectorate whilst working more aligned towards a common goal.

5.4 Customer Service Strategy

The Customer Service Strategy is being reviewed and will be updated to include outcomes and results-based measures. The updated strategy will be developed in consultation and with input from relevant colleagues across the organisation. An updated Customer Service Strategy which all colleagues can easily understand and relate to will help to lead, facilitate and further embed a customer focused culture across the organisation.



Title:	MONITORING OUR PERFORMANCE 2020/21 – QUARTER 1 REPORT					
Authors:	<i>Ingrid Gilray, Intelligence and Analysis Manager</i> <i>Al Scougal, Senior Intelligence Analyst</i> <i>Kaisha Wallace, Intelligence Researcher</i>					
Appendices:	1. Technical notes					
Consultation:	N/A					
Resource Implications:	None					
EXECUTIVE SUMMARY						
<p>This report presents the quarter 1 2020/21 summary report on performance, covering the period which includes the peak of the COVID-19 pandemic. It reflects our emergency response to provide significant scrutiny and support to the social care sector during this challenging time. In order to carry out our duties while restricting our physical presence in services and our offices in order to limit the spread of the virus, we quickly adapted our way of working and intensified our oversight of services to provide scrutiny, assurance and improvement support during this time. To achieve this our staff made a swift transition to work effectively at home and we operated a seven days a week service.</p> <p>As our operating model has changed to respond to the pandemic, so we have changed what we are measuring to reflect this.</p> <p>An indication of these changes is given under each measure in this report and revised performance measures is being formally proposed to the Board on 30 September 2020.</p>						
The Board is invited to:						
1. Discuss and note the report.						

Links:	Corporate Plan Outcome	1,2,3	Risk Register - Y/N	Y	Equality Impact Assessment - Y/N	N
For Noting	x	For Discussion	x	For Assurance		For Decision

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Reason for Confidentiality/Private Report: This is a public Board report.

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Disclosure after: N/A	
Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
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MONITORING OUR PERFORMANCE 2020/21 – QUARTER 1 REPORT**1.0 INTRODUCTION****Impact of COVID-19 on this report and on our work**

This report includes the period when the COVID-19 pandemic was at its peak. As part of our response to the pandemic we changed our operating model and this is reflected in the way that we are reporting on our performance.

Following agreement with Scottish Government and our Board, and taking advice from our Public Health partners, we refocussed much of our work. In order to carry out our duties while restricting our physical presence in services and our offices to limit the spread of the virus, we quickly adapted our way of working. We intensified our oversight of services in a number of ways including the following.

- We intensified contact with services and our inspectors made almost 30,000 contacts during Q1 to carry out checks – for care homes in particular, this contact was weekly and sometimes daily depending on individual risk, notifications received, intelligence and support needs.
- We introduced “Near-me” video consultation, which enabled us to use technology to virtually view aspects of services that we would usually only see through a site visit. This included supporting services to set up ‘Near Me’ and use this new technology.
- We moved quickly to get technical and physical supports in place to enable Care Inspectorate staff to work at home, and our staff adapted swiftly to the changing requirements, working in many cases seven days a week to support the social care sector through this pandemic.
- We worked with directors of public health and partner agencies in each health and social care partnership area to ensure that services were supported, and that we were aware of any emerging concerns.
- In May, we resumed on-site inspections, focussing on those that we had particular concerns about, having prioritised them using the range of intelligence coming directly to us and also via local partners. Following the enactment of the Coronavirus (Scotland) (No2) Act 2020 at the end of May, we started to publish fortnightly reports outlining our findings of these inspections including the quality of care. Once we decide to inspect, the process of inspection through to sharing findings in this report is rapid, with each report containing details of all inspections undertaken in the previous two weeks.
- We made use of our established communication channels with care services, and launched daily Provider Update newsletters, making sure services were aware of the latest guidance and support from the Care Inspectorate, Scottish Government and other national agencies, to help them manage in the pandemic.
- We had membership on all relevant national groups to ensure we retained strategic oversight of the social care sector and remained connected with partners at the national level.
- We introduced a system for services to alert us to staff shortages, and worked with partners, in particular the SSSC, to ensure services could access staff via the staffing portal if required. We introduced 7 days a week working to monitor staff shortage notifications to enable us to support the sector.

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- We reviewed the information that services routinely report to us about any outbreaks of infectious diseases and deaths to ensure that we could monitor the impact of the pandemic, and shared that information with Scottish Government, Public Health teams and other partners to help coordinate support for frontline services.

The above is not an exhaustive list but gives an overview of our rapid and targeted response to the pandemic.

Structure of this report

As in previous reports, under each of the three strategic outcomes in our Corporate Plan, we have set out our performance against our agreed measures and highlighted key areas of work delivered or progressed in the last quarter. The director with lead responsibility for action is noted under each measure.

Types of performance measure

Our performance measures are split into two types: Key Performance Indicators (KPIs) which are specific and quantifiable measures against which the Care Inspectorate's performance can be assessed, and Key Outcome Indicators (KOIs) which are measures that the Care Inspectorate aims to influence by its work, but which it may have limited control over.

Detailed notes on the different types of performance measures we use and on how to interpret the charts used in this report are in appendix 1.

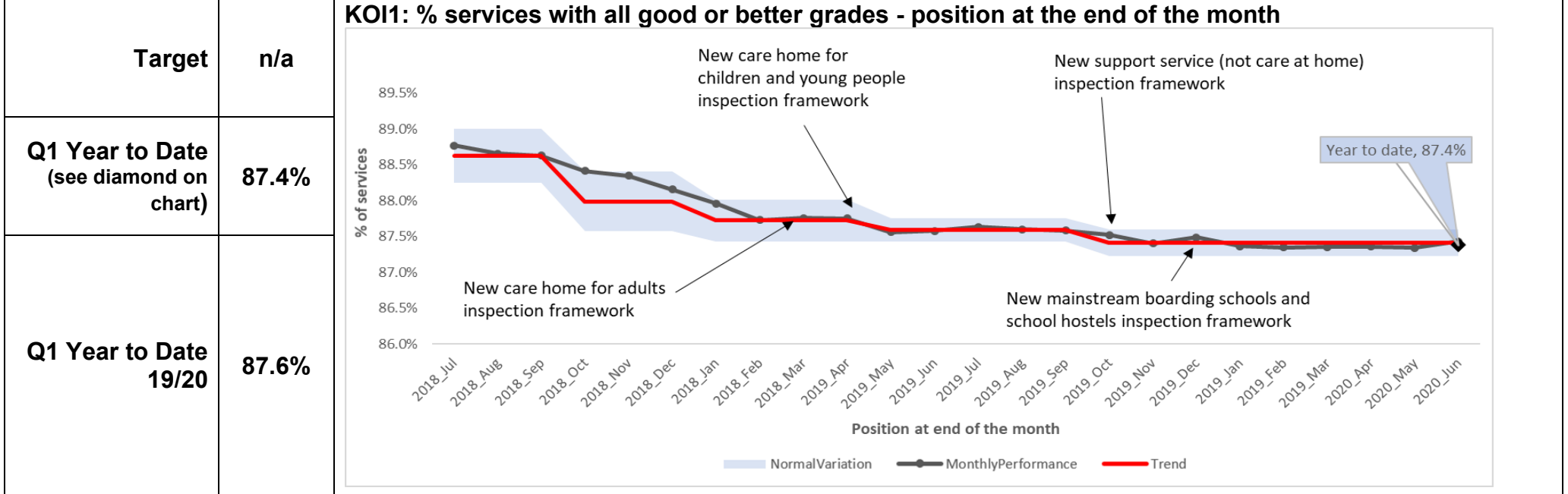
2.0 SUMMARY OF YEAR TO DATE PERFORMANCE UP TO 30 JUNE 2020

This table shows a summary of performance for the **year to date** for each KPI.
Key Performance Indicator (KPI) Overview

Strategic Outcome 1: People experience high-quality care	Strategic Outcome 2: People experience positive outcomes	Strategic Outcome 3: People's rights are respected
<p>KPI1: % of people telling us that our scrutiny will improve care Note: we have not issued questionnaires due to the pandemic.</p>	<p>KPI5: % of registration applications completed within timescales 83.8% [Target 80%]</p>	<p>KPI8: Days per quarter that inspection volunteers and care experienced people are involved in our work 64.5 days (average per quarter) [Target TBC]</p>
<p>KPI2: % of statutory inspections completed Note: we have replaced statutory inspections with targeted, risk-based unannounced inspections with a COVID 19 focus.</p>	<p>KPI6: Level of investment in learning and development for our workforce 4.6 hours on average per employee (2,755 hours per 598 employees) [Target TBC]</p>	<p>Colour code</p> <p>Target achieved</p> <p>Slightly below target</p> <p>Significantly below target</p> <p>Target to be set</p> <p>Affected by pandemic response</p>
<p>KPI 3: % of complaints about care that were resolved within the relevant timescales (includes all methods of resolution) 91.8% [Target 80%] Note: When significant concerns were raised by complaints and other intelligence, full inspections were undertaken rather than complaint investigations.</p>	<p>KPI7: % of inspection hours spent in high and medium risk services 53% [Target 25%]</p>	
<p>KPI4: % staff absence 2.4% [Target 3.8%: Range 2.4% to 5.7%]</p>		

Strategic outcome 1: People experience high-quality care

KO1: % services with all good or better grades **Executive Director of Scrutiny and Assurance**



Notes: The % services with good or better grades remains high with over 87% of registered services having all grades of good or better at the end of Q1. Within that context, the above chart highlights a very slight but statistically significant fall from Q1 last year. Please note, the scale of the above chart has been adjusted to highlight the small but definite decline in the percentage of services with good or better grades.

Reasons for Difference: The COVID-19 pandemic has and will continue to affect this measure. In order to reduce the risk of spreading the coronavirus infection, we scaled back the number of inspections, prioritising those where we had assessed an on-site inspection was essential. As the number of inspections we have completed this year is lower than normal, and because we are focussing on services that are of most concern rather than services that have improved, then the overall % of services with good grades is likely to reduce slightly again next quarter.

Actions: In order to limit the spread of the virus, and taking account of the advice from Government and public health colleagues, we will continue to focus our inspection activities based on risk and intelligence. We plan to continue to monitor this measure without any changes. In the short term, while we continue to inspect fewer services, we expect this KOI will remain relatively stable.

KPI1: % of people telling us that our scrutiny will improve care		Executive Director of Scrutiny and Assurance
Target	90%	
Q1 Year to Date	No Inspection Satisfaction Questionnaires have been issued or returned during Q1 2020-21 amidst the Covid-19 pandemic.	
Q1 Year to Date 19/20	92% of staff (397 responses) and 100% of people experiencing care (31 responses)	
Notes: no data available.		
Reasons for Difference: This measure uses data captured from paper questionnaires at and following inspections. Due to the reduction in inspections and because paper questionnaires would present an infection risk, no paper questionnaires have been used since the onset of the pandemic.		
Actions: We are currently giving careful consideration to how we capture this type of feedback in future. As part of our digital transformation programme and phase 2 of the registration app, we are working on a questionnaire to get feedback from applicants that we can integrate into this measure.		

KPI2: % of statutory inspections completed		Executive Director of Scrutiny and Assurance
Target	99%	
Q1 Year to Date	Programme of routine inspection visits was affected by pandemic response – see details below of how we intensified our oversight of services in other ways over this period.	
Q1 Year to Date 19/20	78.6% (470 of 598 inspections planned in the quarter)	

Comments

In order to limit the spread COVID-19, and with agreement from Scottish Government and our Board, we restricted our presence in our offices and in services. Advice from directors of public health in Scotland was that inspection visits would present a real risk of introducing and spreading COVID-19 in Scotland's care homes. As a consequence, we intensified our oversight using a range of remote or virtual approaches as outlined below.

In May, we resumed on-site inspections of services focussing on those that were of particular concern. We had completed 49 inspections by the end of the quarter (by 11 August we had completed 110 inspections) as well as carrying out follow-up visits to ensure improvements have been made, and we have taken robust action including enforcement where the evidence deemed it necessary. We enhanced how we gathered and collected intelligence from partners (HSCP/DsPH) and with our own intelligence this has enabled us to target our on-site inspections. We are doing this in a strictly risk-assessed way and our inspectors are rigorously following infection prevention and control guidance before, during and after visits to keep care homes safe. The enhanced system of assurance for care homes is led by health boards and directors of public health, and we participate in the enhanced oversight groups in each HSCP/NHS Board area. In addition, we have worked with directors of public health to understand the risk of visiting services and ensure that we take advice from them before going into services because of the risks around transmission and spread of infection. Inspection is one element of scrutiny, and as stated previously we intensified our oversight of services in a number of other areas to ensure we retained scrutiny of the sector, including the following.

- We made regular contact with services by phone and video conferencing to carry out checks and ensure we were aware of any emerging concerns, and to ensure that services had access to information, guidance and any additional support including signposting to resources such as Health Protection Scotland Guidance, PPE and staffing portals. For most of the services that would be included in our statutory inspections, this contact was at least weekly, in some cases more frequently. We recorded almost 30,000 contacts during the quarter.

- We Introduced the use of Near-me video consultation in care homes, which enabled us to view aspects of the service online in real time. It enabled us to virtually visit services and to meet with staff.
- We reviewed, revised and made full use of the information that services routinely provide to us and implemented new notifications about cases and staffing, as well as capturing intelligence from partners, to ensure that we could identify and target services that were in particular need of support.
- We worked with partner agencies locally and nationally, sharing expertise and information focussed on supporting the care sector during this pandemic.
- We were able to intervene by escalating concerns to ensure services received PPE supplies through our work with SG.
- We made daily contact and reports to Health Protection Scotland, Local Public Health Teams and HSCP to ensure they were aware of suspected or actual COVID 19 outbreaks in services.
- Our staff achieved this through quickly adapting to working at home and adjusting to cover a seven-day week over this period.

Actions: As previously noted, our response to the pandemic has changed our normal way of working and will continue to do so. We are proposing to replace this measure with a report on the range of and scale of scrutiny work we have undertaken and the ongoing innovation over this uncertain period.

KO12: average time a service continues to have a grade of less than adequate **Executive Director of Scrutiny and Assurance**

Target	n/a	<p>KO12: average time a service continues to have a grade of less than adequate – position at the end of the month</p>
Q1 Year to Date (see diamond on chart)	13.5 months	
Q1 Year to Date 19/20	10.5 months	

Notes: The reduction in inspections completed in Q1 has had an impact on this measure. The average time a service had a grade less than adequate has increased from Q4 last year to a point significantly higher than the average. This statistically significant increase is shown by the red line in the chart above which shifted from an average of 10.5 to 12.5 during Q1.

Reasons for Difference: The reduction in on-site inspections and the temporary closure of some services such as childminders and daycare services for children and adults means that some services with a grade of less than adequate have not been inspected and have therefore not had the opportunity to be graded higher.

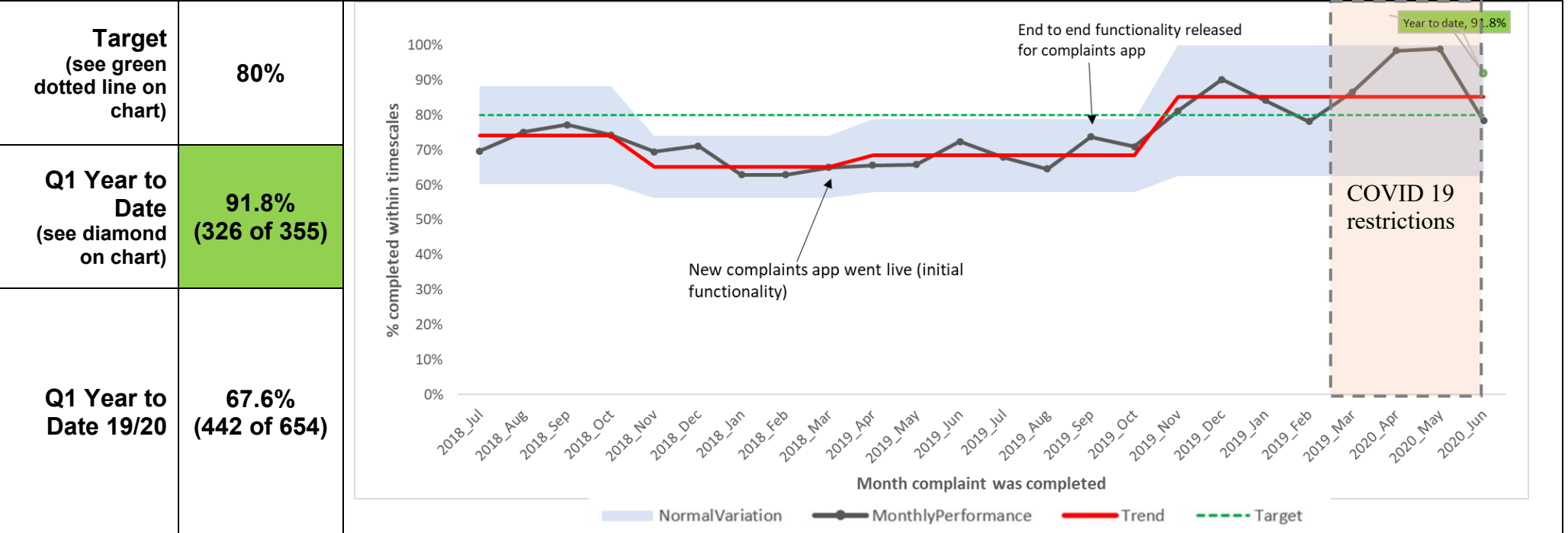
Actions: This increase will continue while the number of graded inspections remains low. When we do inspect, it will be in services that our intelligence indicates are of most concern. We are not proposing to make any changes to this measure and will continue to monitor it.

KPI3: complaints resolved within the relevant timescales **Executive Director of Scrutiny and Assurance**

KPI3(a): % of complaints about care that were investigated within the relevant timescales (full Care Inspectorate investigation only)

On-site investigations were affected by pandemic response – see notes below.

KPI3(b): % of complaints about care that were resolved within the relevant timescales (includes all methods of resolution)



Notes:

Throughout the pandemic, we continued to receive complaints about services and resolved them quickly. Over the year to 30 June, 91.8% of all complaints we resolved were completed within 40 days – a 24.2%-point increase from Q1 last year. This performance is above the target of 80% and is a statistically significant improvement from last year. This improvement started following the full implementation of the complaints app.

Our response to the pandemic has affected both KPI3 measures: through our work to increase the early resolution of complaints not requiring on-site investigation; and due to the reduction in complaint investigations which have been taken forward as inspections instead. Further detail on both of these aspects is set out below.

Reasons for Difference:

Under KPI3a, we would normally report about complaint inspections completed. However, during the pandemic where a complaint was serious, the complaint inspector would assess where an onsite visit was required, and these were then prioritised for an inspection focusing on Question 7 of our quality framework which includes wellbeing, infection prevention and control, and staffing.

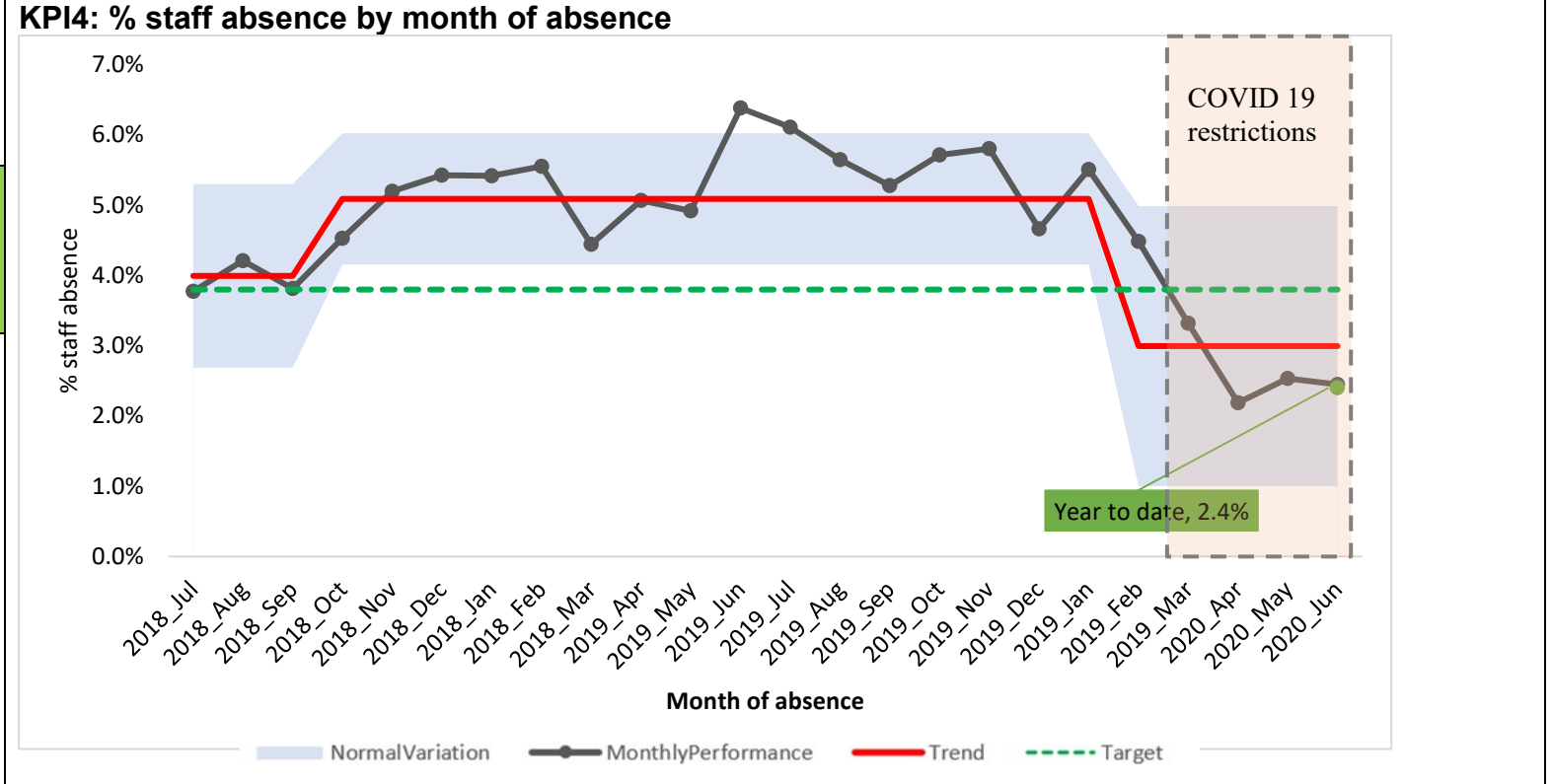
KPI3b shows that we resolved complaints quickly, and to achieve this we assigned more staff to support people raising concerns, assess complaints, support resolution by providers and ensure we made relevant authorities aware of complaints. We continued to make adult and child protection referrals and to make referrals to police. Our complaints team has worked with people and providers to resolve complaints and escalated issues for resolution. For example, getting services access to PPE and getting people into homes to spend time with relatives at the end of life.

Complaints provide us with important intelligence about services, and we used this in a number of ways as well as to inform us about those requiring an inspection. All complaints about COVID-19 that were related to PPE or staffing were referred to the case holding inspector who contacted the service to undertake a telephone interview or a Near Me video consultation. We shared information about complaints with the local partnership meetings which included directors of public health and health and social care partnerships to inform risk assessments of services.

Actions: We are proposing to retain both aspects of this measure, but for the time being we will focus on KPI3b as a more comprehensive reflection of the experience of those that make a complaint to the Care Inspectorate. We have increased the volume of complaints resolved directly between complainants and providers including making use of Near Me, and we are exploring how to better capture these for future reporting. Note that if the proportion of complaints resolved via methods other than investigation remains high, this KPI will remain high although we will expect this to fall as we return to undertaking more on-site complaint investigations.

KPI4: % staff absence **Executive Director of Corporate and Customer Services**

Target (see green dotted line on chart)	3.8% Range 2.4% to 5.7%
Q1 Year to Date (see diamond on chart)	2.4%
Q1 Year to Date 19/20	4.0%



Notes: The percentage of our staff absent has fallen since February 2020 with a statistically significant drop in the average (red line on chart) from 5.1% to 3.0%.

Reasons for Difference: The sharp drop in sickness coincides with the emergence of COVID-19 and the introduction of home working. The reduction is spread across all types of absence (short, medium and long term) but the measure has been especially impacted by a reduction in long-term absence where we are losing around half the amount of working time that we were in the year leading up to lockdown.

Actions: We will continue to monitor this, including the impact of working at home and any return to office-based working. We are not currently considering any change to this measure.

Total scrutiny and improvement interventions completed up to 30 June 2020

	Number completed up to 30 June 2019	Number completed up to 30 June 2020	Comparison of 2020/21 vs 2019/20 year to date
New registrations completed	175	112	▼
Inspections completed	1335	49	▼
Complaints received	1359	1198	▼
Number of variations to registration completed (not including typographical changes to certificates).	1153	553	▼
Total scrutiny interventions completed	4022	1912	▼

New registrations completed: The number of registrations completed fell slightly from Q1 last year (down 63 completed registrations). Work has been put on hold due to COVID-19 restrictions. Staff were unable to get out on site visits to conclude registrations. Additionally, construction work was halted during Q1 which meant in some cases registrations could not progress.

Inspections completed: As highlighted above, in order to limit the spread of COVID-19 our routine inspection plans were affected. See details in introduction and under KPI2 of how we are intensifying scrutiny in other ways, including almost 30,000 contacts with services during the quarter.

Complaints received: The number of complaints received decreased by 161 or 12% from Q1 last year. Several service types such as childminding, daycare of children and adult daycare had most of their services closed in Q1 due to COVID-19. Additionally, in those services that were open, visitors were not allowed to visit. These factors will have contributed to the decline in complaints received.

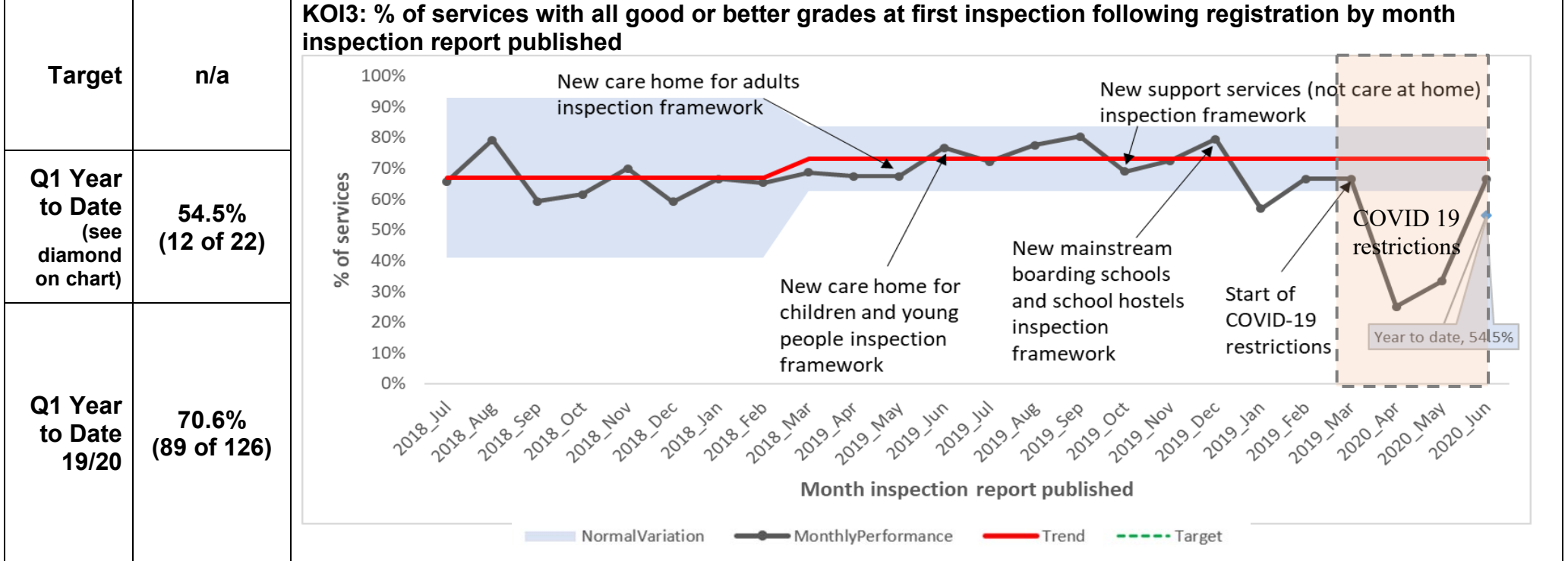
Variations to registration completed: The number of variations completed decreased 600 from Q1 last year largely due to increased numbers in Q1 19/20 following a project to implement new ways of managing conditions of registration. We adapted our practice during the pandemic to make it easier for services to adapt services to meet peoples' needs, for example adult day care providing home care support to people by introducing a service update notification when previously a variation would have been required.

Strategic scrutiny

We published our report of a joint inspection of services for children and young people in need of care and protection in South Lanarkshire. Our strategic scrutiny programmes remain on hold and our strategic inspection staff have been re-assigned to support our strategic oversight work described above.

Strategic outcome 2: People experience positive outcomes

KOI3: % of services with all good or better grades at first inspection following registration **Executive Director of Scrutiny and Assurance**

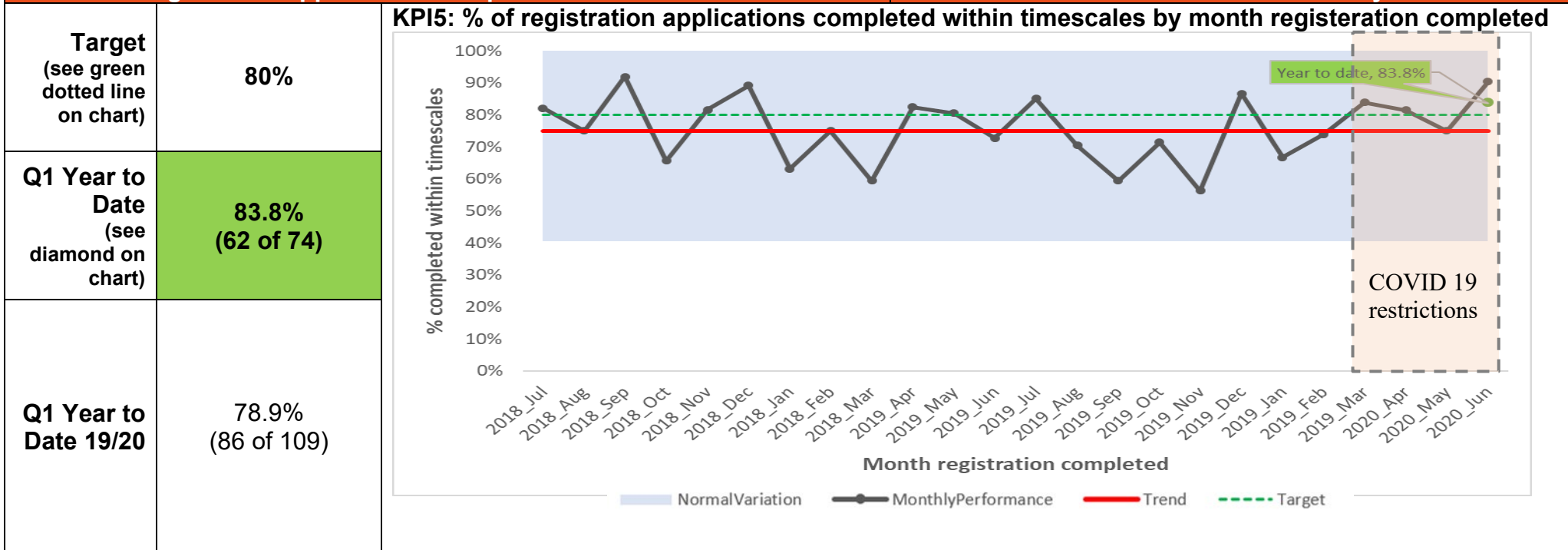


Notes: Due to COVID-19 restrictions, there were fewer newly registered services inspected. The % of services with good or better grades at first inspection fell 16.1 % points to 54.5% of services. However, only 22 services had their first inspection report published in Q1; a fall of 104 services from Q1 last year.

Reasons for Difference: Due to the reduction in inspections, the number of qualifying services for this KOI remains low. This low number of qualifying services means percentages can vary greatly (as seen in the chart above).

Actions: We do not propose to change this measure but will continue to remind readers that this increased variability due to low number of services will continue while the number of inspections is low.

KPI5: % of registration applications completed within timescales **Executive Director of Scrutiny and Assurance**



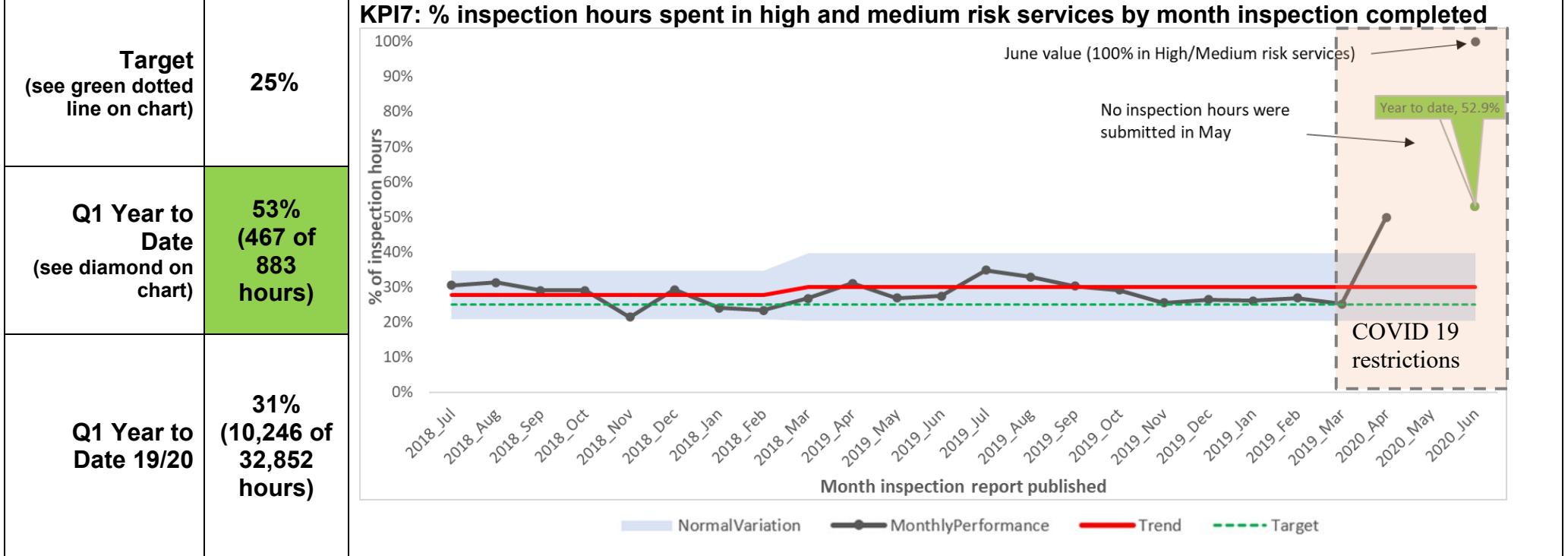
Notes: Performance is above target and up 4.9 % points on Q1 last year. There continues to be wide variation in performance on this KPI as illustrated by the grey shaded area in the chart, mainly due to the small number of applications completed every month. Performance improved overall in Q1 and finished in June above the previous average trend and target.

Reasons for Difference: The number of applicable registrations was down 35 applications on Q1 last year (74 compared to 109 applications) but similar to Q4 last year (86 applications). Work has been delayed due to COVID-19 restrictions as staff were unable to conduct site visits to conclude registrations. Additionally, construction work on new service premises was halted during Q1, which meant in some cases registrations could not progress.

Actions: We are undertaking work to use some of our learning, including during the COVID-19 pandemic, to consider what services should be registered in the future. We plan to continue to report against this performance measure with no recommended changes.

KPI6: level of investment in learning & development for our workforce		Interim Executive Director of Strategy and Improvement
Target	TBC	
Q1 Year to Date	4.6 hours on average per employee (2,755 hours per 598 employees)	
Q1 Year to Date 19/20	n/a (reporting commenced in 2020/21)	
<p>Notes: In Q1 employees on average had 4.6 hours of learning and development.</p> <p>During Q1, 440 employees participated in 81 learning and development events and 54 e-learning courses. A broad range of learning and development events and resources were offered to support employees to effectively transition to working from home. Webinars to support mental health and wellbeing also proved to be popular and were well evaluated by staff. Learning topics included:</p> <ul style="list-style-type: none"> • ICT – Office 365 webinars • Online resources and webinars to support mental health and wellbeing and working from home: mindfulness, reducing anxiety, psychological impact of working from home, parenting and remote working, selfcare and resilience. • Core e-learning for all staff: stay safe online, environmental awareness and equalities • COVID-19 inspections: – refresher professional training as well as preparing for, carrying out and recording inspections during COVID-19 		
<p>Reasons for Difference: With a focus on our ongoing response to COVID-19 the majority of development in Q1 was related to our COVID-19 response including inspector training for COVID-19, ICT refresher training, PPE sessions and supporting colleagues to work at home effectively and healthily.</p>		
<p>Actions: Following the outbreak of COVID 19, we continued to offer a range of online learning and development activities. Initially online learning has focussed on support for staff wellbeing and effective remote working. We will continue to develop the online learning and development programme available to staff whilst in person learning events are not possible. We will develop a target based on what online learning and development looks like as we come out of the peak of COVID-19 pandemic.</p>		

KPI7: % inspection hours spent in high and medium risk services **Executive Director of Scrutiny and Assurance**



Notes: In Q1 we recorded 833 hours on inspection. Of these hours, 53% were spent in high or medium risk services, in line with our aim to target our resources where risk is highest - an increase of 22 % points from last year.

Reasons for Difference: The inspection hours recorded in Q1 were mainly for care home services identified as being at high risk due to the COVID-19 situation. The pre-COVID-19 risk level that is used for this KPI may not correlate in all cases with the particular issues related to COVID-19 and therefore it is not 100% of services inspected. Additionally, several inspections were carried out with no recording of hours due to the urgent priority of inspecting the service.

Actions: We propose to continue to use this measure and will continue to highlight that performance in this measure will remain high if inspections are prioritised on a risk-based intelligence led approach and other inspections of low risk services do not occur.

Strategic outcome 3: People's rights are respected

KOI4: % of services with >90% of people telling us they are happy with the quality of care and support they receive		Executive Director of Scrutiny and Assurance
Target	n/a	
Q1 Year to Date	No questionnaires have been processed during Q1 2020-21 amidst the Covid-19 pandemic.	
Q1 Year to Date 19/20	93% (care standards questionnaires received from 2,363 services)	
Reasons for Difference: This measure uses data captured mainly from paper questionnaires completed by people experiencing care and their families and unpaid carers. As in previous years, we sent out questionnaires in February in anticipation of using them to inform our inspections in Q1. Although some completed questionnaires were returned to our offices, we have been unable to access them while our staff have been working from home.		
Actions: When we can safely return to our offices, our business support teams will be able to process the data from any questionnaires that were returned, and we will be able to report on that in due course. We will need to carefully consider any further use of paper questionnaires in future as these may contribute to spreading infection and we are considering how we might do this more routinely online instead. On a smaller scale we are also considering whether we can use Near Me video consulting to capture the views of some people.		

KOI5: % of services with majority of people telling us they make decisions about their own care		Interim Executive Director of Strategy and Improvement
Target	n/a	
Q1 Year to Date	No questionnaires have been processed during Q1 2020-21 amidst the Covid-19 pandemic.	
Q1 Year to Date 19/20	n/a (reporting was due to commence in 20/21)	
Reasons for Difference: see KOI4		
Actions: see KOI4		

KPI8: days per quarter that inspection volunteers and care experienced people are involved in our work		Interim Executive Director of Strategy and Improvement
Target	TBC	
Q1 Year to Date	64.5 days – other involvement activities only	
Q1 Year to Date 19/20	138.5 days – inspection only	
<p>Notes: During quarter 1, involvement activity with 71 care experienced people took place on 64.5 days, across 11 different activities. Despite volunteers being unable to go out on inspections they were involved in other activities and contributed to the work of the organisation. The activities included:</p> <ul style="list-style-type: none"> • Volunteer consultation and input to the Investing in Volunteers reaccreditation process • Revision of the Involving People Group (IPG) group and formation of the new Working Together Group • Development of the Stay Home, Stay Safe video for young people in care settings • Contributions to monthly involvement update and summer edition of Involve Magazine • Development of a new volunteer application pack which includes volunteer experiences of recruitment, training, and inspection visits. <p>We have invested considerable staff time in stewardship and support of our volunteers, some of whom have been shielding due to their own health as well as their caring responsibilities. Staff have maintained contact with our volunteers both by telephone and email and through a monthly newsletter which our volunteers contribute to. The newsletter has enabled our volunteers to not only remain connected to the organisation during this difficult time, but with each other too. This has been very well received.</p>		
<p>Reasons for Difference: The number of volunteer days was reduced as there was no inspection activity during Q1 2020 due to COVID-19. However, as outlined above, there were a number of other activities where our volunteers made a valuable contribution over the quarter.</p>		
<p>Actions: The involvement team is continuing to seek appropriate opportunities for our volunteers to be involved with our work remotely during this unprecedented time. The involvement team continues to be in touch with the inspection and young inspection volunteers during the COVID-19 restrictions to provide continuity and support where required. A limited number of appropriate projects are continuing with our volunteers but we recognise that some of our volunteers have caring responsibilities and have other commitments at this time.</p>		

3.0 IMPLICATIONS AND/OR DIRECT BENEFITS

In addition to the performance measures reported here, the following annual reports will be submitted separately to the Board:

- Annual health and safety report
- Annual reporting statement on compliance with information governance responsibilities
- Annual reporting on our progress against the public sector equality duty.
- Budget monitoring, billing of care providers, debt analysis
- Annual procurement performance

3.1 Resources

There are no additional resource implications arising from this report.

3.2 Sustainability

There are no direct sustainability implications arising from this report.

3.3 Policy

As a public body, we are expected to consider our contribution to Scotland's National Performance Framework. The National Performance Framework is designed to shape how the actions of the public sector will improve the quality of life for people in Scotland. A new National Performance Framework was launched in 2018, consisting of 11 National Outcomes and 81 National Indicators. We seek to deliver our strategic outcomes in the context of a complex policy landscape. The Care Inspectorate has and will continue to have a key role in supporting the successful delivery of many policy drivers, including continued developments around health and social care integration, self-directed support, workforce planning, human rights promotion, early learning and childcare expansion (ELC), as well as reform of both adult and children's social care.

It should be noted that Q1 saw the novel coronavirus (COVID-19) develop into a worldwide pandemic. This has had, and will continue to have, a significant impact on our work and any current and future policy development. The full extent of the impact on policy more broadly remains to be seen.

Relevant developments in Q1 included:

- emergency legislation in both the UK and Scottish Parliaments, including provisions relating to care homes and duties for the Care Inspectorate in the Coronavirus (Scotland) (No. 2) Act
- ongoing scrutiny of the coronavirus response by the health and sport committee, including consultations and evidence sessions on care homes, PPE and testing
- confirmation by the Scottish Government that local authorities will no longer be legally obliged to deliver 1140 hours of funded childcare from August 2020, delaying the expansion

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- continued parliamentary scrutiny of the proposed Children (Scotland) Bill, which includes provision for the regulation of child contact centres among a range of measures aimed at strengthening the family law system

3.4 People who experience care

This report relates to the monitoring of performance against the Care Inspectorate Corporate Plan 2019-22. This evidences the performance of the organisation in delivering strategic outcomes and as such provides assurance and protection for people who experience care.

3.5 Customers (Internal and/or External)

This report includes a number of measures of customer satisfaction.

4.0 CONCLUSIONS/NEXT STEPS

The Board is invited to note and discuss this report.

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TECHNICAL NOTES

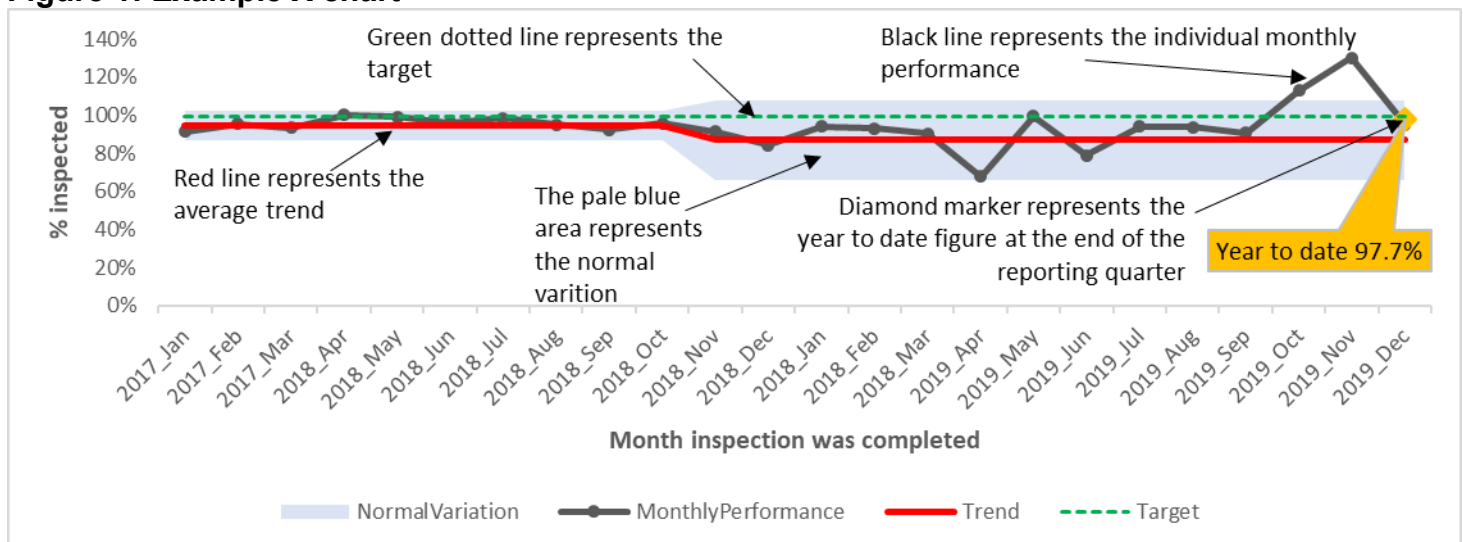
Types of performance measure

Our performance measures are split into two types: Key Performance Indicators (KPIs) which are specific and quantifiable measures against which the Care Inspectorate’s performance can be assessed, and Key Outcome Indicators (KOIs) which are measures that the Care Inspectorate aims to influence by its work, but which it may have limited control over. Some of the KPIs and KOIs were reported in previous reports as KPIs and Monitoring Measures (MMs).

Notes on presentation

For some of the KPIs and KOIs a specific type of chart has been used to determine whether performance is within normal statistical control limits. This will help us to understand whether any month-to-month variation in performance is persistent and reflects a real change, or whether it is within an expected range of variation we would expect to see. The chart used is called an XmR chart and typically displays two charts (X chart and mR chart) for a measure. For simplicity and clarity, only X charts are displayed in the report whilst the mR charts have been used internally to aid analysis of performance. An X chart shows performance over time, average over time and upper and lower statistical control limits (see Figure 1 below).

Figure 1: Example X chart



The black line with markers shows a measure’s performance over time whilst the red solid line shows the average performance for that measure for the first 6 time periods (months in the example above). The pale blue shaded area represents the range of routine variation and falls between the upper and lower statistical control limits. The green dotted line indicates the target for the KPI and a diamond marker with text box shows the year to date performance at the end of the quarter. If a measure’s performance is consistently above or below the average line (eight consecutive time periods, 10 out of 12 or 12 out of 14 etc.) or it is near/outwith the control limits for four consecutive points then we can be confident there has been a real change in performance. The average line and control limits are then recalculated from the first period the change in performance started to show the new level of performance. Note also that, while we would usually follow good practice and start all vertical axes on charts at 0, in some cases we have not done this in order to focus on small but significant changes. Please be aware that this can make small changes appear much bigger visually than they actually are.

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Appendix 1

This report generally uses percentage points (% points) to illustrate changes in performance. Percentage points reflect an absolute change (the difference in performance between two time periods) e.g. if the % of complaints investigated in relevant timescales was 40% in Q1 and 50% in Q2 the percentage points change would be 10 percentage points (% points). This is different to percentage change which shows the relative change in performance (the difference in performance between two time periods as a percentage of performance in the earlier time period) e.g. if the % of complaints investigated in relevant timescales was 40% in Q1 and 50% in Q2 the percentage change would be 25%.



Title:	INTERIM REVIEW OF CURRENT PERFORMANCE MEASURES FOR 2020/21
Author:	<i>Ingrid Gilray, Intelligence and Analysis Manager Al Scougal, Senior Intelligence Analyst</i>
Appendices:	1. Recommendations for Interim Performance Measures for 2020/21
Consultation:	This report has been informed by a short life working group including board members and officers.
Resource Implications:	*Yes/No

EXECUTIVE SUMMARY

As a result of the COVID-19 pandemic, and to limit the risk of our staff introducing the virus to care services, the way that we have delivered our scrutiny and improvement support work has been impacted significantly so far this year. We have intensified our oversight and, in addition to inspecting, we have carried out scrutiny and improvement support by making regular contact with services through calls, Near Me, email and working closely with key partners such as directors of public health and the local health and social care partnerships.

Because of this, the regular data we use to report on our current performance measures in our quarterly reports to the Board is now not always available and therefore an interim review of our measures has taken place.

In acknowledgment of this and to ensure the Board can continue to carry out their governance role and have robust oversight of the organisation's performance, a short life working group was established to carry out an interim review of the performance measures in our Corporate Plan 2019-22. This group was led by the Executive Director of Strategy and Improvement and included representatives from across the organisation, as well as two Board Members.

This report provides in Appendix 1 a proposal that recommends revising or suspending some measures and continuing with others. This has been done through discussion with colleagues and developing a range of options which were then considered and further developed through the short life working group.

As part of the process of this interim review each of the performance measures was rated red, amber or green depending on our ability to currently report on it with red being those most affected and green least affected.

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A summary of the recommendations proposed for the 15 performance measures is as follows:

- Five measures were classed as low risk – we propose to continue to report on those measures with no change. For two of these low risk measures we have proposed a benchmark to assess our performance against for the rest of 20/21.
- Seven measures were classed as medium risk - we propose to continue to report on five of these with no modification. The remaining two measures we propose to suspend reporting on and provide an alternative option.
- Three measures were high risk as they depend on paper questionnaire systems. We propose suspension of these and that we scope the required work required to create online questionnaires to gather this important information.

The Board is invited to:

1. Consider the proposed changes to the performance measures 20/21.
2. Approve the recommended changes.

Links:	Corporate Plan Outcome	1,2,3	Risk Register - Y/N	Y	Equality Impact Assessment - Y/N	N
For Noting		For Discussion		For Assurance		For Decision X

If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report:

This is a public Board report.

Disclosure after: N/A

Reasons for Exclusion

a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

BOARD MEETING 30 SEPTEMBER 2020

Agenda item 10

Report No: B-34-2020

INTERIM REVIEW OF PERFORMANCE MEASURES FOR 2020/21**1.0 INTRODUCTION**

From the onset of the COVID-19 pandemic, in order to carry out our duties while restricting our physical presence in services and our offices to limit the spread of the virus, we quickly adapted our way of working to continue to provide scrutiny, assurance and improvement support during this time.

Following agreement with Scottish Government and our Board, and taking advice from our Public Health partners, we refocussed much of our work. We intensified our oversight of services in a number of ways including the following.

- We intensified contact with services and our inspectors made almost 30,000 contacts during Q1 to carry out checks – for care homes in particular, this contact was weekly and sometimes daily depending on individual risk, notifications received, intelligence and support needs.
- We introduced “Near-me” video consultation, which enabled us to use technology to virtually view aspects of services that we would usually only see through a site visit. This included supporting services to set up ‘Near Me’ and use this new technology.
- We moved quickly to get technical and physical supports in place to enable Care Inspectorate staff to work at home, and our staff adapted swiftly to the changing requirements, working in many cases seven days a week to support the social care sector through this pandemic.
- We worked with directors of public health and partner agencies in each health and social care partnership area to ensure that services were supported, and that we were aware of any emerging concerns.
- In May, we resumed on-site inspections, focussing on those that we had particular concerns about, having prioritised them using the range of intelligence coming directly to us and also via local partners. Following the enactment of the Coronavirus (Scotland) (No2) Act 2020 at the end of May, we started to publish fortnightly reports outlining our findings of these inspections including the quality of care. From the decision to inspect, the process of inspection through to sharing findings in this report is rapid, with each report containing details of all inspections undertaken in the previous two weeks.
- We made use of our established communication channels with care services, and launched daily Provider Update newsletters, making sure services were aware of the latest guidance and support from the Care Inspectorate, Scottish Government and other national agencies, to help them manage in the pandemic.
- We had membership on all relevant national groups to ensure we retained strategic oversight of the social care sector and remained connected with partners at the national level.
- We introduced a system for services to alert us to staff shortages, and worked with partners, in particular the SSSC, to ensure services could access staff via the staffing portal if required. We introduced 7 day a week working to monitor staff shortage notifications to enable us to support the sector timeously.

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- We reviewed the information that services routinely report to us about any outbreaks of infectious diseases and deaths to ensure that we could monitor the impact of the pandemic, and shared that information with Scottish Government, public health teams and other partners to help coordinate support for frontline services.

The above is not an exhaustive list but gives an overview of our rapid and targeted response to the pandemic.

As a result of our operating model changing in response to the pandemic the way we measure our performance must change to reflect this and to provide the Board with relevant and accurate performance information on a quarterly basis.

1.1 Process for reviewing our performance measures

A short life working group was established to review the current performance measures in the Corporate Plan 2019-22 in order to make recommendations for any proposed changes.

This group was established by the Executive Director of Strategy and Improvement and included officers from across directorates along with two board members. The group met twice and considered in detail options for each performance measure which had been developed by the intelligence team from discussions with senior colleagues across the organisation.

During this process we consulted with the Board Chair and Scottish Government Sponsor Branch colleagues, as well as consulting further with internal colleagues.

1.2 Impact assessment process

Each measure was rated red, amber or green depending on our ability to be able to report on it during the remainder of 2020/21, with red being those most affected as a result of the pandemic and green least affected.

In some cases, especially for those measures rated red or amber, we have proposed that we suspend those measures and move to alternative ways of measuring performance. For others, although we can still usefully measure against them, the changes to how we operate will affect them – for example measures that look at overall grades of service may not change much if we are inspecting fewer services. We will take this into account when preparing quarterly and annual performance reports.

In some cases, previous processes through which measurement data was captured are no longer possible, for example the use of paper questionnaires which could spread the virus. In these instances we have considered alternatives and will proactively work to deliver on these as appropriate.

1.3 Ongoing review

We will continue to face uncertainties over the coming months and into next year, and it will be important that we continue to adapt and review our performance measures to reflect how we deliver our scrutiny and improvement support work as we move through the phases of recovery from the pandemic.

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As part of any proposals for changes to how we deliver and record our business officers will be expected to consider the impact on how we account for our performance in discussion with the Intelligence Team. Proposals for changes to performance measures will be escalated through the Executive Director of Strategy and Improvement, with the short life working Group re-established where required and ultimately approval for changes sought from the Board.

2.0 RECOMMENDATIONS FOR INTERIM PERFORMANCE MEASURES

In order to arrive at the recommendations for the proposed set of measures in Appendix 1 there were a number of options which were considered in detail by the short life working group. Appendix 1 provides the Board with the relevant detail under each measure including risk, issue, recommendation, action and timescales.

A summary of the recommendations proposed for the 15 performance measures is as follows:

- Five measures were classed as low risk – we propose to continue to report on those measures with no change. For two of these low risk measures we have proposed a benchmark to assess our performance against for the rest of 20/21.
- Seven measures were classed as medium risk - we propose to continue to report on five of these with no modification. The remaining two measures we propose to suspend reporting on and provide an alternative option.
- Three measures were high risk as they depend on paper questionnaire systems. We propose suspension of these and that we scope the required work required to create online questionnaires to gather this important information.

Note the full detail of the recommendations of the short life working group for the Board are set out in Appendix 1.

3.0 IMPLICATIONS AND/OR DIRECT BENEFITS**3.1 Resources**

Proposed changes will be delivered within existing resources.

3.2 Sustainability

There are no direct sustainability implications arising from this report.

3.3 Policy

As a public body, we are expected to consider our contribution to Scotland's National Performance Framework. The National Performance Framework is designed to shape how the actions of the public sector will improve the quality of

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life for people in Scotland. A new National Performance Framework was launched in 2018, consisting of 11 National Outcomes and 81 National Indicators. We seek to deliver our strategic outcomes in the context of a complex policy landscape. The Care Inspectorate has and will continue to have a key role in supporting the successful delivery of many policy drivers, including continued developments around health and social care integration, self-directed support, workforce planning, human rights promotion, early learning and childcare expansion (ELC), as well as reform of both adult and children's social care.

This year we have seen the novel coronavirus (COVID-19) develop into a worldwide pandemic. This has had, and will continue to have, a significant impact on our work and any current and future policy development. Although the full extent of the impact on policy remains to be seen, developments to date include emergency legislation in both UK and Scottish parliaments, including provisions relating to care homes and duties for the Care Inspectorate, and a delay in the expansion of funded ELC to 1140 hours. We have engaged with parliamentary scrutiny of the coronavirus response, which we expect to continue, while the Scottish Government recently announced the establishment of an independent review into adult social care, which is due to report by January 2021.

3.4 People Who Experience Care

This report relates to the monitoring of performance against the Care Inspectorate Corporate Plan 2019-22. This evidences the performance of the organisation in delivering strategic outcomes and as such provides assurance and protection for people who experience care.

3.5 Customers (Internal and/or External)

This report includes a number of measures of customer satisfaction.

4.0 NEXT STEPS

The Board is invited to consider and approve any changes to the current performance measures. If approved these changes will be adopted immediately and this will be reflected in the quarterly reports going forward. As stated previously it may be necessary to consider further changes depending on delivery of our work going forward in the context of an ongoing pandemic and moving through the phases of recovery.

Recommendations for interim performance measures for 2020/21

Table 1 gives a summary of each of the current KPI and KOI performance measures. It shows the current status of the measure (high, medium or low) based on the extent to which our ability to report, or our ability to deliver the expected level of performance, has been impacted by the COVID-19 pandemic on that measure. It also provides the recommendation for each measure.

Table 1: Summary of recommendations

High – data is either no longer available or very limited making reporting impossible

Medium – reporting is still possible but changes to practice make the targets or previous performance unrealistic to achieve

Low – data and reporting are largely unaffected, and performance should be on par with previous performance (from a process point of view)

Type	Measure	Status	Recommendation
KPI1	% of people telling us that our scrutiny will improve care	High	Suspend the measure until we can create a new online questionnaire either through our digital systems or external survey.
KPI2	% of statutory inspections completed	Medium	Suspend the measure and move to a metric and narrative description
KPI3a	% of complaints about care that were investigated within the relevant timescales (Full CI investigation only)	Medium	Suspend the measure and report under single complaints measure.
KPI3b	% of complaints about care that were resolved within the relevant timescales (includes all methods of resolution)	Medium	Continue as sole complaints measure
KPI4	% staff absence	Low	Continue
KPI5	% of registration applications completed within timescales	Low	Continue
KPI6	Level of investment in learning and development for our workforce	Low	Continue – apply new benchmark
KPI7	% inspection hours spent in high and medium risk services	Medium	Continue
KPI8	Days per quarter that inspection volunteers and care experienced people are involved in our work	Low	Continue – apply new benchmark
KPI9	Number of service types with a new inspection framework	Low	Remove as completed
KOI1	% services with good or better grades	Medium	Continue
KOI2	Average time a service continues to have a grade of less than adequate	Medium	Continue
KOI3	% of services with good or better grades at first inspection following registration	Medium	Continue
KOI4	% of services with >90% of people telling us they are happy with the quality of care and support they receive	High	Suspend the measure until we can create a new online questionnaire either through our digital systems or external survey.
KOI5	% of services with majority of people telling us they make decisions about their own care	High	Suspend the measure until we can create a new online questionnaire either through our digital systems or external survey.

Table 2 summarises the issues, recommendations, actions and, where relevant, timescales for the performance measures. As we move through our recovery plan some measures may need to be refined and adapted to reflect the stage we are at, in line with our scrutiny and improvement support plan.

Table 2: Recommended measures for COVID-19 with actions and timescales

Status	Type	Measure	Issue	Recommendation	Actions	Timescales
High	KPI1	% of people telling us that our scrutiny will improve care	<p>Data is normally collected using paper questionnaires on inspections. Due to COVID this is no longer feasible or safe to do due to infection prevention and control.</p> <p>Currently there will be limited information available for this measure until more inspections take place and as such a narrative update will not be appropriate or representative for all services.</p> <p>The data will be based on narrow range of services compared to previous reports (likely focussing in high risk/poor services) until a full range of inspections take place.</p>	Suspend the measure until we can create a new online questionnaire either through our digital systems or external survey.	<p>Scope the potential use of existing survey software to be used in this way. Key issue will be distribution of and access to a survey digitally in a care service.</p> <p>If not, this will be explored with the Digital team to see if it can be built into any new system.</p> <p>We plan to include a registration experience survey as part of our new app therefore we may start to collect data using that later this year.</p> <p>Failing the above, we may consider commissioning independent research on the impact of scrutiny.</p>	<p>Scoping commenced 31/8/2020.</p> <p>If not appropriate, then discussions will be held with Digital team ASAP to determine best option for organisation. Given the timescales involved in implementing and launching reliable surveys we will aim to trial the new approach by the end of Q4.</p>

Medium	KPI2	% of statutory inspections completed	Our programme of routine inspection visits changed due to the pandemic.	<p>Suspend the measure and move to narrative description with key metrics reported as and when they are available.</p> <ul style="list-style-type: none"> - Number of inspections - Number of statutory inspections - Contacts made - Near me consultations - Narrative updates - Future updates <p>Case studies can be used to illustrate fast response times and improvements made if appropriate</p>	Report as recommended and continue to refine and add more detail as we develop our scrutiny and improvement approaches during this time.	Immediate. Already in this format for Q1 report.
Medium	KPI3a	% of complaints about care that were investigated within the relevant timescales (Full CI investigation only)	<p>We cannot carry out on-site investigations for complaints due to the pandemic. However, our approach has been where a complaint was serious, and complaint inspector assessed an onsite visit was required, these services were prioritised for an inspection throughout this time.</p> <p>As complaints are being addressed in this way</p>	Suspend the measure and report under single complaints measure 3b and revise this as the way we address complaints changes through the recovery phases.	<p>Report under single complaints measure (KPI3b) showing all methods of resolution until complaint inspection activity is resumed in line with the phases of recovery.</p> <p>This measure is described in more detail below in 3b.</p>	Immediate. Already in this format for Q1 report

			currently KPI3a is not a helpful measure and will have continuous low performance.			
Medium	KPI3b	% of complaints about care that were resolved within the relevant timescales (includes all methods of resolution)	<p>Linked to above issue.</p> <p>This measure gives an overview of the time taken to resolve all complaints – irrespective of our method or resolution.</p> <p>Because we are doing fewer full investigations at the moment performance has improved because other methods of resolution tend to be much quicker. As we start to undertake more full investigations we would expect performance to drop.</p>	Continue reporting as is.	<p>Report under single complaints measure showing all methods of resolution until complaint inspection activity is resumed in line with the phases of recovery.</p> <p>This measure can be augmented with additional narrative which would include additional metrics such as complaints received and method of resolution to give a full picture of performance.</p>	Immediate. Already in this format for Q1 report
Low	KPI4	% staff absence	Not impacted	Continue reporting as is.	None	Not applicable
Low	KPI5	% of registration applications completed within timescales	Not impacted	Continue reporting as is.	None	Not applicable
Low	KPI6	Level of investment in learning and	This was a new measure that we started to report on at the end of 2019/20,	Continue reporting as is.	This benchmark will be revised as required and particularly if	Not applicable

		development for our workforce	and we had not set a target During the pandemic, Learning and development is almost exclusively online and we have proposed measuring our performance against a benchmark based on Q1 performance.	Propose using a benchmark of 4.6 hours on average per employee based on online learning in Q1 2020/21.	learning and development begins to take place in a classroom setting again.	
Medium	KPI7	% inspection hours spent in high and medium risk services	If inspections continue as they currently are then almost all inspections will be in high/medium risk services.	We propose to continue to use this measure highlighting that performance in this measure will remain high while inspections are prioritised on a risk-based intelligence led approach.		Not applicable
Low	KPI8	Days per quarter that inspection volunteers and care experienced people are involved in our work	This was a new measure that we started to report on at the end of 2019/20, and we had not set a target. During the pandemic, inspection volunteer activity will almost exclusively be online and we have proposed measuring our performance against a	Continue reporting as is. Propose a benchmark of 64.5 days based upon remote activity undertaken during Q1 2020/21.	Like KPI6 this target can be revised as required when inspection volunteers can return to physical inspections.	Not applicable

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			benchmark based on Q1 performance.			
Medium	KOI1	% services with good or better grades	This measure will remain relatively unchanged until graded inspections resume in greater numbers.	Continue reporting as is.	Continue to report as is.	Not applicable.
Medium	KOI2	Average time a service continues to have a grade of less than adequate	The average time a service continues to have a grade of less than adequate will continue to increase until graded inspections resume in greater numbers.	Continue reporting as is.	Continue to report as is.	Not applicable.
Medium	KOI3	% of services with good or better grades at first inspection following registration	This measure may fluctuate as we go through the phases of recovery and is especially susceptible to large fluctuations due to small numbers.	Continue reporting as is.	Continue to report as is.	Not applicable
High	KOI4	% of services with >90% of people telling us they are happy with the quality of care and support they receive	Data is collected using paper questionnaires on inspections. Due to COVID- 19 this is no longer feasible or safe to do due to infection prevention and control.	Suspend the measure until we can create a new online questionnaire either through our digital systems or external survey.	Exploring using Near Me as an interim solution, but volume will be low.	Scoping commenced 31/8/2020. If not appropriate, then discussions will be held with Digital team ASAP to determine best option for organisation. Given the timescales involved in implementing and launching reliable surveys we will aim to
High	KOI5	% of services with majority of people telling us they make			Scope the potential use of existing survey software to be used in this way. A key issue will be distribution of and access to a	

		decisions about their own care			survey digitally in a care service. If the above is not possible then this will be explored with the Digital team to see if it can be built into any new system.	trial the new approach by the end of Q4.
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Title:	REVISION OF THE CORPORATE PLAN
Author:	<i>Edith Macintosh, Executive Director of Strategy and Improvement</i>
Appendices:	1. Position statement – What’s next, moving forward and the future
Consultation:	Position statement – colleagues, Sponsor Branch, Chair and Board members.
Resource Implications:	No

EXECUTIVE SUMMARY

As a result of the current pandemic, taking into consideration all the learning that has taken place during this time, both internally and externally, it is imperative that we review our strategic priorities for the next few years and revise our current Corporate Plan 2019-22. The revised plan will require to respond to national policy and will be influenced by the review of adult social care and our priorities in light of that.

It is proposed that the revised Corporate Plan will detail our strategic outcomes from 2021 for a three-year period. It will provide clarity on how we will deliver on these outcomes and what changes we expect to see as a result. It will critically provide strategic direction for the Care Inspectorate, the care sector, external bodies, and the public.

The proposed timescale for publication is June 2021. This timescale will provide the opportunity to consult in detail with the Board, colleagues internally, external partners, the care sector and importantly people experiencing care to develop a relevant and ambitious Corporate Plan.

In the interim, and subsequent to our recent publication, ‘The Care Inspectorate’s role, purpose and learning during the Coronavirus pandemic, it is proposed that a position statement is published from the Chief Executive providing information on our immediate priorities, on moving forward and into the future. A draft of this can be found at Appendix 1 for approval by the Board.

Please note that in terms of our current performance measures an interim review has taken place and there is a separate paper being tabled at the Board meeting on the 30 September. This paper outlines proposals for revising some of the measures, as an interim position, and this is for approval by the Board. As the work to develop a revised Corporate Plan takes place performance measures will be developed and aligned with the strategic outcomes and objectives in the plan. The work to develop the performance measures will be done through a working group which Board members will be invited to join and play a key part in.

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The Board is invited to:	
1.	Approve the proposed revision of the Corporate Plan.
2.	Approve the position statement – What’s next, moving forward and the future (Appendix 1)

Links:	Corporate Plan Outcome	1,2,3	Risk Register - Y/N	Y	Equality Impact Assessment - Y/N	y	
For Noting		For Discussion		For Assurance		For Decision	x

If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report: <i>(see Reasons for Exclusion)</i>
This is a public Board report.
Disclosure after: N/A

Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

REVISION OF THE CORPORATE PLAN

1.0 BACKGROUND

Our current Corporate Plan 2019-22 sets out our core purpose which is to contribute to world class care in Scotland, where every person, in every community, experiences high quality care and support tailored to their rights, needs, and wishes. We do this through our statutory duties, providing scrutiny and improvement support, our staff playing a critical role in protecting people and providing assurance of this to those who care for them such as relatives, friends, and local communities. It also articulates our aim to be an influential organisation that develops talent, grows leaders, identifies, develops, and shares good practise, drives improvement and innovation in care and proactively shapes local and national policy. Our current plan was developed based on what we had learnt from our scrutiny, assurance, and improvement support work over the previous years, it reflects local and national policy and societal challenges that we have required to respond to.

The plan sets out three high level strategic outcomes:

1. People experience high quality care
2. People experience high quality outcomes
3. People's rights are respected.

Each strategic outcome is underpinned by a set of strategic objectives. The strategic outcomes are also aligned to performance measures which are monitored and reported on through quarterly reports to the Board.

The current plan also sets out a new business model to effectively deliver on our strategic outcomes. This model enables us to modernise our approach to be risk based, intelligence led, targeted and proportionate in the way we provide scrutiny and improvement support, keeping people who experience care firmly at the heart of all we do and the Health and Social Care standards.

- 1.1 On page 17 of our [Corporate Plan 2019-22](#) it states several changes we expect to see as a result of our work by the end of March 2022. Despite of and as a result of the current pandemic several of these changes have already taken place or have been progressed considerably such as; better use of intelligence and evidence to target resources, inspection frameworks that are outcomes-focused and experience-led, greater focus on intelligence at community level, wider collaboration in care and knowledge exchange and improvement support, business and digital solutions significantly progressed, our registration processes supporting different models of care and our role in driving national policy.

2.0 REVISING THE CORPORATE PLAN

Our Corporate Plan is the key strategic document which articulates our vision and details our strategic priorities for a three-year period. Whilst our core purpose and strategic outcomes may remain the same, as a result of the COVID-19 pandemic, our strategic priorities and subsequent objectives require to be reviewed both in the current context and looking to the medium to longer term future. This will provide the strategic direction to enable us to provide the right level of continued oversight and support to the sector, and carry out our statutory duties.

2.1 Consultation

Involving people in the work that we do is essential. It influences and improves what we do and continues to ensure that our focus is relentlessly on the safety and protection of people experiencing care, their outcomes, and their well-being. The involvement of others is also critical when revising and developing a new version of our Corporate Plan to make sure the plan is relevant, ambitious, and takes cognisance of national priorities and various societal issues to which we require to respond. This includes what we have learnt as a result of COVID-19.

In addition to consulting with people experiencing care any consultation process would include the Scottish Government, external partners and importantly colleagues internally as well as key development sessions with the Board, and the Strategic and Operational Leadership Groups.

2.2 Performance measures

A separate paper also being tabled at the Board on the 30 September outlines proposals for some revisions to some of the current performance measures as a result of carrying out an interim review. As the work to develop a revised Corporate Plan takes place then performance measures will be developed and aligned with the strategic outcomes and objectives in that plan. This will be done through a working group which Board members will be invited to join.

2.3 Provisional high-level project plan

To achieve a high-quality Corporate Plan with aligned performance measures, authored and designed through a consultative process requires a project plan with realistic time scales.

A provisional high-level project plan is provided below at point 2.4 which indicates broadly the key tasks and timelines for revising the Corporate Plan, through a consultative process. A final draft of the revised Corporate Plan will be tabled at the Board meeting planned for June 2021, and if approved, published that month

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2.4 Provisional high-level project plan for the revised Corporate Plan (CP)

Action: The Board is invited to approve the proposed revision of the Corporate Plan.

Action	By whom?	By when?	Status
CP development session with Board and reps from Sponsor branch	Edith Macintosh (EMac)/Fiona McKeand (FMcK) and external facilitator	Oct 20	
CP development session with Strategic Leadership and Operational Leadership Group (SLG and OLG)	EM/Executive support and external facilitator	Nov 20	
Develop framework for CP and draft high-level key themes	Policy/Comms	Commences Nov/Dec 20 (ongoing development and refinement of content through the following months with input from key personnel)	
Update Board on progress	EMac	Board meeting Dec 20	
Consultation process (internal and external)	Policy/Comms	Jan/Feb 21	
Update Board on progress	EMac	Board meeting Jan 21	
Begin development of performance measures for CP (working group with Board members)	EMac/Ingrid Gilray (IG)	Jan 21	
Draft CP and Performance Measures to Board (including mock-up of design)	EMac/IG/Comms/Policy	Board meeting March 21	
Final draft of CP and Performance Measures to Board for approval	EMac	Board meeting June 21	
Publish revised CP	EMac/Comms	June 21	

3.0 POSITION STATEMENT – WHAT’S NEXT, MOVING FORWARD AND THE FUTURE

We recently published “[The Care Inspectorate’s role, purpose and learning during the Coronavirus pandemic](#)” which sets out how we responded as the pandemic took hold in Scotland. It reflects our emergency response to provide significant scrutiny, oversight, and support to the social care sector during a very challenging time. In order to carry out our duties, while restricting our physical presence in services and our offices, in order to limit the spread of the virus, we quickly adapted our way of working and intensified our oversight of services to provide scrutiny, assurance and improvement support during this time. To achieve this our staff made a swift transition to work effectively at home and we operated a seven day a week service. In addition to that the publication provides some reflections and next steps in terms of our immediate strategic priorities and moving forward.

- 3.1 Subsequent to our recent publication, and as we work towards a revised Corporate Plan, it is proposed that a position statement from the Chief Executive on our immediate priorities, on moving forward and plans for the future is published. The position statement would be published online and include an indication of the proposed timescales for a revised Corporate Plan. This is a similar approach to the CQC in England who have published a statement from the Chief Executive on their short to medium-term priorities. They plan to publish their revised strategic plan in summer 2021.

Appendix 1 provides a draft position statement ‘What’s next, moving forward and the future’ for approval by the Board.

Action: The Board is invited to approve the position statement: What’s next, moving forward and the future.

4.0 IMPLICATIONS AND/OR DIRECT BENEFITS

4.1 Resources

There are no resource implications currently.

4.2 Sustainability

There are no sustainability implications.

4.3 Policy

This year we have seen the novel coronavirus (COVID-19) develop into a worldwide pandemic. This has had, and will continue to have, a significant impact on our work and any current and future policy development. Although the full extent of the impact on policy remains to be seen, developments to date include emergency legislation in both UK and Scottish parliaments, including provisions

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relating to care homes and duties for the Care Inspectorate, and a delay in the expansion of funded ELC to 1140 hours. We have engaged with parliamentary scrutiny of the coronavirus response, which we expect to continue, while the Scottish Government recently announced the establishment of an independent review into adult social care, which includes regulation and scrutiny within its terms of reference, and is due to report by January 2021.

As we move forward, the Care Inspectorate will continue to have a key role in supporting the successful delivery of many existing policy drivers, including what is likely to be a renewed focus on health and social care integration and self-directed support, and how they are changing how people choose and experience care services and the ways in which services are delivered. Furthermore, a number of relevant developments are likely to emerge from the Scottish Government's Programme for Scotland, published in August 2020. As well as the adult social care review, the Scottish Government intends to review social care definitions, further develop use of Near Me in social care (prioritising care homes) and review scrutiny of mental health services. Other plans include supporting implementation of the recommendations made by the Independent Care Review, as well as consulting on and revising the national child protection guidance. In addition, the Scottish Government has introduced a Bill to incorporate the UNCRC into Scottish law, with the Care Inspectorate named in the Bill in relation to reporting duties. We are also likely to have new responsibilities following the recent passage of the Children (Scotland) Bill, which makes provision for the regulation of contact centres.

Other significant political developments on the horizon include the Scottish Parliament elections in May 2021, while the impact of Brexit on health and social care in Scotland is likely to become clearer as the UK comes out of the transition agreement and enters into a new relationship with the European Union.

4.4 People Who Experience Care

It is imperative that the Care Inspectorate's core purpose of scrutiny, assurance and improvement support is set out clearly though a Corporate Plan which is easily understood and very accessible to people experiencing care services, our partners and all who we work with. In revising our Corporate Plan, particularly in the light of the pandemic, it will ensure our critical work is carried out in a way that focuses on safety and outcomes for people, paying particular attention to overall health and well-being of people experiencing care.

4.5 Customers (Internal and/or External)

The revised Corporate Plan will be developed through a consultative process which will include internal colleagues and external partners and people experiencing care. The feedback will be analysed and will inform and refine the final publication.

5.0 NEXT STEPS

The Board is invited to approve the planned approach to revise the Corporate Plan and the position statement for publication – ‘What’s next, moving forward and the future’.

If approved the position statement will be laid out by our communications colleagues and published on our internet as soon as possible.

Work will begin towards a revised Corporate Plan as indicated, with regular updates to the Board.

What's next, moving forward and the future

Peter Macleod, Chief Executive, shares what the immediate and future priorities are for the Care Inspectorate

First of all, I want to acknowledge the tragedy we continue to face here in Scotland, and around the world, because of the COVID-19 pandemic. Our deepest sympathies are with those who are grieving the loss of loved ones.

When we published our Corporate Plan in 2019, no one could have predicted how different the world would look less than a year later. We recognise the extraordinary effort and work of health and social care workers across Scotland in meeting the unprecedented challenges of the worst public health crisis in living memory. For the social care sector, the past months have been among the most personally and professionally challenging any of us have ever had to deal with. We have all learnt many lessons from what has happened.

The Care Inspectorate is one part of an integrated health and social care system in Scotland, a system which by necessity has had to demonstrate closer joint working than ever before. It would be impossible and indeed inappropriate to go back to business as usual. COVID-19 has not gone away, we will have to continue to live with it for the foreseeable future and that means new ways of working for all of us.

At the beginning of March 2020, we had to act quickly to change our approach to scrutiny and improvement support and implement different systems in order to keep people safe in the face of the escalating pandemic. Given the evident risk that our staff could transmit or spread COVID-19 in services, we took the decision, with advice from Directors of Public Health (DsPH) that it would have been untenable to continue with on-site inspections at that time. Our approaches to scrutiny and improvement support evolved and, we developed new and enhanced ways to support the care sector and to provide assurance to the public. We significantly increased levels of contact with services and continued our monitoring and oversight activity. For the first time, oversight also included contact with services through Near Me video consultation and observation that enabled us to examine services' environments, systems and practice.

Role, purpose and learning during the pandemic

In August 2020 we published [The Care Inspectorate's role, purpose and learning during the COVID-19 pandemic](#). This document sets out in detail what we have been doing to support care services and people who experience care since the pandemic took hold in Scotland. It reflects our emergency response to provide significant scrutiny and support to the social care sector during this challenging time. To achieve this, our staff made a swift transition to work effectively at home and we operated a seven-day week service. It demonstrates how we repurposed our activities during the pandemic to enhance our critical role in protecting people, providing public assurance and supporting improvement in care.

Our vision is for world-class social care and social work in Scotland, where every person, in every community, experiences high-quality care and support, tailored to their rights, needs and wishes.

Our [Corporate Plan 2019-22](#) sets out three strategic outcomes:

- People experience high-quality care
- People experience positive outcomes
- People's rights are respected

Over the coming months, and as we refresh our current Corporate Plan, these broad outcomes will not change. What has changed and will continue to change in the coming months is how we carry out our work, continuing to listen to people's experiences, making a clear and accurate assessment of quality, while ensuring that the risk of infection is minimised.

The Care Inspectorate is committed to playing its part in informing and enacting change as we move forward and continue with a review of all areas of our work. Considering this, I would like to update you on the Care Inspectorate's immediate priorities and into the future.

What's next?

Different approaches to scrutiny and improvement support

We know that our approaches to scrutiny and improvement support need to continue to evolve as services start to return to a degree of normality. We are very aware that providers will be considering how they balance the needs, choices and rights of people they support with infection prevention and control measures. We must also find this balance. It is everyone's right to have the best quality care and through our work we will support and encourage providers to improve their services in order that adults and children across Scotland realise their potential and live well. Where it is necessary, we will take action.

Under the emergency Coronavirus legislation, we are required to lay before Parliament a report every two weeks setting out which care home services we have inspected and our findings. To meet the duties introduced by the [Act](#) and to comply with associated guidance, our inspections focus and report on infection prevention and control (IPC), personal protective equipment (PPE) and staffing. There is also a specific focus on health and wellbeing. Consequently, we have augmented our quality framework for care homes and developed associated tools to reflect this. Going forward, this will continue to be a focus for our inspections.

A blended approach to scrutiny

As part of an enhanced system of assurance for care homes, we are continuing on-site inspections of services identified as being high risk, taking robust action when required. We are doing this in an intelligence and risk-assessed way and our inspectors are rigorously following IPC guidance before, during and after visits in order to keep care homes and themselves safe.

The enhanced system is a multi-agency approach which we are part of and includes health boards and DsPH. We liaise with DsPH before going into services because of the risks around transmission and spread. We continue to work closely with local Health and Social Care Partnerships (HSCPs), DsPH, local IPC teams and other clinical specialists to jointly assess circumstances within each care home in Scotland.

With winter approaching and the potential public health challenges that brings, on top of the pandemic, we will prioritise scrutiny of care homes for adults and older people take a blended approach using on-site visits and Near Me video consultation. We will use our intelligence, and that of others, to determine the most appropriate intervention based on the level of risk. All housing support and care at home services will be subject to an ongoing, dynamic assessment of risk by case holding inspectors as is normal practice. Through the risk assessment process, we will undertake a Near Me full COVID-19 inspection if appropriate. We will use information from our recent enquiry ([add link to enquiry here](#)) to identify those services that require a visit.

As services resume, we are implementing different approaches to scrutiny and improvement support across Early Learning and Childcare and services for Children and Young People. This will take the form of a [self-assessment process](#), virtual scrutiny or an on-site visit. The level of scrutiny activity will be determined by risk and the intelligence held by us. We will work closely with local HSCPs, local authorities and local health protection teams in relation to infection prevention and control issues in settings.

We are also exploring how we will carry out strategic inspection activity. We are reviewing our methodology to ensure that any on-site presence is kept to a minimum with as little disruption as possible. We are developing and testing an approach that allows us to read records off-site. Initially, we will test this process out with a HSCP in relation to the Adult Support and Protection (ASP) inspection which will inform our strategic inspection programme. We will also be progressing our strategic inspection of justice services.

Improvement support collaborative

Improvement support is everyone's business. It's a core part of our work and key to services delivering better outcomes for people experiencing care and for local communities.

Over the coming months our Improvement Support Team (IST) will continue to work closely with our inspectors to deliver a COVID-19 response and winter preparedness improvement collaborative across Scotland. The collaborative model will have a regional approach to support care homes and care at home services to prepare for winter and implement the COVID-19 guidance into their settings. The IST, working with inspection teams, will take an intelligence-led approach to ensure that the level and focus of improvement support is relevant and appropriate. Our IST will also collaborate with other national improvement bodies to ensure that any approach is

joined up, avoids duplication, does not burden the sector and shares the learning from the different sectors.

Moving forward

Our focus over the past six months has been on the immediate risks presented by COVID-19. We know that this needs to evolve, particularly ahead of the challenging winter months. Care homes for older people will again be more vulnerable, both to the ongoing threat of COVID-19 and the additional risk of seasonal infections. We need to learn from our experience over the past six months, while continuing and potentially scaling up those things that have worked well during the pandemic and responding to the many lessons we have learnt.

Working smarter: risk-based, intelligence-led scrutiny and improvement support

We want to further develop how we use the information and intelligence we gather and use it differently to focus our critical work and resources where they are needed the most in order to support the care sector to provide safe, world-class care that is rights based and meets people's needs. We want to ensure we are in the best position to respond to risk at the right time and in the right way, making clear recommendations for improvement where necessary, as well as promoting and supporting a culture of continuous improvement in care. [\(add link to scrutiny and improvement plan here\)](#)

Intelligence

During the pandemic we have broadened and enhanced the way we gather, analyse and share data and intelligence about services. This includes intelligence gathered from scrutiny and oversight of services and gathering information from public health and other agencies. This allows us to assess more accurately the quality of care and improvements required and determine priorities from all the available intelligence to determine the focus of our work. We will continue to progress and develop our intelligence-led, risk-based and proportionate approach to all that we do.

We are also working effectively with the Scottish Government and National Records Scotland to improve how we share information about the sector. We will continue to draw on our data and intelligence, using our learning to deliver on our core purpose and to further develop an anticipatory and preventative role into the future.

Models of care

Data trends identified during the pandemic are allowing us to both support the sector and influence policy development. Intelligence in relation to COVID-19 spread has raised questions around the size and design of care homes, which has led us to review our Building Better Care Homes guidance in collaboration with the Scottish Government. We will be giving further consideration to the kinds of services we will register in the future and support the development of new models of care.

Market oversight

COVID-19 has highlighted that investment in our ability to have insight into the viability and sustainability of the care sector market would be of significant benefit. We have already had some discussions on market oversight with the Scottish Government and are actively exploring what a market oversight model might look like for the Care Inspectorate.

Near Me

At the start of the pandemic, we engaged with all care homes for adults and older people and introduced them to the use of Near Me video conferencing for clinical care appointments for residents and to connect with our inspectors. We also trained our inspectors which allowed us to engage visually with managers, staff and those experiencing care and gave us an opportunity to see inside a care home without the risk of transmission of COVID. The Scottish Government's Programme for Government 2020-21 set out plans to further develop use of Near Me in social care (prioritising care homes). We will actively engage and support this work.

Subject matter expertise

We have a highly skilled workforce and our [Strategic workforce plan](#) details how we are supporting colleagues to further develop their skills and expertise. The pandemic has highlighted the critical importance of in-house specific subject matter expertise in areas related to safe care and health and wellbeing such as IPC and medication management. We will strengthen our current model of health and wellbeing expertise to provide further support internal to the organisation and to support improvement in these areas in the social care sector.

Listening to and involving people

We firmly believe our work is at its best when it is influenced and developed through the involvement of people who experience care, their families and networks. We will continue to develop our involvement work with our inspection volunteers and engage with local communities and groups. We will develop digital solutions to collect individual experiences and feedback on the impact our work has. We will also continue to work to embed Scotland's [Health and Social Care Standards](#) into how services provide care while at the same time ensuring people are kept safe during the continuing pandemic. We will ensure a focus on human rights, choice, compassion and on what matters to people in all that we do.

Interconnected health and care system

Our joint work with partners such as those from nursing, public health and HSCPs has been significantly enhanced during the pandemic in a better coordinated and targeted way to ensure person-centred, tailored support and intervention for each care home in Scotland. As we go forward, it will be important to coordinate services between health and social care and ensure this essential wraparound support

remains in place as it allows us to identify early if there are difficulties emerging in a service. We will continue to influence and support this through the work that we do. Similarly, at a national and strategic level this kind of joint working to support care is taking place and we will continue to work with a range of bodies and strategic groups to ensure the rapid and cohesive response that Scotland requires, and we must all deliver.

We also undertake joint inspections of HSCPs with Healthcare Improvement Scotland (HIS) and we are discussing how our integrated working can be enhanced now and into the future. In line with the recommendations of the Ministerial Strategic Group review of progress in integration, we had been reviewing the scope and methodology for our inspections pre-COVID with a view to future inspections having a greater focus on outcomes. The COVID pandemic adds complexity to our planning for future scrutiny in this area of adult services. However, the focus on outcomes for people in the context of integrated services remains as important as ever.

Digital transformation

We continue to develop our digital capabilities. We are moving towards a more digitally enabled way of working across scrutiny and improvement support, having already transformed our complaints and registration processes and by investing in modern technology, equipment, and systems. This will continue to streamline how we work, using resources more efficiently and effectively, as well as increasing our intelligence capability and capacity to inform our scrutiny and improvement support work.

Sharing and learning

We have been in regular contact with other UK and European regulators to share good practice and learning from COVID-19. In the coming months, we are co-leading a seminar for health and social care regulators across the UK and Ireland. This will allow us to reflect on our individual and collective COVID experiences, share our learning and plan well for the future.

We will continue to use all our communication channels such as Provider Update emails and the Hub website to provide relevant guidance and advice, improvement support resources and share stories which promote excellent practice across the care sector. We are developing a COVID-19 toolkit of essential guidance from all sources into a single Care Inspectorate series for care services. This will include guidance on issues such as PPE, laundry, IPC, visiting, health and wellbeing.

The future

In August 2020, the Scottish Government announced as part of its Programme for Government 2020-21 an independent review of adult social care to be published by January 2021. We look forward to engaging with the review, sharing our knowledge of the social care sector and our learning from the pandemic, in order to improve

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Appendix 1

outcomes for people experiencing care, their families, carers and the workforce. This will influence our strategic priorities and be reflected in the revision of our Corporate Plan

The pandemic has highlighted the need for change that will improve support to the care sector, including putting in place the right infrastructure across Scotland and investing in our older people, who should be valued for the critical contribution they make to our society. It will require a radical change that will transform the design and delivery of care, and significant investment to make it a reality. We need to get it right for every person in Scotland.

As we move forward, the Care Inspectorate will continue to have a key role in supporting the successful delivery of many existing policy drivers for both adults and children. These include what is likely to be a renewed focus on health and social care integration and self-directed support, and the impact they have on how people choose and experience care services and the ways in which services are delivered.

We also want to inform and influence a range of other important policy developments, such as implementation of the [Independent Care Review recommendations](#), revised national child protection guidance, the delayed expansion of early learning and childcare and legislative changes which propose new responsibilities around children's rights and contact centre regulation.

Over the coming months we will begin the work to revise our Corporate Plan which we plan to publish next summer. We want to hear as many views as possible to help shape our strategy and there will be opportunities such as surveys and focus groups for people to share their opinions. This will enable us to develop a strategic plan which will be ambitious, relevant and one which supports transformation, coming out of the current pandemic, and into future.



Title:	Strategic Risk Register Monitoring		
Author:	<i>Kenny Dick, Head of Finance and Corporate Governance</i>		
Appendices:	1.	Summary Risk Register	
	2.	Detailed Risk Register	
	3.	Draft revised Digital Transformation strategic risk 8	
Consultation:	N/A		
Resource Implications:	None		

Executive Summary:

The revised Strategic Risk Register is presented for the Board's consideration.

The Audit & Risk Committee considered the strategic risk register at its meeting of 10 September and requested strategic risk 8 "Digital Transformation" be reviewed as the residual risk has been higher than the raw risk since this risk was reviewed at the Audit and Risk Committee meeting of 21 May 2020.

In line with an internal audit recommendation, the Risk Tolerance and Appetite column has been changed to include an indication of how long a difference between residual risk and the stated risk tolerance has existed.

It is recommended that the Board:

1.	Review and comment on the Strategic Risk Register
2.	Note that the Strategic Leadership Group will undertake further work to address the imbalances between risk tolerance and appetite and residual risk.
3.	Agree the revised Digital Transformation (strategic risk 8)
4.	Agrees the recommended risk appetite and tolerance for strategic risk 9 "Staff Capacity"
5.	Identify any new risks for inclusion on the Strategic Risk Register or delegation to the Strategic Leadership Group

Links:	Corporate Plan Outcome		Risk Register - Y/N		Equality Impact Assessment - Y/N	N
For Noting		For Discussion		For Assurance		For Decision x

BOARD MEETING 30 SEPTEMBER 2020

Agenda item 12
Report No: B-36-2020

If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report:
This is a public report.
Disclosure after: N/A

Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

BOARD MEETING 30 SEPTEMBER 2020

Agenda item 12
Report No: B-36-2020

RISK MONITORING REPORT**1.0 INTRODUCTION**

- 1.1** The Care inspectorate's Strategic Risk Register is reviewed at each meeting of the Audit and Risk Committee and the Board. This report highlights changes in the risk position or risk management issues identified by the Audit and Risk Committee to assist with the Board review.

2.0 CHANGES TO THE RISK REGISTER**2.1 Internal Audit Recommendation**

In line with the internal audit report on Risk Management (considered by the Audit & Risk Committee at its meeting of 10 September 2020) further detail has been added to the risk appetite / tolerance column to highlight how long the residual risk has been different to the stated risk tolerance.

A rating has also been added:

Rating	Descriptor
Green	Residual risk is in line with tolerance. Alternatively, the residual risk is lower than the tolerance, but the Audit and Risk Committee is satisfied that there is no benefit to changing the controls or further actions that delivers a residual risk lower than the stated tolerance.
Amber	Residual risk has been different to the stated risk tolerance for up to six months.
Red	Residual risk has been different to the stated risk tolerance for more than six months. The Audit and Risk Committee may decide to rate as "Red" a risk that has been different to the stated tolerance for less than six months if this is considered appropriate.

The Board may decide to change the risk tolerance if this is considered appropriate.

2.2 Strategic Risk 1 – Corporate Planning

The Audit and Risk Committee agreed to the residual risk score being increased from 4 (low) to 16 (high) at its meeting of 21 May 2020. This was due to the impact of Covid-19 on corporate planning. The revised risk score remains at 16 as the Covid-19 situation is continuing and the impact this will have on future planning remains unclear. The narrative on controls and further actions has been amended to cross refer to the new Strategic Risk 10 which specifically considers Covid-19 including a revision of the current performance measures related to the Corporate Plan 2019-2022.

Further actions have been updated to recognise planning for a review of the current Corporate Plan 2019-2022 towards the 2022-2026 Corporate Plan is about to commence and also notes a return to a permanent governance and decision-making structure from the current temporary “Gold” and “Silver” command groups will help reduce this risk.

Tolerance is rated as amber.

2.3 Strategic Risk 2 - Financial Sustainability

The residual risk score has been reduced from 16 (high) to 12 (high). This is due the Scottish Government agreeing funding to support the implementation of the job evaluation outcome affecting Inspectors, Senior Inspectors and Team Managers and the Team Manager review.

However, this funding does not assist with an anticipated budget deficit of £2.222m for 2021/2022 as set out in the Financial Strategy. A series of meetings have been arranged with the Sponsor and representatives of Scottish Government Health Finance to discuss and move towards a sustainable funding position for the Care Inspectorate.

Significant uncertainty remains on the impact of Covid-19 on public sector finances generally and on the Care Inspectorate specifically.

Tolerance is rated as red.

2.4 Strategic Risk 3 - Workforce Planning

No change to this risk.

Evaluation of career pathways has been removed as a further action following the Team Manger review and the suspension of tests of change due to a need to focus on inspections post Covid-19.

Tolerance is rated as red.

2.5 Strategic Risk 4 - Partnership Working

No change to this risk.

Tolerance is rated as green. Please note that the tolerance is stated as being low/medium dependent on circumstances. The green rating is provided based on the tolerance being medium.

2.6 Strategic Risk 5 - Corporate Governance

No change to this risk.

Further actions have been amended to include a return to a permanent governance and decision-making structure from the current temporary “Gold” and “Silver” command groups. Once this is in place, we will engage with CIPFA to organise the refresh of our Governance Mark of Excellence.

Tolerance is rated as green.

2.7 Strategic Risk 6 - ICT Data Access & Cyber Security

No change to this risk.

Tolerance is rated as red.

2.8 Strategic Risk 7 - Change Management

No change to this risk.

Tolerance is rated as green.

2.9 Strategic Risk 8 - Digital Transformation

The Audit & Risk Committee requested strategic risk 8 - Digital Transformation be reviewed as the residual risk has been higher than the raw risk since this risk was reviewed at the Audit and Risk Committee meeting of 21 May 2020.

The risk has been framed with reference to the successful delivery of the 2017 business case.

It is now clear that there has been partial success with the complaints digital application and on-line application to register function “live”. The Register and registration application will be launched in November 2020. This has realised part of the expected benefits and will significantly reduce reliance on the Practice Management System (the riskiest of our legacy systems and its replacement was a key driver for the digital transformation programme). We now refer to this as stage 1 of the digital transformation programme.

However, inspection will not be delivered as originally planned and our intelligence needs have changed significantly over the last 2 years. Additional funding is required to progress digital transformation to stage 2. The nature of the risk has now changed to the consequences of not being successful in attracting additional funding.

There will still be heavy reliance on the Regulatory Management System (RMS) until Inspection is delivered in stage 2.

There is likely to be a gap in significant development activity until agreement for funding stage 2 is reached.

A draft revised risk template for Digital Transformation is attached as Appendix 3 for the Board to consider.

2.10 Strategic Risk 9 - Staff Capacity

No change to this risk.

The key controls reflect the outcome of the job evaluation exercise which increases the Inspector pay grade from grade 5/6 to grade 7. This is expected to be more competitive in the relevant job market and will improve recruitment and retention.

This is a relatively new addition to the Strategic Risk Register and the risk appetite and tolerance has not yet been agreed. It is recommended the appetite is "averse" and the tolerance "low".

2.11 Strategic Risk 10 – Covid-19

No change to this risk.

Tolerance is rated as amber.

3.0 IMPLICATIONS AND/OR DIRECT BENEFITS

3.1 Resources

There are no resource implications associated with this report.

3.2 Sustainability

There are no sustainability implications associated with this report.

3.3 Government Policy

There are no government policy implications associated with this report.

3.4 People Who Experience Care

There are no direct benefits for people who experience care.

3.5 Customers (Internal and/or External)

There are no direct customer implications or benefits.

SUMMARY RISK REGISTER : 2020/21 (as at 2 September 2020)

No.	Risk Category – refer to Risk Analysis Sheet for detailed description	Strategic Outcome/ Principle	Lead Officer	Raw Score (LxI)	Raw Grade	Residual Score (LxI)	Initial Residual Grade	Revised Residual Grade
1	Corporate Planning	SO 1,2,3	EDS&I	20	Very High	16	Low	High
2	Financial Sustainability	P 6	EDCCS	16	High	12 ↓	Medium	High
3	Workforce Planning	SO 1,2,3	EDS&I	16	High	8	Medium	Medium
4	Partnership Working	SO 1,2,3 P 5	EDS&A	16	High	8	Medium	Medium
5	Corporate Governance	P 6	EDCCS	16	High	4	Low	Low
6	ICT Data Access & Cyber Security	P 6	iEDIT&D	20	Very High	9	Medium	Medium
7	Change Management	P 1 to 7	CE	16	High	4	Low	Low
8	Digital Transformation – to be revised see draft at Appendix 3	P 1 to 7	iEDIT&D	16	High	20	Medium	Very High
9	Staff Capacity	SO 1,2,3	CE	16	High	12	High	High
10	Covid 19	SO 1,2,3	CE	25	Very High	16	High	High

SCORING GRID

LIKELIHOOD	5 Almost Certain	5	10	15	20	25
	4 Likely	4	8	12	16	20
	3 Possible	3	6	9	12	15
	2 Unlikely	2	4	6	8	10
	1 Rare	1	2	3	4	5
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic

IMPACT

Black = Very High

Red = High

Amber = Medium

Green = Low

White = Very Low

Lead Officers

- CE Chief Executive
- EDS&A Executive Director Scrutiny & Assurance
- EDCCS Executive Director Corporate & Customer Services
- iEDS&I Interim Executive Director Strategy & Improvement
- iEDIT&D Interim Executive Director IT, Transformation & Digital

Risk Register Monitoring

Date	10 September 2020 for 30 September 20 Board													
Risk	Changes to previous version are in red text.													
	Raw Likelihood	Raw Impact	Raw Score	Raw Grade	Residual Likelihood	Residual Impact	Residual Score	Residual Grade	Risk Velocity	Movement	Key Controls	Further Actions	Risk Appetite / Tolerance	Risk Owner
1	4	5	20	VH	4	4	16	H	Med	↔	In Place: <ul style="list-style-type: none"> i. Corporate Plan in place with supporting operational plans and performance measures ii. This risk is affected by Covid-19. Strategic risk 10 specifically deals with Covid-19 and the key controls in place for risk 10 have relevance for this risk. 	Further Actions: <ul style="list-style-type: none"> i. Planning for a review of the current Corporate Plan 2019-22 towards the 2022-26 Corporate Plan including further development of performance monitoring is about to commence ii. Strengthening use of risk and intelligence to inform our work iii. This risk is affected by Covid-19. Strategic risk 10 specifically deals with Covid-19 and the further actions identified for risk 10 have relevance for this risk. iv. Phased return to a permanent governance and decision-making structure v. revision of the current performance measures related to the Corporate Plan 2019-22 in the light of covid-19 	Appetite: averse Tolerance: Low Residual risk has been greater than tolerance for 4 months. Rating: Amber	EDS&I
2	4	4	16	H	4 3	4 4	16 12	H H	Med	↓	In Place: <ul style="list-style-type: none"> i. Medium term budget and financial strategy are regularly reviewed ii. Positive working relationships maintained with SG September 20 Update: Funding agreed for job evaluation and Team Manger review outcomes. Indicative budget anticipated a budget deficit of	Further Actions <ul style="list-style-type: none"> i. Revise medium term financial strategy for September 20 once 2020-21 budget agreed ii. Regular liaison meetings with SG Health Finance are set up Further controls	Appetite: VFM-cautious over med to long term Financial management – averse Tolerance: Low Residual risk has been greater than tolerance for 6 months. Rating: Red	EDCCS

											£1.6m to £2.0m based on no increase to currently approved funding. Impact of Covid-19 on public finances generally and Care Inspectorate specifically still uncertain.	Member / Officer budget group to be reconvened Pay negotiations concluded. Job evaluation outcome to be implemented Ongoing review and development of savings options. Ongoing oversight of Digital Programme by Audit & Risk Committee. Sponsor liaison re budget model and risks. All costs and income sources under review Contingency plans being developed for discussion with Sponsor			
3	<p>Workforce Planning</p> <p>What is the Potential Situation? The Care Inspectorate is unable to deliver on its Corporate Plan objectives due to a lack of workforce capacity.</p> <p>What could cause this to arise? The Care Inspectorate does not have an effective strategic workforce plan to support the delivery of the corporate plan objectives The Care Inspectorate does not have effective workforce planning at Directorate and team level to support the delivery of the corporate plan objectives. The Care Inspectorate does not monitor workload and capacity well enough to identify and mitigate risks in a timely way.</p> <p>The Care Inspectorate does not have an effective staff learning and development plan</p> <p>What would the consequences be? Inability to provide the desired level of scrutiny, assurance and improvement support Reduction in the quality of care and protection for vulnerable people across Scotland Reputational damage with reduced public and political confidence Possible reduced SG funding Lack of ability and credibility to positively influence change such as SG policy development and to drive innovation</p>	4	4	16	H	2	4	8	M	Med	↔	<p>In Place:</p> <ul style="list-style-type: none"> i. Effective strategic workforce plan developed ii. Action plan developed iii. Workload and capacity monitoring Effective staff learning and development plan 	<p>Further Actions:</p> <ul style="list-style-type: none"> i. Implement Strategic Workforce Plan actions ii. Evaluate career pathways iii. Develop succession planning iv. Strengthen use of risk and intelligence 	<p>Appetite: averse Tolerance: Low</p> <p>Residual risk has been greater than tolerance for more than 12 months.</p> <p>Rating: Red</p>	EDS&I
4	<p>Partnership Working</p> <p>What is the Potential Situation? The Care Inspectorate is not able to:</p> <ul style="list-style-type: none"> • participate in, or progress, work which would help deliver our strategic objectives • deliver public service scrutiny in a joined up and collaborative way • deliver our agreed scrutiny and improvement plan <p>What could cause this to arise? Competing priorities of scrutiny and delivery partners and their inability / unwillingness to provide staff with the relevant skills, knowledge and experience or otherwise support our work</p> <p>What would the consequences be?</p>	4	4	16	H	2	4	8	M	Med	↔	<p>In Place:</p> <ul style="list-style-type: none"> i. Wide consultation on our plans Senior level inter-organisation meetings ii. Effective external comms strategy in place 	<p>Further Actions: none identified</p>	<p>Appetite: <u>effective collaborative working</u> – averse</p> <p><u>developing new methodology</u> – open</p> <p>Tolerance-med/low depending on circumstances</p> <p>Rating: Green</p>	EDS&A

	Loss of credibility and confidence in our ability to provide scrutiny assurance and support improvement, reduced organisational impact, reduced intelligence, loss of confidence, adverse impact on reputation.														
5	<p>Corporate Governance</p> <p>What is the Potential Situation? There is a corporate governance failure – including a failure our best value duty or in our shared service arrangements.</p> <p>What could cause this to arise? There are gaps or inadequate coverage in the Care Inspectorate’s corporate governance arrangements.</p> <p>What would the consequences be? Resulting in loss of stakeholder confidence, inefficiency and effectiveness in delivering and demonstrating public value, likely lack of organisational focus on priorities.</p>	4	4	16	H	2	2	4	L	High	↔	<p>In Place:</p> <ul style="list-style-type: none"> i. Regular review of code of corporate governance ii. Annual review of Board and committee effectiveness iii. 3 yearly external governance review iv. Audit assurance 	<p>Further Actions:</p> <ul style="list-style-type: none"> i. Phased return to a permanent governance and decision-making structure ii. Refresh our Governance Mark of Excellence 	<p>Appetite: averse Tolerance: Low</p> <p>Rating: Green</p>	EDCCS
6	<p>ICT Data Access & Cyber Security</p> <p>What is the Potential Situation? Staff are unable to access or update key systems.</p> <p>What could cause this to arise? A failure in our data systems and/or cyber security.</p> <p>What would the consequences be? Resulting in serious disruption to activities, inefficient deployment of resources – manual “work-arounds” for e.g. complaints handling or payments, potential loss of intelligence, impact on public / political confidence, loss of reputation, additional recovery costs, increased risk of fraud.</p>	5	4	20	VH	3	3	9	M	High	↔	<p>In Place:</p> <ul style="list-style-type: none"> iii. ICT security in place iv. Trained ICT staff v. Physical security measures vi. ICT BC/DR plans in place vii. Cyber Essentials+ certification in place <p>Note: update - following concerns about our remaining ICT technician with experience of our PMS system leaving the CI, a “standby” cover arrangement has been put in place. This reduces the risk of potential disruption. Residual risk score remains unchanged until the system is replaced by the new digital apps.</p>	<p>Further Actions:</p> <ul style="list-style-type: none"> i. Continue cyber and backup testing. ii. Progress ICT modernisation to point where we can stop using PMS iii. Implement BC/DR plans for new Apps 	<p>Appetite: averse re serious disruption recognising occurrences will inevitably arise</p> <p>Tolerance: Low</p> <p>Residual risk has been greater than tolerance for more than 12 months.</p> <p>Rating: Red</p>	iEDIT&D
7	<p>Change Management</p> <p>What is the Potential Situation? Required organisational change and development is not delivered within agreed timescales or to the required quality.</p>	4	4	16	H	2	2	4	L	Med	↔	<p>In Place:</p> <ul style="list-style-type: none"> i. Programme governance arrangements in place ii. Board and committee oversight Assurance maps 	<p>Further Actions:</p> <ul style="list-style-type: none"> i. Continue to develop and improve change programme assurance regime 	<p>Appetite: averse Tolerance: Low</p> <p>Rating: Green</p>	CE

	<p>What could cause this to arise? The Care Inspectorate does not carry out essential change management effectively.</p> <p>What would the consequences be? Adverse impact on our ability to deliver the corporate plan, poor employee relations, poor delivery of best value.</p>														
8	<p>Digital Transformation</p> <p>What is the Potential Situation? The digital transformation programme as set out in the 2017 business case is not successful.</p> <p>What could cause this to arise? There is ineffective implementation of our digital transformation programme.</p> <p>What would the consequences be? Resulting in a significant impact on our aspiration to modernise, become intelligence-led and to be more efficient and effective, reputational loss, adverse public opinion, poor targeting of resources, impact on medium term financial strategy.</p>	4	4	16	H	5	4	20	VH	Med	↔	<p>In Place:</p> <ul style="list-style-type: none"> i. Business Case regularly updated ii. Full programme governance arrangements iii. Board and Committee oversight iv. External assurance 	<p>Further Actions:</p> <ul style="list-style-type: none"> i. Implement Digital First assessment and continuing assessment recommendations. ii. Implement Gateway 0 Action plan and follow up action plans. iii. Identify source of support and advice to the board on digital leadership iv. Recognise complaints and registration functionality will be all that is delivered from existing funding. This will be considered phase 1 of digital transformation. Work has commenced on a new business case to seek funding for stage 2. v. Ensure we continue to have the right mix of digital & delivery skills within the team 	<p>Appetite: averse Tolerance: Low</p> <p>Residual risk has been greater than tolerance for more than 12 months.</p> <p>Rating: Red</p>	iEDIT&D
<p>To be revised</p>															
9	<p>Staff Capacity</p> <p>What is the Potential Situation? We are not operating with sufficient staff to deliver our planned inspection and complaints activity.</p> <p>What could cause this to arise? Difficulties in recruiting staff, staff deployment to other activities, staff absence.</p> <p>What would the consequences be? An impact on our ability to achieve our Inspection and Complaints targets</p>	4	4	16	H	3	4	12	H	Low	↔	<p>KPI 2, 3a and 3b currently below target due to staff capacity issues caused by vacancies, deployment to other duties and long-term sickness</p> <p>Performance report in place and reported quarterly to Board.</p> <p>Inspector job evaluation outcome increases Inspectors to a grade 7. This will be more competitive for the recruitment of Inspectors.</p>	<p>Managers are reviewing capacity on a month to month basis</p> <p>Statutory and high-risk inspections are being prioritised</p> <p>Staff overtime arrangements in place</p> <p>Additional resources identified (there will be a lead time before impact felt)</p> <p>Advertising for more Inspectors</p>	<p>To be agreed</p>	EDS&A

10	<p>COVID 19 What is the Potential Situation? Failure to maximise and be seen to maximise our ability to protect staff and our stakeholders from the impacts of the COVID 19 virus.</p> <p>What could cause this to arise? Not adapting organisation to maximise potential. Note: this was required as based on public health advice, we had to change our business model away from our planned programme of inspections. This has a consequential impact on our overview and assessment of risk across the care sector. Not adapting to required new ways of working Not communicating our role and strategy effectively to stakeholders Unnecessary travel / contact through not using available technology, not communicating to staff and service providers and users the latest expert advice, not following the latest expert advice</p> <p>What would the consequences be? As advised by Public Health, not adapting our business model would have a potentially serious impact on staff or service provider/user health, accidental spreading of virus to vulnerable people, reputational risk from spreading virus to vulnerable people. Disruption to business delivery. Reputational damage with Government and other stakeholders, potential legal challenge. Increased staff sickness absence with resulting impact on capacity.</p>	5	5	25	VH	4	4	16	H	Low	↔	<p>Re-purposing of CI given operating and public health constraints, regular business review and planning meetings (Gold and Silver structure), forward planning for next phase commenced, effective engagement and partnership working with SG (incl NHS) and other stakeholders such as Directors of Public Health and Health Protection Scotland.</p> <p>Proactive staff capacity monitoring and review, effective staff and stakeholder communications, effective use of technology to enable homeworking, homeworking contingency plans, adherence to advice on travel, social distancing, public health advice, SG advice and policy direction re scrutiny, improvement and assurance activity.</p> <p>Support through health and wellbeing group and resources. Providing timeously any up to date guidance to staff and care services. Use of Near Me for virtual visits.</p>	<p>Further planning for next phases</p> <p>Temporary revision / adaptation of KPIs in the light of covid-19</p>	<p>Appetite: averse Tolerance: Low</p> <p>Residual risk has been greater than tolerance for 3 months.</p> <p>Rating: Amber</p>	CE
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Draft Revised Strategic Risk 8 Digital Transformation

Date	30 September 2020															
Risk																
		Raw Likelihood	Raw Impact	Raw Score	Raw Grade	Residual Likelihood	Residual Impact	Residual Score	Residual Grade	Risk Velocity	Movement	Key Controls	Further Actions	Risk Appetite / Tolerance	Risk Owner	
8	<p>Digital Transformation</p> <p>What is the Potential Situation? We are unable to continue our digital transformation programme to Stage 2.</p> <p>What could cause this to arise? We are unsuccessful in attracting sufficient funding from the Scottish Government to allow us to commit to stage 2 of the digital transformation programme. There is a significant delay in funding being agreed. There is ineffective implementation of our digital transformation programme.</p> <p>What would the consequences be? Resulting in a significant impact on our aspiration to modernise and move to a digitally enabled comprehensive intelligence led approach. Our ability to focus workload and resource effectively and to influence policy would be compromised. Continued long term reliance and investment in RMS a legacy system, which is rated as red, red business application. Staff dissatisfaction, reputational loss, adverse public opinion and a detrimental impact on medium term financial strategy.</p>	4	5	20	VH	4	4	16	H	Med		<p>In Place:</p> <ul style="list-style-type: none"> i. Investment in a developing a comprehensive business case ii. Full programme governance arrangements iii. Board and Committee oversight iv. External assurance v. Ensure completion of stage 1 and archiving of PMS (most at risk system) 	<p>Further Actions:</p> <ul style="list-style-type: none"> i. Develop contingency plans for reduced or no additional funding. 	<p>Appetite: averse Tolerance: Low</p> <p>Rating: <input type="text"/></p>	EDITD	

Covering Note to the Board in respect of Audit and Risk Committee business arising from meeting held on 10 September 2020

Recommendation requiring approval or action by the Board	
Minute no.	Subject (in brief)
10.0	DRAFT ANNUAL REPORT AND ACCOUNTS The Committee recommends the draft annual report and accounts for approval by the Board at the Board meeting on 30 September 2020.
14.0	STRATEGIC RISK REGISTER MONITORING The Committee recommends that the Board considers further refinement of the strategic risk register, specifically in relation to strategic risk 8 “Digital Transformation”, as the residual risk has been higher than the raw risk since this risk was reviewed at the Audit and Risk Committee meeting of 21 May 2020.

The Board may also wish to note the Committee’s discussion of the following matters of potential significance or special interest	
Minute no.	Subject (in brief)
6.1	POLICY FILE CORONAVIRUS (COVID-19) The Committee agreed to the Executive’s preparation of a summary timeline and account of key decision throughout the COVID-19 crisis for discussion at the next meeting of the Committee in November.
7.0	AUDIT NEEDS ASSESSMENT AND STRATEGIC AUDIT PLAN 2020 to 2023 The Committee approved the Audit Needs Assessment and Strategic Audit Plan 2020 to 2023 and noted the internal auditor’s Follow-Up Report.
9.0	INTERNAL AUDIT REVIEW – RISK MANAGEMENT The Committee discussed in detail the positive internal audit report on Risk Management and endorsed the four recommended improvement actions.
10.2	EXTERNAL AUDIT REPORT The Committee discussed the positive External Audit report with the External Auditors and noted the unqualified opinion.
11.0	SHARED SERVICES UPDATE The Committee discussed the details of the development of the new Shared Service and was assured of the commitment from both the Care Inspectorate and the SSSC.

12.0	DIGITAL PROGRAMME UPDATE The Committee was provided with detailed information on the programme finances. It also noted that a “pause and stocktake” approach is being adopted, with a proposed revised business case being submitted to the Board on 30 September 2020. The Committee thanked the Member/Officer Assurance and Advisory Group for Digital Transformation for a note summarising its actions and and agreed that regular updates would be a valuable source of information for the Committee.
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Title:	Audit Committee Annual Report to Board 2019/20
Author:	Bill Maxwell, Audit and Risk Committee Convener
Appendices:	1. Committee Terms of Reference 2019/2020
Consultation:	
Resource Implications:	No

Executive Summary:

In accordance with the Audit and Assurance Committee Handbook, the Audit and Risk Committee prepares an annual report to the Board. This report presents a summary of the work of the Audit and Risk Committee during 2019/2020 and provides the Committee's opinion on the assurance that this work provides.

The report also provides the outcome of the Committee's consideration of the 2019/2020 Annual Report and Accounts including the Annual Governance Statement. Following this consideration, the Committee recommends that the Board approves the 2019/2020 Annual Report and Accounts.

It is recommended that the Board:

1. Approves the 2019/2020 Annual Report and Accounts.
2. Agrees that it is appropriate for the Chief Executive to sign the Annual Report and Accounts at all appropriate points within the document.

Links:	Corporate Plan Outcome		Risk Register Number		EIA Y/N	N
For Noting		For Discussion		For Assurance		For Decision X

AUDIT COMMITTEE ANNUAL REPORT TO BOARD 2019/20**1.0 INTRODUCTION**

- 1.1 The purpose of this report is to provide evidence to the Board as to how the Audit and Risk Committee has fulfilled its remit, and how effectively it has discharged its responsibilities.

The report details the following:

- Summary of the Audit and Risk Committee's activities relating to the financial year 2019/2020.
- An opinion on the adequacy and effectiveness of the Care Inspectorate's framework of governance, risk and control and how the organisation has secured best value.
- The Committee's priorities for 2020/2021.

Furthermore, this report underpins the Board's own opinions in the Annual Governance Statement in the Annual Report and Accounts.

2.0 REMIT AND MEMBERSHIP OF THE AUDIT COMMITTEE**2.1 Remit**

The Audit and Risk Committee meets at least four times per year. The main purpose of the Audit and Risk Committee is to review and maintain oversight of the Care Inspectorate's corporate governance, particularly with respect to financial reporting, system of internal control and risk management. The Committee's responsibilities also include oversight of the internal audit arrangements; engagement with the external auditors and their work; oversight and evaluation of the management of risks and business continuity planning; and to advise the Board on the development of performance measures which support the implementation of the Corporate Plan. The Committee's current remit is attached in Appendix 1. This was reviewed at the Committee's annual effectiveness and self-evaluation session on 5 March 2020 and changes have been recommended to the Board for the 2020/2021 cycle.

2.2 Membership

The Board appoints non-executive Board members to the Audit and Risk Committee. During 2019/2020 the following Board members served on the Audit and Risk Committee:

Gavin Dayer	
Rognvald Johnson	
Bernadette Malone	Convener to 5 March 2019
Bill Maxwell	Convener from 6 March 2019
Linda Pollock	
Keith Redpath	

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Report No: B-37-2020**

Where appropriate, the Committee augments the skills and experience of its members by seeking advice from internal and external auditors, and senior management.

3.0 RISK AND INTERNAL CONTROL**3.1 Internal Audit Reports**

The Care Inspectorate's Internal Auditors, Scott-Moncrieff, presented five reports for consideration by the Audit and Risk Committee. There were agreed departures from the Internal Audit Plan to reflect the position with respect to progress on shared services with the SSSC and the digital transformation programme.

Scott-Moncrieff use a system for categorising assurance levels for each control assessed as follows:

Red	Fundamental absence or failure of key control
Amber	Control objective not achieved – controls are inadequate or ineffective
Yellow	Control objective achieved – no major weaknesses but scope for improvement
Green	Control objective achieved – controls are adequate, effective and efficient

In addition to the above control assessments, Scott-Moncrieff assign management action grades to demonstrate risk exposure. These are graded using consistent colour coding as follows:

Red	Very high-risk exposure: major concerns requiring immediate senior attention that create fundamental risks within the organisation
Amber	High risk exposure: absence/failure of key controls that create significant risks within the organisation
Yellow	Moderate risk exposure: controls are not working effectively and efficiently and may create moderate risks within the organisation
Green	Limited risk exposure: controls are working effectively but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

The following reports were considered by the Committee:

Report	Committee Date	Control Objective Assurance Level	Management Action Risk Exposure
Income & Receivables	30 May 2019	2 yellow, 3 green	2 yellow

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Business Transformation	12 September 2019	5 yellow, 1 green	2 yellow
Performance Management	28 November 2019	2 yellow, 2 green	2 yellow
Financial Sustainability	28 November 2019	1 yellow, 3 green	1 yellow
Recruitment & Retention	5 March 2020	3 amber, 1 yellow	3 amber, 1 yellow

The Internal Audit Annual Report 2019/2020 was considered at the Committee's March 2020 meeting. The overall opinion of internal audit was expressed in this report as:

"In our opinion, The Care Inspectorate has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks".

3.2 Implementation of Audit Recommendations

Throughout the year, the Committee monitored management's progress towards implementing audit recommendations. This is achieved by reviewing the recommendations in follow up reports prepared by the internal auditors which summarise progress on completed actions at each meeting of the Committee.

The final follow-up report for 2019/2020 considered by the Committee on 5 March 2020 set out the position on the completion of management actions as at 31 December 2019.

There were 22 management actions brought forward from internal audits performed in previous years. Of these 12 (55%) were fully implemented, 2 (9%) were partially completed and 8 (36%) had agreed revised completion dates beyond 31 December 2019. The Committee was informed of progress and sought reasons and justification for revised completion date requests and subsequently approved these.

There were 11 new management actions agreed as a result of internal audit work performed in 2019/2020. Of these 6 (55%) were fully implemented during the year and the agreed implementation dates for the remaining 5 (45%) management actions are in 2020/2021.

The Committee has carefully considered all reports by the Internal Auditors and considers these to be comprehensive.

3.3 Committee Opinion

Overall, the Committee is of the view that the system of internal controls and management of risks associated with these is effective.

4.0 EFFECTIVENESS OF INTERNAL AUDIT

The Audit and Risk Committee is responsible for monitoring and reviewing the effectiveness of the internal audit function. The Audit and Risk Committee reviews the effectiveness of internal controls and receives reports from the Internal Auditors.

The Strategic Internal Audit Plan (2017-20) and Internal Audit Plan 2019/20 along with the associated assignment plans for 2019/2020 were approved and the Committee monitored progress against this plan throughout the year.

The review of annual and strategic audit plans strives to ensure a strong relationship between the planned internal audits, the strategic risk register and the Care Inspectorate's duty to provide best value. The final version of these plans along with 2019/2020 individual audit assignment plans were considered and approved with some minor changes.

The contract of Scott-Moncrieff our current internal auditors ended on 31 March 2020. During 2019/2020 the Committee were kept apprised of the progress of the joint procurement process with SSSC for internal audit services from 1 April 2020. The Committee recommended to the Board, the appointment of Henderson Loggie as internal auditors from 1 April 2020. The Board accepted this recommendation.

5.0 ENGAGEMENT WITH EXTERNAL AUDIT

Grant Thornton, our external auditors are appointed by the Auditor General for Scotland.

The Committee engages regularly with external audit. The Committee considers the results of external audit work and the implementation of actions against audit recommendations. In March 2020, the Committee considered and subsequently approved the External Audit Plan for the 2019/2020 Annual Report and Accounts submitted by Grant Thornton. The Committee also monitors co-ordination and engagement between internal and external audit to ensure there is no unnecessary duplication of audit work.

6.0 RISK MANAGEMENT FRAMEWORK

A report on strategic risks is a standing item on the Committee agenda providing a facility for the Executive Group to escalate any issues pertaining to risk including identifying any emerging issues.

At its meeting in May 2019, the Committee reviewed the draft strategic risk register, a revised risk policy and risk appetite statement. The Committee agreed to recommend to the Board amendments to the Risk Policy and Strategic Risk Register which were subsequently approved by the Board. The Strategic Risk Register is published on the Care Inspectorate's website.

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The Committee monitor changes in the strategic risk position at each meeting and consider the Strategic Risk Register in full twice per year.

7.0 ANNUAL REPORT AND ACCOUNTS**7.1 Annual Report and Accounts 2019/2020**

The Committee considered the draft 2019/2020 Annual Report and Accounts in detail at a meeting specifically arranged for this purpose in August 2020. This meeting was open to all Board members to attend.

The draft 2019/2020 Annual Report and Accounts were considered again in conjunction with the external auditor's report and management letter at the Audit Committee meeting of 10 September 2020.

Following this detailed review of the draft document and consideration of the external auditor's report, the external auditor's unmodified opinion and letter to those charged with governance, the Audit and Risk Committee consider the annual report and accounts taken as a whole is true and fair, balanced and understandable and provides the information necessary for stakeholders to assess the Care Inspectorate's performance and strategy.

7.2 Annual Governance Statement

The Committee has a specific responsibility to consider the Annual Governance Statement which is contained within the Annual Report and Accounts at section 3.3. The Committee is content the statement addresses all pertinent issues.

The Committee is of the opinion that the Statement fairly reflects the adequacy and effectiveness of the Care Inspectorate's governance and risk framework for the year ended 31 March 2020 and up to the date of approval of the Annual Report and Accounts.

7.3 Recommendation

The Committee recommends that the Board approves the Annual Report and Accounts for the year ended 31 March 2020 and the incorporated Governance Statement.

8.0 FRAUD, IRREGULARITY, WHISTLEBLOWING**8.1 Reported in 2019/2020**

The Care Inspectorate's whistleblowing policy enables staff, in confidence, to raise concerns about any matters of possible improprieties and to be protected in doing so. There is also a Counter Fraud and Corruption Framework in place. The Committee received one report of a loss of £3.9k due to a payroll fraud involving a fraudulent request to change an employee's bank details.

Except for the above, the Committee has not received any further reports detailing fraud, irregularity or whistleblowing.

8.2 Audit and Risk Committee Whistleblowing Role

The Committee's 2018/2019 Annual Report brought the issue of a lack of clarity with respect to whistleblowing. As a result, a review of policy was undertaken by the Policy Team and training was organised by Organisation and Workforce Development.

9.0 AUDIT AND RISK COMMITTEE DEVELOPMENTS

9.1 Proactive Approach

The Audit and Risk Committee, with the support of senior officers, has proactively introduced strengthened procedures, provided guidance on its requirements for regular monitoring of organisational change programmes and established an approach to considering lessons learned from relevant governance challenges as follows:

9.1.1 Assurance Mapping

The Committee has welcomed progress made on assurance mapping and wishes to broaden Board awareness of this. The Committee has requested that the Board consider this approach at a future Board development session.

9.1.2 Business Continuity Management System (BCMS)

Following an internal audit report highlighting the Care Inspectorate's BCMS need updating, the Committee considered a plan to revise and update the BCMS by 31 March 2020 and monitored progress throughout the year, reporting to the Board as necessary.

9.1.3 Revised Care Inspectorate/SSSC Shared Service Arrangements

The Committee recognises the drive to improve the governance and operational arrangements associated with the delivery of shared services between the Care Inspectorate and SSSC. The Committee ensured it was kept informed of progress throughout the year via a series of updates from senior managers on the progress towards agreeing new operational and governance arrangements for the delivery of shared services involving the Care Inspectorate and SSSC.

9.1.4 Change Programme

The Committee oversaw the evolution of the Change Programme monitoring and progress reports throughout the year. The focus of the Committee was on the digital transformation programme which has suffered delays and is projected to overspend. As well as considering progress reports at each meeting, the Committee:

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- received a presentation and considered a report from the Senior Engagement Manager (Office of the Chief Information Officer) on the first “Digital First” review
- considered a Gateway Zero report commissioned by the Chief Executive to provide independent assurance on the governance of the programme.
- considered the impact of the programme delay from a financial risk perspective, recommended to the Board the creation of an oversight group and agreed the Committee will closely monitor the development of the business case for phase 2 of the transformation programme.
- The Committee considers their role in continuing to monitor change management programmes to be of significant importance and the Committee will participate in and receive regular reports on the strategic review as agreed by the Committee and Board in March 2020.

10.0 SELF ASSESSMENT, EFFECTIVENESS AND DEVELOPMENT REVIEW

In March 2020, the Audit and Risk Committee undertook its annual self-assessment exercise using the Scottish Government’s checklist as contained in the Audit and Assurance Handbook for public bodies. Individual assessments informed the Committee’s discussion, following which it was agreed that the Committee’s approach was largely compliant.

The following areas were identified for improvement and/or further development, including amendments to the remit of the Committee. These were reported to the Board at the annual Board Governance Review on 18 June 2020 and included the following:

- a more explicit role in reporting to Board on the Care Inspectorate’s annual accounts and detail of the Committee’s remit in reviewing accounting policies
- inclusion of Best Value within the Committee’s terms of reference
- the ability for the Committee to co-opt, with the approval of the Board
- specific induction and training on audit for Committee members
- an improved committee administration process through scheduled pre-meeting reviews of final reports by the Convener, lead officer and secretariat.

11.0 PRIORITIES FOR 2020/21

In addition to ensuring effective oversight of internal audit, the Committee has agreed the following priorities for 2020/2021:

1. Developing the relationship with the new internal auditors.
2. Further development of assurance mapping
3. Close monitoring of change management. development of new business case. This includes a focus on digital transformation and the development of the stage 2 business case through a member/officer oversight group.
4. Consideration of the effectiveness of financial planning and budget monitoring and the risks to the organisation’s financial sustainability.

5. Consideration of the impact of COVID-19 on the role and the work of the Care Inspectorate.

12.0 AUDIT AND RISK COMMITTEE'S FORMAL OPINION

I was only recently appointed as Convener of the Audit and Risk Committee (from March 2020) but I was a member of the Committee for the full year. I am satisfied that the frequency of meetings, the breadth of the business undertaken and the diversity of attendees supported by senior officers has allowed the Committee to fulfil its remit. It is important that attendance at meetings of the Committee is maximised to ensure a continued mix of skills appropriate to ensuring an effective Audit and Risk Committee.

The Audit and Risk Committee's review of effectiveness has highlighted some areas for development and I am satisfied that these have all been taken forward effectively

The Audit and Risk Committee continues to engage formally and regularly with our internal and external auditors. This has ensured the Committee is able to fully understand the effectiveness of our assurance and risk functions and to be advised of any emerging risks.

The Audit and Risk Committee has carefully considered the effectiveness of controls and risk management. There is nothing material to the work of the Care Inspectorate which has been highlighted to the Board over the past year. We will continue to focus on challenging the effectiveness of internal controls and the robustness of risk management processes going forward.

I would pay tribute to the commitment of members of the Audit and Risk Committee and to all attendees. I am especially grateful to those who prepare reports and for the quality of professional advice given by senior management, particularly the Head of Finance and Corporate Governance and the Executive Director of Corporate and Customer Services. I am also extremely grateful to Fiona McKeand, Executive and Committee Support Manager, for her continued guidance and support.

13.0 IMPLICATIONS AND/OR DIRECT BENEFITS

13.1 Resources

There are no resource implications associated with this report.

13.2 Sustainability

There are no sustainability implications associated with this report.

13.3 Government Policy

There are no government policy implications associated with this report.

13.4 People Who Experience Care

There are no direct benefits for people who experience care.

13.5 Customers (Internal and/or External)

There are no direct customer implications or benefits.

TERMS OF REFERENCE 2019/20**5. AUDIT & RISK COMMITTEE****5.1 Terms Of Reference****5.2 General**

5.2.1 To consider, approve, and report to the Board on:

- the internal control arrangements of the Care Inspectorate.
- the external and internal audit arrangements.
- the Care Inspectorate's risk management and business continuity planning arrangements, including (but not limited to) receiving, considering and making recommendations to the Board upon the Care Inspectorate's risk register and the measures identified therein for management of the identified risks, and receiving, considering, and making recommendations to the Board upon, the Care Inspectorate's business continuity and disaster recovery plans.
- the Care Inspectorate's arrangements for securing Best Value in all that it does

5.2.2 To provide leadership in the development and promotion of efficient, effective, economic and intelligence-led use of public resources in the areas falling within its remit, in accordance with Best Value principles.

5.3 Specific Audit Services

5.3.1 To make recommendations to the Board for the appointment of, and periodically review the appointment of, the Care Inspectorate's internal auditors, approve their terms of reference, and ensure that the audit provision meets the standard expected by the Scottish Government and the external auditors.

5.3.2 To consider and approve the internal auditors' annual audit plans and long term strategic audit plans and to consider and note the external auditors' audit plans.

5.3.3 To receive, consider, and if appropriate, approve, periodic progress reports from the internal and external auditors outlining progress against audit plans to identify any issues arising and to make recommendations as to how they should be addressed.

5.3.4 To consider any audit reports submitted by both the internal and external auditors, taking action as appropriate. This may include meeting with the auditor in private when required.

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Appendix 1

- 5.3.5** To receive, consider, and if appropriate, approve the internal auditor's annual report, and to make recommendations thereon to the Board.
- 5.3.6** To receive and consider the external auditor's annual report and to make recommendations thereon to the Board
- 5.3.7** To consider, draft, and make recommendations to the Board upon, key performance indicators, quality indicators and monitoring measures in respect of the Care Inspectorate's activities, financial and non-financial.
- 5.3.8** To consider and thereafter annually review the arrangements in place for the systematic monitoring of the Care Inspectorate's internal control procedures, including risk management and business continuity planning and to report to the Board thereon.
- 5.3.9** To monitor on an ongoing basis and make recommendations to the Board upon the development, and periodic updating of the Care Inspectorate's dynamic risk register and the measures identified from time to time therein for management of the identified risks, and to receive, consider, and make recommendations to the Board upon, the Care Inspectorate's business continuity and disaster recovery plan.

5.4 Membership

- 5.4.1** The Audit & Risk Committee shall consist of a Convener and a minimum of four and a maximum of six members, appointed by the Board.

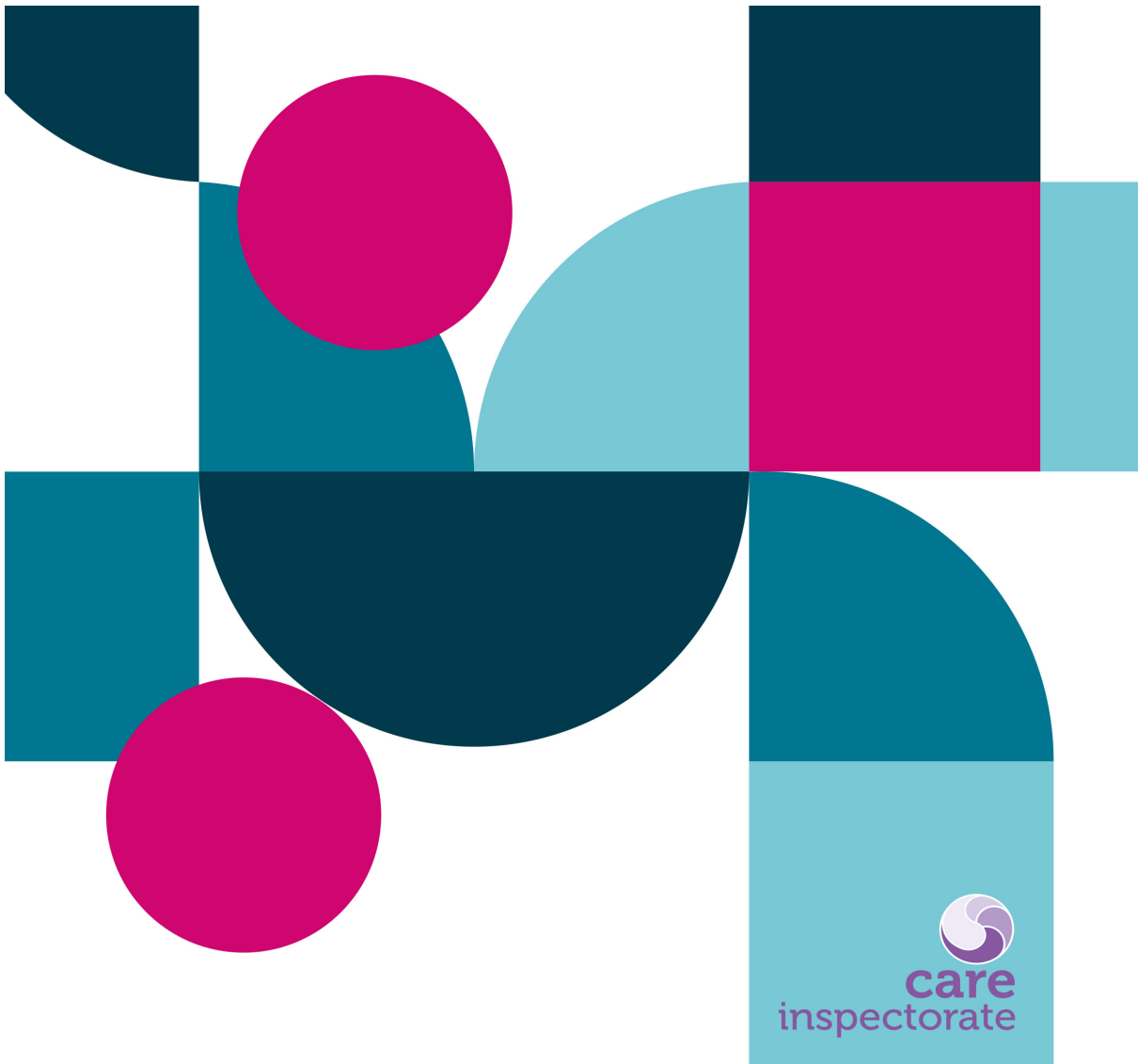
5.5 Quorum

- 5.5.1** The quorum of the Audit & Risk Committee shall be the Convener of the Committee or any substitute, as provided for in terms of Standing Order 20, and in addition not less than two members of the Committee.

5.6 In Attendance

- 5.6.1** Chair
Chief Executive
Director of Corporate Services
Other directors as appropriate
Other officers as appropriate

With the permission of the Convener, Board members who are not members of the Audit & Risk Committee may attend Committee meetings. However, they do so as observers, not participants, and are not party to decisions taken by the Committee.



ANNUAL REPORT and ACCOUNTS 2019/20

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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

1 April 2019 to 31 March 2020

SI number SG/2020/125

The Accountable Officer
authorised these financial
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30 September 2020

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Foreword by Paul Edie, Chair

This annual report covers the Care Inspectorate's operations from April 2019 to March 2020. There has been an unprecedented level of challenge and change for health and social care in Scotland during 2020 including the COVID-19 pandemic which began at the start of 2020.

I would like to pay tribute to the social care sector workforce across Scotland. During this challenging period, it was humbling to see the many acts of compassion, kindness and selfless devotion to the needs of others. This reflects the professionalism and dedication of our health and social care staff across Scotland, the fortitude and resilience of our social care workforce remains truly inspirational as they meet the needs of those they care for.

The Care Inspectorate is the scrutiny, assurance and improvement support body for social care and social work in Scotland. Working across early learning and childcare, services for children and young people, integrated health and social care, social work and community justice. Almost everyone will experience a care service at some stage in their life. Good care should be 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 does not meet the standards that we would expect and provide the right individual care and support, we will take the necessary action.

The implications of COVID-19 began to impact on the work of the Care Inspectorate at the start of 2020. This continued and whilst we carried out inspections, made regular, often weekly, contact with services to provide advice and support to ensure the correct measures were in place to protect the health and wellbeing of those being supported it was imperative that we did this in a way which meant we did not risk transmitting the virus. We trained our staff in the use of Near Me technology and where appropriate to do so we used this technology to carry out virtual visits to care services which allowed us to observe practice and the environment.

Looking ahead, we are committed to fulfil our statutory duty to provide public assurance and support improvement in the sector and this remains our priority. We will continue to do this through working collaboratively with partners and stakeholders and, in particular, around the development of new inspection methodology based on the health and social care standards, using a self-evaluation approach and support improvement.

I would like to thank our board members and the executive group for their vision and leadership. I would also like to thank the Care Inspectorate's staff for the unparalleled contribution this year, during a time of considerable change and supporting our response to COVID-19. It has never been more true that it is the people that make an organisation; I am so very grateful to every member of staff for all they do to carry out the work of the organisation and the role they played during the pandemic.

For me, 2019/20 highlighted the many strengths and the professional expertise in the organisation. This enables the organisation to effectively carry out its duty to provide scrutiny, assurance and to support improvement and protect vulnerable people and communities

This is my final report as Chair. It has been an honour and a privilege to serve the organisation and the public over the past eight years. As a mark of respect and recognition, I would like to dedicate this annual report to all those incredibly committed staff who tirelessly serve in our health and social care sector – thank you for all that you do, with such care and compassion, to make a difference to the lives of people who experience care.

Paul Edie
Chair

Annual report

Section A: Performance report

1. Performance Overview

1.1 Statement by Chief Executive on performance in the period 2019/20

I am pleased to introduce our annual report for 2019/20. This report highlights our performance in providing scrutiny, public assurance and supporting improvement in care across the 12,572 registered care services that we regulate in Scotland.

In line with the schedule of preparation for this report, the information was drafted during the early phase of our response to the COVID-19 pandemic, and so, some of the detailed commentary is reduced compared to previous reports.

This overview reflects that at the time of writing (April 2020) and, as was the case with many organisations, our response to the national emergency of COVID-19 took precedence over some of our scheduled activity in the first part of 2020. Along with many others across the public, private and voluntary sector, we remain focused and united in our efforts to support positive outcomes for people who experience care and ensure the highest standards of care.

I want to acknowledge and pay a special tribute and thank everyone who works across social care, social work and early learning and childcare for your incredible commitment, care and support during the period of national crisis.

During the COVID-19 pandemic, the Care Inspectorate significantly increased its levels of contact with care homes across Scotland. We contacted every care home in Scotland weekly to carry out frequent checks and sometimes daily depending on individual risk and support needs. This meant our 300 inspectors made nearly 3,000 contacts with care services every week during the peak of the crisis.

At the beginning of March, like other organisations, we implemented contingency plans to continue to operate effectively. Given the evident risk that our staff could transmit or spread COVID-19 in services, we took the decision that it would have been untenable when the pandemic took hold to carry on business as usual and continue sending inspectors from care home to care home in the normal manner. At the outset, the advice from directors of public health in Scotland was unequivocal in that inspection visits would present a real risk of introducing and spreading COVID-19 in care homes.

Our focus remained the safety and wellbeing of people, and inspection is just one element of the rigorous scrutiny and assurance work we carry out. As agreed with Scottish Government, we put enhanced notification systems in place requiring services to tell us about both suspected and confirmed cases of COVID-19 and staffing levels affected by COVID-19. This means we were immediately alerted to issues and could provide scrutiny,

guidance and support to services directly, also directing resources to services from other agencies such as the health and social care partnerships, SSSC recruitment hub, NHS Public Health Scotland and Health Protection Scotland where needed.

Our response to the early stages of the pandemic are covered in our Best Value Report along with more detailed information on our key activities further to the below sections.

The organisation continued to collaborate widely with our stakeholders. Through the year, there was a considerable amount of close working with Scottish Government and others to coordinate our contingency planning arrangements for Brexit.

The pandemic also impacted on wider national policy areas in which the Care Inspectorate was involved, including adult social care reform and the expansion of early learning and childcare. We continued with our role on the leadership groups on adult social care reform, child protection and early years, as well as on the Ministerial Strategy Group. Alongside other inspectorates, our work on the Strategic Scrutiny Group, which is chaired by the Accounts Commission, led to the first inter-agency National Scrutiny Plan. Also, we were active as part of the Scottish Government's Digital division and I was privileged to accept an invitation to become chair of the national Technology Enabled Care Programme Board, and this will continue to be an increasingly important area of development for social care. In addition to technology, it remains important for us to consider innovation, how we can leverage transformational change and what it may take to achieve this, so services and systems can be designed for people who experience care.

During the year, and as part of our new and developing inspection methodology, we moved to more outcome focused scrutiny and improvement support, coupled with an expectation for more robust self-evaluation by services and partnerships. The Care Inspectorate developed its response to the recommendations from the Ministerial Strategy Group for health and care on strategic inspection and outcomes from integration in addition to new inspection models and improvement support activities.

The Care Inspectorate continued to make an important contribution to improving social care and social work across Scotland and ensuring 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, with the common purpose of realising world class care. We have demonstrated resilience, flexibility and adaptability and, at the same time, have delivered rigorous scrutiny and assurance based on self-evaluation with a focus on supporting improvement in care based on the Health and Social Care Standards.

Following wide consultation, we launched our new [corporate plan](#), which enables us to respond to public reform changes. The plan sets out three strategic outcomes, each one focused on the experience of the individual and aligned to a set of strategic objectives. The outcomes are aligned to a set of measures that we monitor and report on quarterly to our board through our performance reporting. Delivery of the corporate plan is underpinned by directorate plans and planned approaches to manage and deliver our change programmes. Our priority is to have the right people, with the right core skills, to support the best outcomes for people who experience care. Our efficiency savings enabled us to use the resources we have to best effect, while maintaining high quality public services in a time of significant change and financial challenge. Our business and

digital change programmes enabled us to support our workforce to work from home, when this mattered, and to have secure access to the data, intelligence and other systems and processes.

The plan outlines our business model through which we carry out scrutiny, assurance and improvement support interventions; these are targeted, proportionate, risk-based and intelligence led. Effective collaboration and partnership are central to our approach. We work closely with people experiencing care, their carers, the public, providers of care, local communities and community planning partners, other scrutiny bodies and many different organisations including health and social care partnerships and local authorities across Scotland. Self-evaluation is at the heart of this. The publication of our guide to self-evaluation is a significant step forward in progressing the expectation that services will be much clearer as to their responsibility for understanding the quality of their services at any given point in time to understand what improvements require to be made. The intelligence we gather about the sector, combined with self-evaluation, helps us to determine the most appropriate scrutiny, assurance and improvement support response. This allows us to be more outcome focussed in our work, aligned to the national performance framework and health and social care standards.

The Standards set out what people have the right to expect when using health, social care and social work services in Scotland. These drive improvement, promote flexibility and encourage innovation in how people are cared for and supported. All services and support organisations should refer to and provide care and support in line with the Standards when planning and delivering care. The Standards drive all that we do. Our new inspection frameworks promote the Standards and we are seeing improvements in care that are more outcomes-focused and support people's rights and citizenship, in line with our shift to experience led inspections aligned to the Standards. When we develop national scrutiny and improvement resources and guidance for the care sector, we relate these to the Standards, which supports services and providers to show that they are using the Standards to improve care.

There has been widespread adoption of the Standards and, in particular, it was helpful to note Audit Scotland's Principles for Community Empowerment reference these, in terms of an individual's right to be supported to participate fully as a citizen in their local community, in a way they require. Scotland has a robust model of inspection and participation in international measures which contribute to an assurance that human rights are realised and that adequate services are provided.

We continued to deliver against the Scottish Government's Health and Social Care Delivery Plan, which clearly sets out changes to the environment in which we operate and the ambition to move resources from institutional models of care provision towards services that support people to live longer, healthier lives at home or in a homely setting. We have also played a key role at a time of change for children's services and early learning and childcare.

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 and improvement support processes. We played an active role in informing policy development and implementation towards a world class

care system in Scotland, through intelligence-led, risk-based and evidence-based approaches to scrutiny and improvement support.

Recruitment to the ELC Improvement Programme has been successful. Inspectors from ELC moved into the roles of improvement advisers and an external candidate joined the team, bringing a wealth of improvement support and project management expertise.

The team participated in the Scottish Study of Early Learning and Childcare (SSELC). The Care Inspectorate assessment of the quality of the provision children are receiving was a key contribution to the longitudinal study of the impact on children's longer-term health and wellbeing as a result of the planned expansion.

The Children and Young People team continued with the review of inspection methodology for mainstream boarding schools and school hostels, in context to work on the quality framework for secure care.

As part of the enforcement review project, we created a development session for staff involved in care home closures. These detail inspectors' skills and experiences and the linking of outcomes to the health and social care standards and good practice.

Following concerns raised by a significant case review, we undertook work to verify action taken by one health and care partnership to make improvements. This work provided both independent assurance and helped build capacity for quality assurance in the partnership, to support the establishment of a culture where there is more robust oversight of practice.

The complaints team reviewed 'complaints received' practice including triage. We produced joint guidance for care homes with Glasgow City; this provided consistency of advice to care homes and a link to Care Inspectorate procedures, practice and expectations.

The provision of an online portal extended the capability across our geographical locations. We updated our Dignity at Work, Maximising Attendance and Capability policies in line with internal feedback and to reflect any legislative changes.

We supported Scottish Government in its redrafting of the National Child Protection Guidance, as part of the advisory group and by chairing a short life working group aiming to make proposals about the registration of unborn babies.

The organisation commenced the Safe Staffing Project to meet the new legislation and a project lead was appointed to develop and deliver a work plan.

With regards to the Neighbourhood Care programme, we undertook work to support new models of care and supporting care in neighbourhoods. This was led by NHS Education for Scotland (NES) and supported by Health Improvement Scotland, Scottish Government and COSLA. Work on the Scottish Government guidance, Protecting Children and Young People: Child Protection Committee and Chief Officer Responsibilities, was led by a short-life task and finish group of the National Child Protection Leadership Group, chaired by the Minister for Early Years and Children. Our Executive Director of Scrutiny & Assurance chaired the short-life working group. This work underpinned the Chief Officers Leadership event, in June 2019.

The Care Inspectorate was represented at the first meeting of the new Scotland Open Government Partnership (OGP) Commitment 4 Collaborative Working Group (CWG).

Our Legal and Information Governance Teams responded to a consultation by the Information Commissioner's Office on a code for data sharing. We participated in the first tripartite information governance meeting, with the Care Inspectorate (Wales) and the Care Quality Commission (England), to consider best practice in relation to the Freedom of Information (Scotland) Act.

We ran a number of assessment centres and implemented new work following positive decisions on the business cases we submitted to Scottish Government in respect of adult support and protection; the implementation of appropriate adult arrangements; and the establishment of a national overview system to review child deaths. We also carried out an inspector recruitment campaign for adults and children's inspectors and recruited for the new role of adult support and protection practitioner inspectors.

We were actively involved in the important work of a number of Cross-Party Groups. We want world class social care, social work and early learning and childcare in Scotland, where every person, in every community, experiences the best care and support, tailored to their rights, needs and wishes. We are at the forefront of providing public assurance on the quality of care while supporting innovation and improvement across integrated health and social care, social work, early learning and childcare and community justice. Investing in the development and wellbeing of our workforce will continue to be a priority to support our corporate plan and the delivery of our high-quality key services.

All of us have come through a very challenging year, at home and at work. But let us also remember those loved ones, all those we cared for, and all those who will forever be in our thoughts and prayers. The Care Inspectorate will continue to focus on our commitment to deliver transformative change and help people have access to the best possible care and experience.

I am grateful to our staff and to everyone who embodies our shared values across Scotland's social care landscape. Thank you for being the caring, compassionate and beating heart of our society.

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 12,572 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.

Our purpose

The Care Inspectorate will contribute to this vision by:

- Providing public 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, innovation and world class care.
- Supporting self-evaluation, identifying and spreading good practice.

Oure 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.

Strategic Outcomes

- People experience high quality care.
- People experience positive outcomes.
- People's rights are respected.

<https://www.careinspectorate.com/images/documents/4858/Corporate%20Plan%202019-2022.pdf>

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 health and social 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 2019/20, 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 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.

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.

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

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 2020 shows net liabilities of £17.801m. The net liabilities are mainly the result of actuarial assumptions adopted for the application of accounting standard IAS 19.

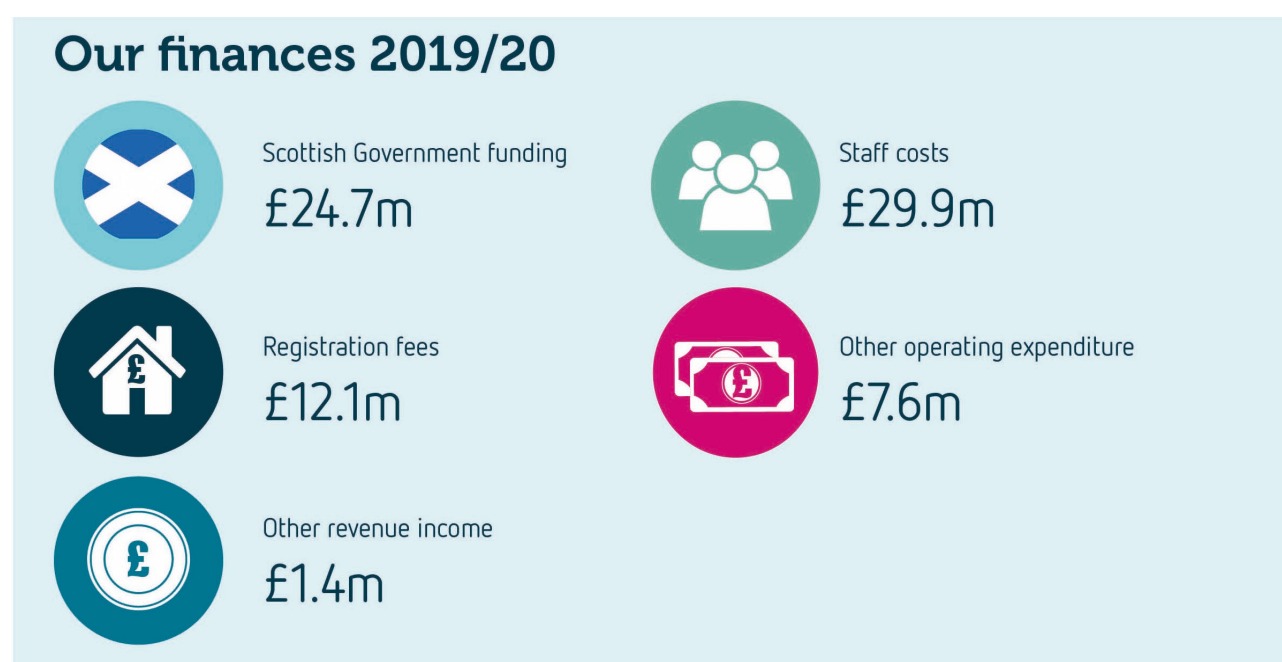
IAS 19 requires the liabilities and assets of the pension scheme to be valued. The pension liability represents the best estimate of the current value of pension benefits that will have to be funded by the Care Inspectorate. The liability relates to benefits earned by existing or previous Care Inspectorate employees up to 31 March 2020.

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.

A combination of the statutory maximum fees chargeable being unchanged since 2005 and our core grant in aid remaining static in cash terms over several years has meant that we have had to identify significant efficiencies to meet the continued increase in our core operating costs. We are working with our Sponsor Department to agree a sustainable funding position so that we can maintain our ability to deliver services in future years. A working group comprising Board members and officers was set up to consider the impact of this on our medium and long term financial planning.

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 2019/20 was as follows:

	Budgeted Position £000	Actual Funding £000
Grant in aid	24,072	24,073
Other government grant	499	654
Grant Funding 2019/20 (Note 12)	24,571	24,727

Grant in aid includes Scottish Government specific programme funding totalling £1,064k during 2019/20, £350k towards the cost of implementing a business and digital transformation programme and £205k one-year only transitional funding to assist with the costs of ceasing the ICT shared service with SSSC.

The table below shows our revenue budget position.

	Budget £000	Actual £000	Variance £000
Revenue expenditure	37,756	37,457	(299)
Fee income	(11,916)	(12,063)	(147)
Other revenue income	(1,045)	(1,352)	(307)
Net expenditure before grant funding	24,795	24,042	(753)
Grant in Aid	(24,072)	(24,073)	(1)
Specific grant funded projects	(499)	(654)	(155)
Total 2019/20 grant funding	(24,571)	(24,727)	(156)
Net expenditure after grant funding	224	(685)	(909)

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 (FReM). 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.

- 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 £50k.

The table below reconciles the deficit shown on the Statement of Comprehensive Net Expenditure (SCNE) to the surplus recognised for funding and budgeting purposes. The budgeted deficit of £0.224m 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 £0.909m less than budgeted deficit. This is partly due to some planned activities and developments either not completing in 2019/20 or being postponed in full until 2020/21 due to the impact of Covid-19. This additional general reserve balance will assist with the additional expenditure and budget pressures in 2020/21.

	Ref	£000	£000
Deficit per the SCNE	SCNE		26,018
Revenue funding from grants & grant-in-aid	Note 15		(24,727)
Reverse IAS 19 pension accounting adjustments	Note 5b		(1,926)
To fund depreciation and asset disposals	Note 6		(50)
(Surplus)/Deficit on budget basis			<u>(685)</u>
Movement of General Reserve Balance:			
Accumulated revenue reserve		1,455	
Capital reserve		<u>161</u>	
Opening General Reserve Balance	Note 15		1,616
(Surplus)/Deficit on budget basis			(685)
Depreciation			50
Closing General Reserve Balance	Note 15		<u>2,251</u>

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 98.60% (2018/19: 99.13%) 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.

2. Performance Analysis

2.1 How do we measure performance

We monitor our performance against:

- The three strategic outcomes in the corporate plan for 2019 to 2022.
- The key performance indicators (KPIs) associated with our strategic outcomes.

Regular monthly and quarterly reports on our performance, structured around our strategic outcomes, 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. In addition to our Key Performance Indicators (KPIs) there are also Key Outcome Indicators (KOIs) which are measures that the Care Inspectorate aims to influence by its work, but which it may have limited control over. Performance in the KPIs is detailed below but due to the limited control over KOIs performance reviews are not detailed below. Full details of performance against the KOIs is available at the link below.

<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 three strategic outcomes, underpinned by strategic objectives and a number of priorities and performance measures under each. The following is a summary of key work and achievements under each strategic outcome.

Strategic outcome 1: People experience high quality care

KPI Overview

Measure	Description	Target	Performance 2019/20 (2018/19)
KPI 1	% of people who tell us our scrutiny interventions help services to improve: a. People experiencing care b. Staff in care services	90% 90%	99% (98%) 96% (98%)
KPI 2	% of first statutory inspections completed	99%	95.7% (99.9%)
KPI 3(a)	% of complaints about care that are investigated within the relevant timescales (excluding FLR)	80%	51% (50%)
KPI 3(b)	% of complaints about care that are investigated within the relevant timescales (including FLR)	80%	75% (71%)*
KPI 4	Staff absence rate	3.8% Range 2.4% to 5.7%	5.5% (4.3%)

*The figures published for 18/19 last year for both KPI 3 a and b excluded complaints received in the final week of 2018/19 due to migration to new complaints app. These have now been included and KPI for 18/19 revised.

Our scrutiny, assurance and improvement support work will lead to improved quality of care and wellbeing for people.

Registered care services

At 31 March 2020, there were 12,572 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. 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>.

In total, we undertook 15,340 care service scrutiny interventions this year (15,052 in 2018/19) including inspections, new registrations, complaints, and variations. At a sample of inspections, we asked people whether they think our inspections will help the service to improve. The percentage of staff telling us that our scrutiny will improve care was down 2 % points from last year. The percentage of people experiencing care telling us that our scrutiny will improve care was up 1 % point from last year. Both measures remain above target (90%).

Over the year we inspected 95.7% of the statutory care service inspections on our plan, missing our 99% target (KPI2). In line with the objectives set out in our corporate plan, we spent more of our time in high risk services (see KPI7) and this may have resulted in us completing fewer statutory inspections of low risk services. Our remaining inspection capacity was also reduced this year across both adults and children's inspection teams in order to: support our ambitious business and digital transformation work and to ensure staff could complete their Professional Development Award (PDA). We had a number of inspection staff on long term sick leave (see also KPI4) and also a number of vacancies which we have struggled to fill – especially in certain geographical areas. Despite the above challenges we went into the final month with all statutory inspections planned for completion. Our decision to change our approach to regulatory inspection work in March in response to COVID-19 contributed to us not being able to meet the KPI target.

Strategic scrutiny

Children and young people

- We published findings from our joint inspections of services for children and young people in:
 - Fife, City of Edinburgh, Aberdeen, Stirling and Orkney.
- Strategic inspectors also delivered the first of the Scottish Government Getting it right for every child - Collective Leadership of Children's Services events.

Adult services

- We published findings from our joint inspections of adult strategic planning in:
 - East Dunbartonshire, Perth and Kinross and East Renfrewshire.
- We also published the findings from a progress review of services for older people in the Scottish Borders.
- We completed additional scrutiny in South Ayrshire, largely focused on the social work duty system, following a critical significant case review. As a result, we are collaborating with the senior team (adult services) to support them in carrying out self-evaluation early in 2020 of the implementation and impact of the changes they have made.

Criminal Justice

- We published findings from our inspection of justice social work services in:
 - Scottish Borders, West Dunbartonshire, Inverclyde and Dumfries and Galloway.
- We published supported and validated self-evaluations of community justice in:
 - Clackmannanshire, Ayrshire, Shetland and East Lothian

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

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

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:

- A three-day Angus providers improvement programme, held in collaboration with Scottish Care. The feedback from the services involved was overwhelmingly positive

and the learning from this prototype will be used by the improvement support team to scale and spread the building of improvement capacity and capability across Scotland.

- Work with East Renfrewshire Council and Forth Valley and Clackmannanshire HSCP to develop their care at home medicines policies.
- Presenting on the award-winning intergenerational practice improvement project at the international Forum on Quality and Safety in Healthcare in Glasgow.
- The Improvement Support Team contributed to improvement workshops with colleagues from the Scottish Social Services Council (SSSC), Healthcare Improvement Scotland (HIS), NHS Education Scotland (NES), the Improvement Service and Children and Young People Improvement Collaborative (CYPIC) to Chief Officers Groups in Borders and Aberdeen. These sessions explained how the national improvement bodies work together and explored future opportunities to support improvement.
- An Improvement Adviser supported the City of Edinburgh Council Care Homes Medicine Group project. The final report has been produced and the project has now been nominated for three awards.
- 630 health and social care professionals used the Health and Social Care standards in practical exercises designed to deepen their understanding of the standards. This was included as part of the learning experience at Care about Physical Activity (CAPA) learning events across 10 partnership areas.
- Almost 1,500 staff from 11 partnership areas have attended CAPA learning events and learnt more about providing an individualised service promoting health and wellbeing. The emphasis is on leadership at all levels and on individual responsibility to effect change and move more for the benefit of those experiencing care. There was a positive reaction to our focus on showcasing people experiencing care via video
- The CAPA team has presented their work nationally at the UK wide annual learning event of the National Learning Disability Physiotherapy Network as well as presenting a workshop at the King's Fund's Enhanced health and wellbeing in care homes conference in London.

Enforcements

We served a total of 20 (28 in 2018/19) non-technical enforcement notices about 18 different services in 2019/20. You can find further statistical information about enforcement on our website.

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

Enforcement review

Following a review of previous care home closures through enforcement, we have worked with Council of Scottish Local Authorities (COSLA) and Health and Social Care Partnerships (HSCPs) to develop a care home closure guide for use where a home is to be closed due to poor care and not a planned closure. In a recent care home closure, we used the draft guide to good effect and found it was excellent as a tool when partners meet to plan the closure. The feedback from the HSCP and Police Scotland was that this

was an excellent resource and tool. We will now be working with COSLA to finalise this tool and roll it out across the sector.

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 2019/20, we launched our new Complaints app as part of our Digital Transformation process. The app launched at the end of March 18/19 with basic functionality before complete functionality was available in August 19/20 (see Spotlight below). We investigated 75% of complaints (including front line resolution) about care services within the relevant timescales, below our target of 80%, an increase from 70% last year. When front line resolution is excluded the percentage of complaints about care services investigated within the relevant timescales dropped to 51%, up from 50% last year. This performance was achieved with an increase of complaints received up 889 from the previous year (up 18%). The below target performance on both measures is in part attributable to challenges using the new system in conjunction with the legacy complaints system before full functionality was available in August. However, there have also been resourcing issues within the complaints team which we have taken steps to address.

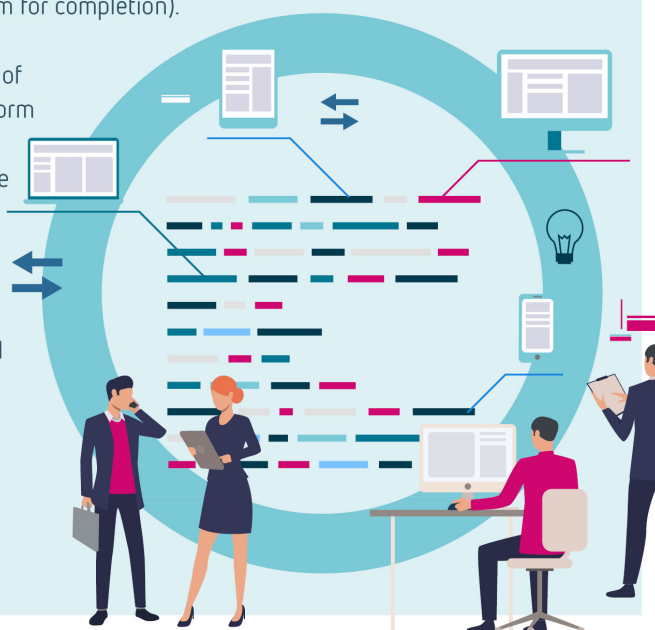
Spotlight: Complaints app

The previous platform used for recording complaints (PMS) was a central database which had become antiquated having been in place since the inception of the Care Inspectorate. With the development of new self-evaluation frameworks, Health and Social Care standards and the development of a new risk-based approach to the complaints process we recognised the need to develop a new recording platform. It would provide additional functionality that could benefit the recording process and the users experience, one that would enable us to fully report on all complaint work, the different methods used to resolve complaints and provide better intelligence on the nature of complaints. This led to the proposal for the development of a new complaint app.

The complaints app was developed using the Agile methodology. This is an iterative, adaptive approach to software delivery that builds software incrementally instead of trying to deliver it all at once near the end. It works by breaking projects down into smaller bits of user functionality, prioritising them, and then continuously delivering them in short cycles essentially starting with an idea and building on it incrementally over time with regular consultation along the way. From initial consultation a list of key features or stories were developed that we would like to see in the app. These were continually prioritised with the build starting with the most important aspects at the top first and working to the bottom to deliver value. This building, iterating, and getting feedback as the build progresses means that the app will continue to evolve and improve as time passes.

The complaint app was introduced on the 21st March 2019 and the change to the new recording platform did present some challenges in the transitional period in the first half of 2019/20. Each iteration of the app brought new functionality that was not present on release such as reporting capabilities and the ability to record complaint delays which, thanks to the Agile approach, were teased out and improved as time went on. At the same time there was training required and familiarisation not only with the new app but with new equipment which was rolled out at the same time. Staff also had to work between two recording platforms (as our pre-March 2019 complaint cases had to remain on our old recording platform for completion).

Following this transitional period in the first half of the year, all cases in our previous recording platform were cleared and staff could focus on new cases logged within the app timeously. As staff became more familiar with the new equipment and the app increased in functionality the complaints process became more efficient and simpler for our staff. This has been borne out in the results which whilst still below our target have improved on last year despite an 18% increase in the volume of complaints received, ongoing capacity issues and performance earlier in the year being impacted by the need to use two systems.



Strategic outcome 2: People experience positive outcomes

The care sector is innovative, carries out high quality self-evaluation and drives forward improvement.

Measure	Description	Target	Performance 2019/20 (2018/19)
KPI 5	% of registration applications completed within timescales	80%	76% (77%)
KPI 6	level of investment in learning & development for our workforce	TBC	10.7 hours on average per employee Q3 and Q4 only (N/A)
KPI 7	% inspection hours spent in high and medium risk services	25%	29% (27%)

Internal capacity building

An initial baseline measure (KPI6) looking at investment per staff member was created in 2019/20. For Q3 and Q4 2019/20 the Care Inspectorate on average invested 10.7 hours per staff member. This measure may evolve to one that focuses on the impact of investment in staff in line with our corporate plan.

Key themes and learning topics are summarised below:

- ICT training to support office 365.
- Personal skills development – assertiveness and confidence building, managing and resolving conflict, 7 habits of highly effective people.
- Directorate and development days.
- Engage in change events.
- The PDA in Scrutiny and Improvement is contributing to joined up working with Healthcare Improvement Scotland (HIS). A group of HIS inspectors with a Tutor Assessor from HIS are undertaking cohort 2 and HIS is committed to this joint approach and their inspectors joining future cohorts. We have also been approached by other scrutiny bodies expressing an interest in accessing places on the course.
- The Scottish Government opened up their development programme for analytical colleagues to our intelligence team. To date, a number of the team have participated to refresh and develop skills in areas such as survey design, communicating statistical information, data visualisation. Several of the analysts have also been developing their skills in R, a key programming language and software environment for developing our data science capabilities.
- One of our information analysts was successful in obtaining a place (one of only six available) on the government's data science mentoring programme. The project was focussed on early identification of risk and had the support of an experienced data science mentor as well as a high spec hardware and software environment. The project was completed in December and the findings were presented to an audience including experts in the field and government ministers. The learnings have been used to start initial modelling work on the factors involved in identifying declining quality of care in services.

External Capacity building

- We published 'Self-evaluation for Improvement – Your Guide'. This guide underpins all the new quality frameworks and works as a guide for services using the frameworks to monitor and evaluate their own performance.
- An improvement planning tool has been developed and tested and the feedback has been positive. 84% agreed it had improved their confidence in identifying areas for improvement. 95% said it had improved communications with colleagues in Scottish Care and Care Inspectorate.
- The Care Inspectorate ELC staff continue to support the Scottish Government's key policy of extending the entitlement for all three and four and eligible two-year olds from 600 to 1140 hours by 2020. We are supporting the development of a range of workstreams with Scottish Government staff and other stakeholders to support the expansion.
- We continued to jointly lead (with Healthcare Improvement Scotland) on the development of the proposed Barnahus standards model for Scotland and delivered a workshop presentation at the children in Scotland annual conference.

Prioritising inspections

In 2019/20 we spent almost 142,000 hours on inspection. Of these hours, 29% were spent in high or medium risk services, in line with our aim to target our resources where risk is highest (KPI7). Performance increased 1.8 % points from last year. The increased performance in this measure may have impacted our performance in KPI2 the % of first statutory inspections completed.

Collaboration with partners and Multi-agency intelligence sharing

We have 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.
- Our intelligence team has developed strong links with a network of analysts working in health and care regulators across the UK, meeting regularly to share our work and learn from others. This work is particularly focussed on developing intelligence capabilities in our respective organisations. It has also led to links with a virtual data science network hosted by NHS Digital, which is an opportunity to learn about data science projects underway across health and care, and to share our own work in this area when we are ready.
- We had a pilot to share intelligence in care homes between Police Scotland and the Care Inspectorate called STORM. This improves intelligence sharing between the organisations and supports the move to intelligence and risk led scrutiny.
- We linked with the Health and Safety Executive to share intelligence. We have worked together to raise awareness of legionella in care homes and burns and scalds. This has enabled people to be aware of good practice and supports improvement.

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.
- Help inform the development of national policy and legislation and submit responses to various consultations.
- Inform the passage of the Children (Scotland) Bill through Parliament
- Provide our evidence, alongside all other submissions, to inform the Health and Sport Committee's Social Care Inquiry
- Contribute to the publication of the Independent Care Review
- Support other organisational priorities, producing a literature review on safe staffing in social care and contributing to the organisation's UN Convention on the Rights of the Child (UNCRC) progress report.
- Assess the potential impact of Brexit on health and social care in Scotland.

It should be noted that Q4 saw the initial outbreak of Coronavirus (COVID-19). This has had, and will continue to have, a significant impact on our work and any current and future policy development. For example, the Scottish Government has announced that the expansion of ELC (originally due to be implemented by August 2020) has been postponed, while evidence sessions to inform the Health and Sport Committee's Social Care Inquiry have been cancelled. The full extent of the impact on policy more broadly remains to be seen.

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:

- Complaints about care services in Scotland 2015/16 to 2018/19
- Fostering and Adoption 2018/19 Statistical Bulletin
- Early Learning and Childcare Statistics 2018
- Staff vacancies in care services 2018
- Early learning and childcare (ELC) expansion profiles
- Out to Play
- Space to Grow
- Report on Whistleblowing Disclosures 2018-19
- A report on the deaths of looked after children in Scotland 2012-2018
- Significant Case Reviews in Scotland 2015 - 2018

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 2019-20, we responded to:

- 64 freedom of information requests, of which 55 were sent out within the statutory 20 working days deadline.
- 24 data protection requests, of which 17 were sent out within the statutory 1-month 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>

Registrations

- We completed 76% of new registrations within the agreed timescales, narrowly missing our target of 80%. Performance was slightly below target and down 1 % point on last year. Performance on this KPI was impacted by the prioritisation of variation work relating to the ELC expansion over registration work.
- Work has been ongoing throughout the year to improve our registration process and in 2019/20 we launched our Online Registration Form on our website. The form has been thoroughly tested and approved by Scottish Governments Digital Assurance Team and will modernise the registration process making it easier and quicker for providers to complete the registration form via our website. The digital transformation team are now progressing with registration phase two which involves significant engagement with colleagues throughout the organisation and will improve the efficiency of our registration process as well as the quality of information on services and providers.

Strategic outcome 3: People's rights are respected

People experience person-led outcome-based care that respects their rights and reflects the Health and Social Care Standards.

Measure	Description	Target	Performance 2019/20 (2018/19)
KPI 8	days per quarter that inspection volunteers and care experienced people are involved in our work	TBC	135 days per quarter (N/A)
KPI 9	number of service types with a new inspection framework	More than 9 service types	10 service types (1 service type)

Developing our quality frameworks

In line with the principles of the Health and Social Care standards our new quality frameworks ensure we remain focussed on outcomes for people. By 31 March 2020, there were five Frameworks published covering six different types of service. However, a further two Frameworks covering four different types of service were ready to publish but their launch was suspended due to the pressures on care services due to COVID 19. Information on the new quality frameworks can be found at <https://www.careinspectorate.com/index.php/inspections>

We received feedback from services that have been inspected under the new framework stating that the evaluations under the frameworks more accurately reflected their performance when measuring against the Health and Social Care Standards.

Developing our scrutiny methodology

Our strategic inspection methodology has also been reviewed to be more outcome focussed and better aligned with the Health and Social Care standards.

Children and young people

Strategic link inspectors have participated in the dataset orientation sessions led by CELCIS with groups of Child Protection Committees across the country. The dataset work carried out by the Care Inspectorate along with CELCIS aims to enable and support more effective use and scrutiny of data by strategic partnerships to strengthen their own self-evaluation.

Strategic inspectors have been involved in supporting CELCIS with the development of a child protection minimum dataset and strategic inspectors have been attending orientation sessions with child protection committees across the country to support its implementation. This important initiative flowing from the child protection improvement programme should lead to improved data quality and a more consistent approach to its analysis and use by child protection committees across Scotland.

Adult services

Following a joint effort with colleagues in Her Majesty's Inspectorate of Constabulary in Scotland (HMICS) and Health Improvement Scotland HIS, we completed the development of methodology for inspection of adult support and protection arrangements (phase 1) and a plan and footprint for the ensuing two years. We submitted a final outline proposal to the Ministerial Strategic Group (MSG) on the effectiveness of health and social care integration in Scotland building on the experience of joint inspections of services for older people and on the recent inspections of strategic planning. This proposal lays out a

commitment to a revised methodology that focuses more on what integration arrangements are achieving in terms of experiences and outcomes for people as well as achieving a more balanced focus across health and social services. It also aims to strengthen the connections between joint scrutiny and collaborative improvement support in line with the inspection's findings.

The Strategic team is providing a social work perspective to the review of forensic mental health services. We have also worked closely with Scottish Government colleagues on new interim guidance which was published in October for those conducting significant case reviews for adults.

Criminal Justice

The advisory group supporting our strategic justice inspections has worked with us to develop a proposal for involvement of People with Lived Experience of the justice system (PWLE) in our justice inspections. Resource constraints prevent us from making financial reimbursement so we are working with the third sector to implement an approach which will support the involvement of people with lived experience while we work to develop a strategy based on training and learning opportunities.

Involving people in our work

During 2019-20 our care experienced people spent an average of 135 days per quarter on a range of involvement activity. Our work in Q4 was restricted mainly due to no volunteer activity in March due to COVID-19. The involvement team continue to be in touch with the inspection and young inspection volunteers during the COVID-19 restrictions to provide continuity and support where required. A limited number of projects are continuing with our volunteers via various communication tools, but we recognise that some of our volunteers have caring responsibilities and have many other commitments at this time.

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.

Collaboration

Stand Up For Siblings is a collaboration between a number of child welfare, children's rights and legal organisations and academics within Scotland. Work by our young inspection volunteers, supported by a team manager and an OWD assistant helped contribute to winning an award at the Herald Awards for successful partnership working. The work to develop a film highlighting the importance of sibling contact for care experienced children and young people was considered to be a very effective collaboration of partners, public and voluntary sector.

Listening to people who experience care

Our inspections of regulated care services involve consulting with and speaking to people who experience care. 91% of respondents told us they were happy or very happy with the quality of care they received in 2019/20. This year we rolled out our new care surveys for

all inspectors of care homes for older people. These surveys collect valuable information for inspectors about the quality of care experienced which inspectors can use to focus their inspections. The new surveys are designed around our new quality framework and reflect the health and social care standards. We also launched a small-scale test of an online version with a view to expanding the opportunities for people to give us their views, and we will evaluate the effectiveness of this approach.

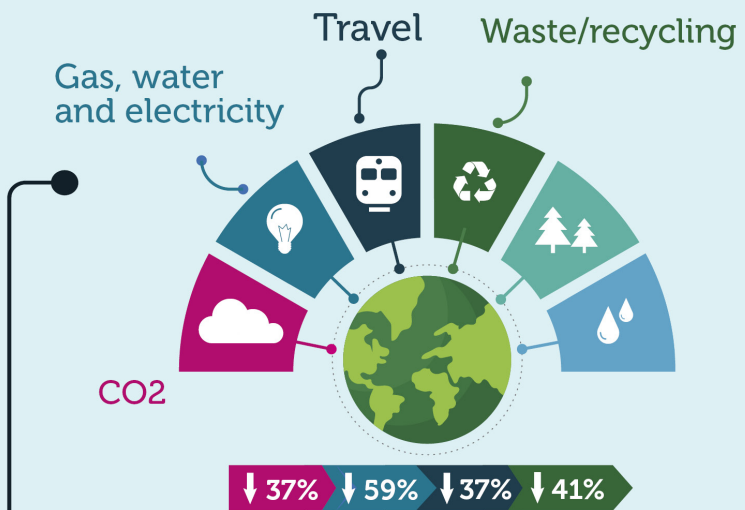
During inspections, our inspectors have used different ways to engage with people who experience care, for example using the Short Observational Framework Inspection (SOFI) tool. All staff inspecting adult care have received SOFI training and it is now embedded in our scrutiny activity and is a core 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.

2.3 Sustainability report 2019/20

A 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 tCO₂e. 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 CO₂ 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 30m² to 2819m² on a variety of lease terms, making control of our stationary CO₂ emissions difficult.

We have continued to exceed our target across all scopes. Due to COVID-19, not all the data we require was available, so we have apportioned what we had in the case of water consumption and used last year's figures for waste and recycling. We continue to aggregate our direct energy consumption and costs across all our estate.

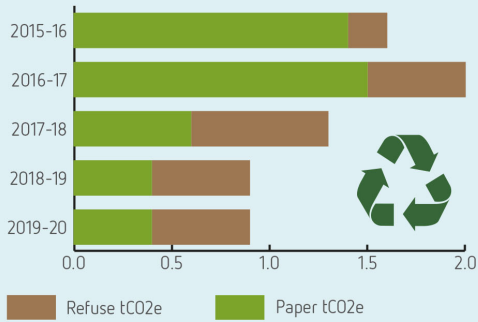


Area	Actual Performance	2015/16 Baseline
Total CO ₂ Emissions	839.3 tCO ₂ e	1,328 tCO ₂ e
Travel Related CO ₂	607.2 tCO ₂ e	756 tCO ₂ e
Total Travel Cost	£958,398	£990,873
Total Energy CO ₂	230.2 tCO ₂ e	569 tCO ₂ e
Energy Consumption (gas and electricity)	1.01 MWh	1.68 MWh
Energy Expenditure (gas and electricity)	£106,323	£145,509
Total Waste CO ₂	0.95 tCO ₂ e	1.6 tCO ₂ e
Waste	43.9 tonnes	87.4 tonnes
Waste Expenditure	£9,964	£21,279
Total Water CO ₂	0.98 tCO ₂ e	1.3 tCO ₂ e
Water consumption	2,850 m ³	3,830 m ³
Water expenditure	£12,131	£36,267



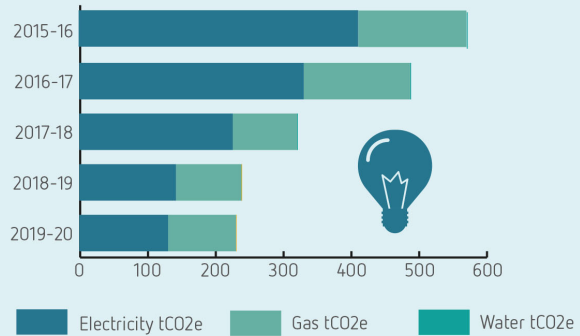
Waste/recycling

Data for 2019-20 was not available due to COVID-19 restrictions. 2018/19 figures were used as there is little expectation of significant change.



Gas, water and electricity

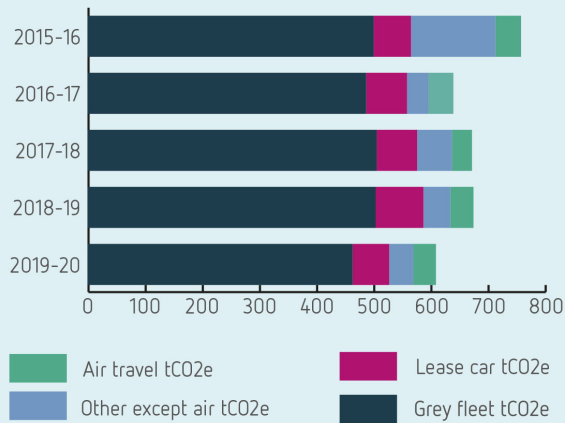
The utilities consumption does show a small overall reduction in emissions. As there has been no change in the size of the estate or any other measures taken to reduce emissions this year, relatively consistent performance was to be expected.



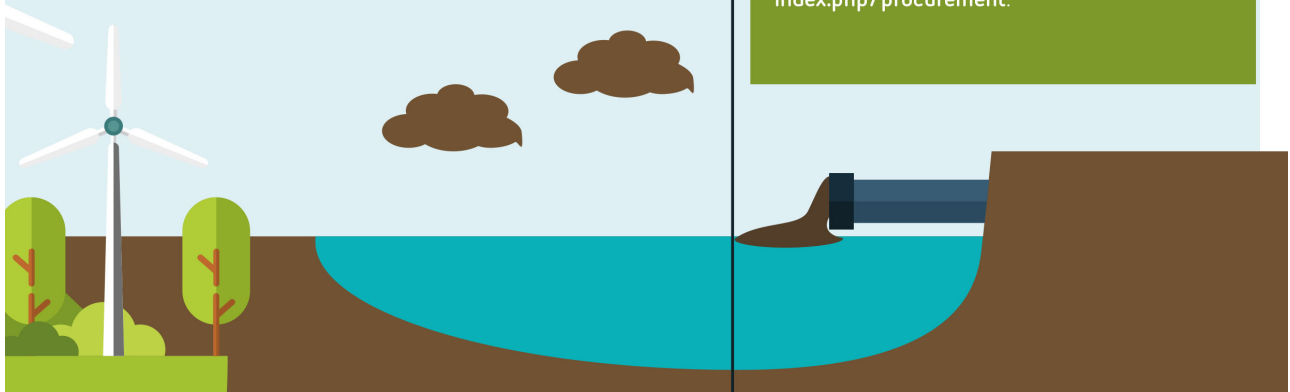
Travel

Grey Fleet is employees use of private cars for business journeys. The carbon emissions from grey fleet are at their lowest ever level, reflected in the continued reduction in travel emissions to 607 tCO2e. 'Other' includes trains, ferries, buses and taxis, and this decrease shows a continuing reduction in travel.

The reduction can be largely attributable to investment in new ICT technology, allowing for better internal communications without the need for travel. There was a reduction in travel during March due to the Government's response to the Covid-19 pandemic. The expectation is that travel will reduce considerably in 2020-21 due to COVID-19 travel restrictions and future years should continue to show reductions on the 2019-20 levels.



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 at <https://www.careinspectorate.com/index.php/procurement>.



2.4 Summary of performance

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 this section and provide a complete overview of our performance against our key performance outcomes along with some key achievements completed throughout the year.

Performance against our Key Performance Indicators (KPIs) was mixed. We mostly met our targets for the KPIs associated with ensuring people experience positive outcomes and that their rights are respected. We exceeded our 25% target for the percentage of inspection hours spent in high and medium risk services. We also exceeded our target for the number of service types with a new inspection framework. We narrowly 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 associated with people experiencing high quality care. We missed the target on the percentage of first statutory inspections completed and the KPIs we set for investigating complaints within target timescales. The reason we missed the target for these KPIs was largely due to resourcing issues which we will work to resolve in 2020/21.

Peter Macleod
Chief Executive
30 September 2020

Section B: Accountability Report

3. Corporate Governance Report

3.1 Directors' report

The Executive Directors of the Care Inspectorate and the Board Members details are set out in the Governance Statement (section 3.3) and the Remuneration Report (section 4.1).

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 2020.

Disclosure of information to auditors

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

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

Non audit fees

Grant Thornton UK LLP 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 2020, 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

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Care Inspectorate's policies, aims and objectives. I am also responsible for safeguarding the public funds and assets assigned to the Care Inspectorate, in accordance with the responsibilities set out in the [Memorandum to Accountable Officers for Other Public Bodies](#).

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

Governance framework

Organisation 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 to ensure operation 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. 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 Audit and Risk Committee. The Board meets in public at least four times per year.

Board committees

The board has one standing committee:

Audit and Risk Committee

This committee consists of a Convener and 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 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 Board and its committee 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 <https://www.careinspectorate.com/index.php/publications-statistics/35-corporate-annual-reports-accounts/corporate-board-meeting-papers>

Board Member Attendance at Meetings and Events 1 April 2019 to 31 March 2020

Board Member	Board	Audit		Appeals Sub Committee	Board Development Events	Total
Number of Meetings and Events	6	5		1	8	20
	Attended	Member	Attended	Attended	Attended	Attended
Paul Edie, Chair	6	No	3	0	8	17
Naghat Ahmed	6	No	2	1	8	17
Gavin Dayer	6	Yes	5	0	7	18
Anne Houston	6	No	1	0	6	13
James McGoldrick	1	No	0	0	1	2
Bernadette Malone	5	Yes	5	1	6	17
Linda Pollock	4	Yes	3	0	6	13
Keith Redpath	5	Yes	5	1	7	18
Carole Wilkinson	5	No	0	0	2	7
Rognvald Johnson	5	Yes	5	0	8	18
Bill Maxwell	5	Yes	3	0	8	16
Paul Gray	1	No	0	0	0	1
Rona Fraser	0	No	0	0	0	0
Sandra Campbell	3	No	0	0	5	8

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 2019/20 comprised:

- Gordon Weir, Executive Director of Corporate and Customer Services
- Kevin Mitchell, Executive Director of Scrutiny and Assurance
- Edith Macintosh, Interim Executive Director of Strategy and Improvement

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 and Risk 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 and Risk Committee with assurance on the whole system of internal control. In assessing the level of assurance to be given for 2019/20, our internal auditors consider:

- All reviews undertaken as part of the 2019/20 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 auditor's overall opinion for 2019/20 was:

“the Care Inspectorate has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, 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. The Corporate Plan has been developed to show clear links between risks identified on the Risk Register and the Care Inspectorate's strategic outcomes. As a result, the risks identified become embedded in managers' work plans for the year. The Board has agreed a risk appetite statement to underpin the Care Inspectorate's approach to risk management and control.

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.

We have information governance policies and procedures in place to ensure we handle data responsibly and comply with data protection and freedom of information laws. We also have a procedure to respond to suspected data breaches. In the year to 31 March 2020 there were 53 data security incidents which were:

- 39 data breaches
- 14 near misses

A near miss is where an incident is reported to the information governance team, but the incident was prevented or it did not meet the definition of a personal data breach under GDPR.

However, no breaches reached the threshold for reporting to the Information Commissioner's Office.

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.

During 2019/20 the Care Inspectorate entered an agreement with NHS Counter Fraud Services (CFS) to provide fraud prevention, detection and investigation services.

A fraud relating to payroll and a change of an employee's bank account details was detected during 2019/20. The loss associated with this fraud was approximately £4k. The fraud was reported to Police Scotland and the Audit and Risk Committee considered a report on the matter.

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 and Risk 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.
- 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 committee.
- Periodic staff surveys.

Developing the governance framework

The following developments were identified for 2020/21:

- 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 risk management framework throughout the organisation to better embed risk management throughout the Care Inspectorate.
- We will build on the assurance mapping work already undertaken.
- We have reviewed and updated our business continuity management system. A three-year programme of testing the revised business continuity plans will commence in 2020/21.
- We will continue the development of the Strategic Performance Management Framework for 2020/21.
- We are undertaking an ambitious change programme which is getting more complex as progress is made. We have commissioned independent reviews of the governance arrangements for our change programme and will develop a new business case to take our business transformation further forward from the position already achieved.
- We are working with the Scottish Social Services Council (SSSC) to review our shared services and the governance arrangements. It is anticipated the new arrangements will be agreed and in place for October 2020.
- 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 2020 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 £88.5k 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:

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 10.9 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
- Interim 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 2020 was as detailed in the table below:

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

Name	Salary 2019/20	Salary 2018/19
	£000	£000
Anne Houston	0-5	0-5
Bernadette Malone	0-5	0-5
Carole Wilkinson	0-5	0-5
Dr Bill Maxwell	0-5	0-5
Gavin Dayer	0-5	0-5
Keith Redpath	0-5	0-5
Linda Pollock (until 9 March 2020)	0-5	5-10
Naghat Ahmed	5-10	0-5
Paul Edie (Chair)	40-45	45-50
Paul Gray (from 16 March 2020)	0-5	n/a
Rognvald Johnson	5-10	0-5
James McGoldrick (until 31 August 2019)	0-5	0-5
Rona Fraser (from 16 March 2020)	0-5	n/a
Sandra Campbell (from 1 September 2019)	0-5	n/a

Carole Wilkinson is a Board Member through reciprocal membership arrangements with Healthcare Improvement Scotland. James McGoldrick and Sandra Campbell are Board members through reciprocal membership arrangements with 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	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
	£000	£000	£	£	£000	£000	£000	£000
Peter MacLeod Chief Executive (from 07/01/19)	115-120	25-30	0	0	37	0	155-160	25-30
Gordon Weir** Executive Director of Corporate and Customer Services	85-90	95-100	0	0	(53)	107	35-40	200-205
Kevin Mitchell*** Executive Director of Scrutiny and Assurance	95-100	90-95	0	0	58	27	155-160	120-125
Edith Macintosh Interim Executive Director of Strategy and Improvement (from 03/12/18)	85-90	70-75	0	0	28	0	115-120	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.

** 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). This postholder was also Interim Chief Executive for the period 01/09/18 to 06/01/19. This has impacted on his pension benefit figures in 2018/19 and 2019/20.

***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

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 2019/20. 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 2.92 times greater than the median remuneration of the workforce. In 2019/20, no employees received remuneration in excess of the Chief Executive.

	2019/20	2018/19
Band of Highest Paid employee	£115,000 - £120,000	£115,000 - £120,000
Staff Median Remuneration	£40,242	£39,069
Remuneration Ratio	2.92	3.01
Staff Minimum Full-Time Equivalent Remuneration	£17,964	£17,214
Staff Maximum Full-Time Equivalent Remuneration	£96,416	£94,671

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 2020		As at 31 March 2020		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 2020 £000	As at 31 March 2019 £000	Real increase £000
Peter MacLeod Chief Executive (from 07/01/19)	25-30	-	2.5-5	-	39	7	33
Gordon Weir Executive Director of Corporate and Customer Services	60-65	70-75	(5-10)	(5-10)	765	729	22
Kevin Mitchell* Executive Director of Scrutiny and Assurance	25-30	-	2.5-5	-	255	188	64
Edith Macintosh Interim Executive Director of Strategy and Improvement (from 03/12/18)	15-20	-	0-2.5	-	88	57	30

*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 2019/20. Staff numbers are expressed as the average Full Time Equivalents (FTE) employed during the year.

	2019/20		
	Permanently Employed	Others	Total
Senior Managers	23		23
Other employees	502	34	536
Agency Workers	0	11	11
Secondments Inward	0	3	3
Total staff engaged	525	48	573
Secondments Outwards	(3)		(3)
Net staff engaged on Care Inspectorate activity	522	48	570

	£000	£000	£000
Salaries	21,184	1,096	22,280
Social security costs	2,372	107	2,479
Pension service costs	7,280	162	7,442
Total cost directly employed staff	30,836	1,365	32,201
Board members ¹	0	84	84
Agency Workers	0	670	670
Secondments Inward	0	199	199
Total cost of staff engaged on Care Inspectorate activity	30,836	2,318	33,154
Voluntary early severance/retirement costs	18	0	18
Other staff costs	510	0	510
Staff costs (SCNE)	31,364	2,318	33,682
Secondments Outwards	(183)	0	(183)
Net Staff Costs	31,181	2,318	33,499

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.

¹There 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 Care Inspectorate. The Chair and nine remunerated Board Members are office holders and are not included in the staff numbers.

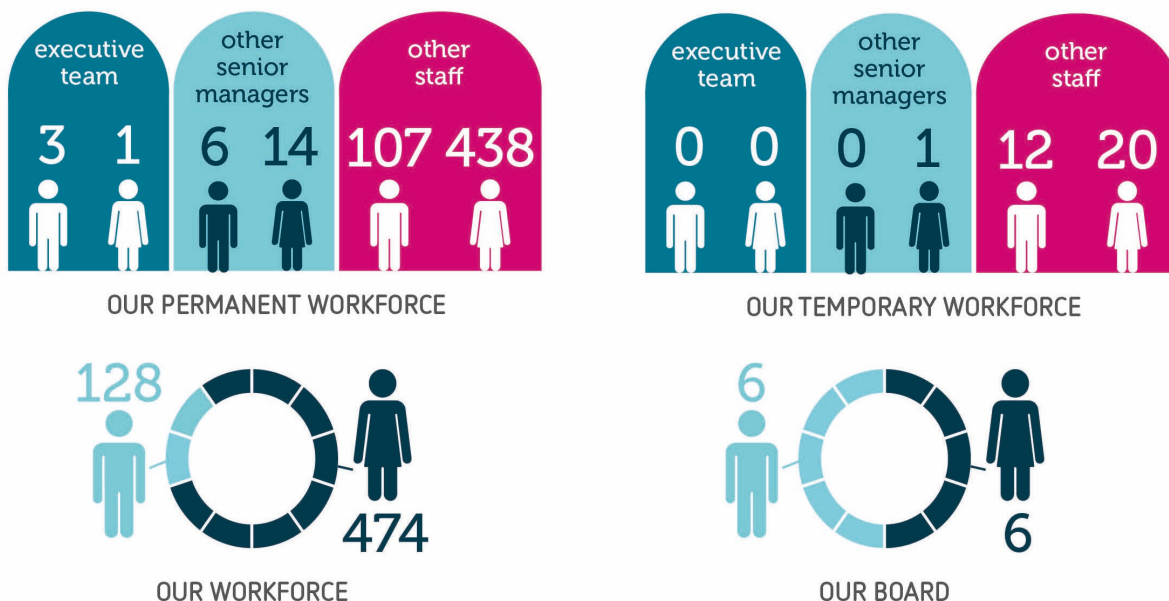
	2018/19		
	Permanently Employed	Others	Total
Senior Managers	23		23
Other employees	512	31	543
Agency Workers	0	10	10
Secondments Inward	0	3	3
Total staff engaged	535	44	579
Secondments Outwards	(4)		(4)
Net staff engaged on Care Inspectorate activity	531	44	575
	£000	£000	£000
Salaries	20,821	951	21,772
Social security costs	2,323	89	2,412
Pension service costs	8,249	144	8,393
Total cost directly employed staff	31,393	1,184	32,577
Board members ²	0	86	86
Agency Workers	0	443	443
Secondments Inward	0	203	203
Total cost of staff engaged on Care Inspectorate activity	31,393	1,916	33,309
Voluntary early severance/retirement costs	34	0	34
Other staff costs	484	0	484
Staff costs (SCNE)	31,911	1,916	33,827
Secondments Outwards	(302)	0	(302)
Net Staff Costs	31,609	1,916	33,525

²There 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.

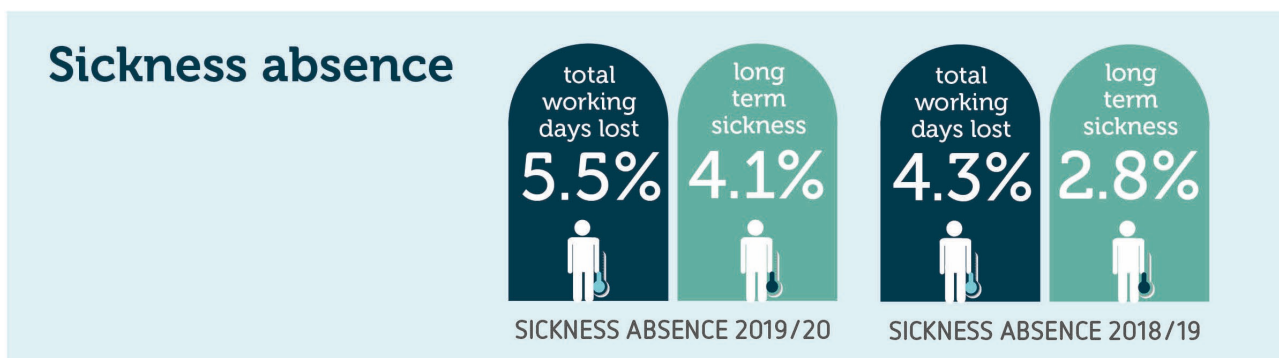
4.2.2 Staff breakdown by gender and sickness absence (unaudited)

The gender breakdown as at 31 March 2020 and sickness absence information for the year to 31 March 2020 is shown below. Staff numbers are provided on a headcount basis.

Our gender balances



Our board is already 50:50 in terms of gender representation. Through our new equality outcomes 2021-2025 and the subsequent action plan we will be taking steps to increase the diversity of our people to achieve a more representative gender balance in our workforce profile.



XpertHR quote the latest public sector averages as 3.8% (both mean and median). The latest CIPD public sector average is 3.6%.

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

4.2.3 Policies in relation to disabled persons

The General Equality Duty (Section 149) of the Equality Act 2010, requires public authorities to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act 2010.
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

As a public body we are also covered by The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. This helps us to support the better performance of the General Equality Duty. Details of how we continued to meet these obligations and of the four 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. It is our aim that everyone who comes into contact with the Care Inspectorate is treated with fairness, dignity and respect, 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.

Through our inclusive working practices, we provide support to disabled people to enter, stay and progress in work. We are proud to have achieved the Disability Confident Committed Scheme award.

We have a clear ambition for the Care Inspectorate to be an inclusive employer of choice and are keen to explore different ways of working and supporting employees in the workplace through a flexible approach to work. To ensure that we do this in practice we have developed a number of policies as detailed below.

- Annual leave
- Carers leave
- Flexible working
- Homeworking
- Special leave

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 support people with the protected characteristics listed in the Equality Act. These include the following:

- Carers Leave- this provides access to paid time off for employees with caring responsibilities, to help avoid any disability discrimination by association.
- Adoption, fostering, maternity, paternity & parental leave- family friendly policies- so that regardless of sex or sexual orientation there is a leave option available.
- Flexible working/flexi time and special leave to help people balance their personal life with their working life.

The options above allow employees to manage and attend health or wellbeing-related appointments for themselves or their dependents without the need to take a full day's annual leave. Our policies provide a flexible range of options to access time off which is of particular benefit to individuals living with disabilities and those with caring responsibilities.

Other policies such as Capability, Maximising Attendance and Recruitment also have provisions to help employees/ job applicants living with a disability. We are also members of the Disability Confident Committed Scheme.

4.2.4 Expenditure on consultancy

Consultancy expenditure of £140k was incurred in 2019/20 as follows:

- Care About Physical Activity Programme (CAPA) measurement framework (£46k)
- ICT Consultancy (£46k)
- shared services future strategy consultation (£22k)
- job evaluation services (£23k)
- tax advisory services (£2k)
- HR consultancy (£1k)

In 2018/19 there was consultancy expenditure of £122k 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)

4.2.5 Exit packages

The Care Inspectorate granted compensatory payments to one (2018/19: one) 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 2020		
Exit Package Cost Band	Number of Departures Agreed	Total Cost £000
£10,000 to £25,000	1	18
TOTALS	1	18

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

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.

4.2.6 Trade union activity (unaudited)

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 2019/20 follows.

Table 1

Relevant union officials

The table below details number of employees who were relevant union officials during 2019/20.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
15	13.5

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 219/20.

Percentage of time	Number of employees
0%	0
1%-50%	14
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	£57,956
Total pay bill	£28,094,000
Facility time as a percentage of total pay bill	0.21%

Table 4**Paid trade union activities**

The table below provides hours spent by employees who were relevant union officials during the 2019/20 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.	37.8%
--	-------

The facility time statement outlining the value of facility time can be found on our website here

<https://www.careinspectorate.com/images/documents/5229/CI%20Trade%20Union%20Facility%20Time.pdf>

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 2020 (nil for the year to 31 March 2019).

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 2019/20 budget was based on funding of 67% from grants and grant in aid and 33% from fees charged to service providers (2018/19 65% grants and grant in aid; 35% fees).

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

	2019/20			2018/19		
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000
Application to Register	566	633	67	601	649	48
Continuation of Registration	11,350	11,430	80	11,249	11,262	13
Total	11,916	12,063	147	11,850	11,911	61

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 £1.1m in 2019/20 (2018/19; £1.5m).

5.3 Remote contingent liabilities

There were no contingent liabilities as at 31 March 2020 which require disclosure under IAS 37 or the Scottish Public Manual (nil as at 31 March 2019).

Peter MacLeod
Chief Executive
30 September 2020

6. Independent Auditor's Report – draft

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 Care Inspectorate for the year ended 31 March 2020 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 Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, 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 2019/20 Government Financial Reporting Manual (the 2019/20 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 2020 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union, as interpreted and adapted by the 2019/20 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 four 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 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. 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 was incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and section 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

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 Services Reform (Scotland) Act 2010 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 Services Reform (Scotland) Act 2010 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 Services Reform (Scotland) Act 2010 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.

[Signature]

Date:

Joanne Brown, (for and on behalf of Grant Thornton UK LLP),
110 Queen Street,
Glasgow,
G1 3BX

7. Annual Accounts

Social Care and Social Work Improvement Scotland (Care Inspectorate) Financial Accounts for the Year Ended 31 March 2020

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**STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2019/20 £000	2018/19 £000
<u>Income</u>			
Fees charged to service providers	2a	(12,063)	(11,911)
Other operating income	2b	(1,352)	(2,060)
		(13,415)	(13,971)
<u>Expenditure</u>			
Staff costs	3a	33,682	33,827
Operating expenditure	6	7,751	9,380
		41,433	43,207
<i>Net operating cost on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities</i>		28,018	29,236
Bank charges (net of interest)		9	8
Net interest on defined pension liability/(asset)	5b	394	309
<i>Net operating cost on ordinary activities after interest and net interest on pension scheme net liabilities</i>		28,421	29,553
Total actuarial re-measurements on defined pensions liability	5b	(2,403)	(971)
Total comprehensive net expenditure / (surplus) before Scottish Government funding*		26,018	28,582

All operations are continuing.

The notes on pages 65 to 85 form an integral part of these accounts.

The table on page 16 provides a reconciliation between the SCNE and our budgeted position.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2019/20 £000	2018/19 £000
Non-current assets			
Property, plant and equipment	7	111	161
Intangible Assets	8	0	0
Trade and other receivables falling due after more than one year	9	25	26
Total non-current assets		136	187
Current assets			
Trade and other receivables	9	3,707	3,453
Cash and cash equivalents	10	1,517	1,542
Total current assets		5,224	4,995
Total assets		5,360	5,182
Current liabilities			
Trade and other payables	11	(3,027)	(3,425)
Total current liabilities		(3,027)	(3,425)
Non-current assets plus/less net current assets/liabilities		2,333	1,757
Non-current liabilities			
Other payables greater than one year	11	(82)	(141)
Pension assets/(liabilities)	5a	(20,052)	(18,126)
Total non-current liabilities		(20,134)	(18,267)
Assets less liabilities		(17,801)	(16,510)
Taxpayers' equity			
Pensions reserve	SOCTE	(20,052)	(18,126)
General reserve	15	2,251	1,616
		(17,801)	(16,510)

Peter MacLeod
Chief Executive
30 September 2020

The notes on pages 65 to 85 form an integral part of these accounts.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2019/20	2018/19
		£000	£000
Cash flows from operating activities			
Total comprehensive net expenditure before Scottish Government funding	SCNE	(26,018)	(28,582)
Adjustments for non-cash items:			
Pension actuarial adjustments	5b (table 2)	1,926	4,329
Depreciation and amortisation	7,8	50	75
(Increase)/decrease in trade and other receivables	9	(253)	114
Increase/(decrease) in trade and other payables	11	(398)	261
Increase/(decrease) in non-current liabilities	11	(59)	(103)
Net cash outflow from operating activities		<u>(24,752)</u>	<u>(23,906)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	7	0	0
Net cash outflow from investing activities		<u>0</u>	<u>0</u>
Cash flows from financing activities			
Grants from Scottish Government	12	24,727	22,944
Net financing		<u>24,727</u>	<u>22,944</u>
Net increase/(decrease) in cash and cash equivalents in the period	10	(25)	(962)
Cash and cash equivalents at the beginning of the period	10	1,542	2,504
Cash and cash equivalents at the end of the period	10	1,517	1,542

The notes on page 65 to 85 form an integral part of these accounts

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Pension Reserve £'000	General Reserve £'000	Total Reserves £'000
Balance at 31 March 2018		<u>(13,797)</u>	<u>2,925</u>	<u>(10,872)</u>
Changes in taxpayers equity for 2018/19				
Adjustment between accounting basis and funding basis for actuarial pension valuation adjustments	5b (table 2)	(4,329)	4,329	0
Total comprehensive Net Expenditure			<u>(28,582)</u>	<u>(28,582)</u>
Total recognised income and expense for 2018/19		(4,329)	(24,253)	(28,582)
Grant from Scottish Government	12		22,944	22,944
Balance at 31 March 2019		<u>(18,126)</u>	<u>1,616</u>	<u>(16,510)</u>
Changes in taxpayers equity for 2019/20				
Adjustment between accounting basis and funding basis for actuarial pension valuation adjustments	5b (table 2)	(1,926)	1,926	0
Total Comprehensive Net Expenditure			<u>(26,018)</u>	<u>(26,018)</u>
Total recognised income and expense for 2019/20		(1,926)	(24,092)	(26,018)
Grant from Scottish Government	12		24,727	24,727
Balance at 31 March 2020		<u>(20,052)</u>	<u>2,251</u>	<u>(17,801)</u>

The notes on pages 65 to 85 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.

The effective date of IFRS 16 Leases in the public sector has been delayed until 1 April 2021. This is to recognise that bodies' preparations are being adversely affected by dealing with the COVID-19 crisis. The Care Inspectorate has significant leases relating to property and leases office space in 14 locations across Scotland. These leases will require an adjustment to the Statement of Financial Position for the recognition of a right of use asset and a liability for future lease commitments.

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 14 to 16).

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, Procurement, 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 £0.898m 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 £0.947m 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, finance, procurement and HR costs based on this SLA. The SLA contains arrangements akin to a lease for accommodation.

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 2020 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

	2019/20	2018/19
	£000	£000
2.a Fees charged to service providers		
Continuation of registration	(11,430)	(11,262)
Application to register	(633)	(649)
	<u>(12,063)</u>	<u>(11,911)</u>

	2019/20	2018/19
	£000	£000
2.b Other operating income		
Recharges for services provided to other organisations	(983)	(1,464)
Secondee recharges	(184)	(302)
Lease income	(86)	(86)
Other income	(99)	(208)
	<u>(1,352)</u>	<u>(2,060)</u>

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:

Staff cost summary	2019/20	2018/19
	£000	£000
Directly employed staff	32,201	32,577
Indirectly employed staff	953	732
Severance costs	18	34
Other staff costs	510	484
Total staff costs	<u>33,682</u>	<u>33,827</u>

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.

	2019/20			2018/19		
	Local Government Scheme £000	NHS Scheme £000	Total £000	Local Government Scheme £000	NHS Scheme £000	Total £000
Employer pension contributions actually paid	3,517	51	3,568	3,442	37	3,479
Accounting entries (IAS19 note 5)						
Service cost (actuarial basis)	7,390	51	7,441	8,356	37	8,393
Pension costs included in staff costs (SCNE)	7,390	51	7,441	8,356	37	8,393
Variance between actual cost and accounting basis	3,873	0	3,873	4,914	0	4,914

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

The total cost of exit packages in 2019/20 was £18k (2018/19: £34k). Details of exit packages are disclosed in Section 4.2.5 (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 2020 the Care Inspectorate employed 5 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. This valuation informed an employer contribution rate from 1 April 2019 of 20.9% of pensionable pay and an anticipated yield of 9.6% employees contributions. 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 employers' 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 2020, the Care Inspectorate paid an employer's contribution of £51k (2018/19 £37k) into the NHS scheme at a rate of 20.9% of pensionable pay (2018/19 14.9%). The employer contribution rate for the year to 31 March 2021 will remain at 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 2020 were £3,517k (2018/19 £3,442k) representing 17.0% of pensionable pay. The employer contribution rate for the year to 31 March 2021 will remain at 17.0%. Employee contribution rates for the LGPS were in the range 5.5% to 11.2% 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 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 2020	Year to 31 March 2019
	£000	£000
Present value of funded obligation	(195,769)	(202,818)
Fair value of scheme assets (bid value)	175,717	184,692
Net liability	(20,052)	(18,126)

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 2020		Year to 31 March 2019	
	£000	£000	£000	£000
Service cost		7,390		8,356
Administration expenses		62		77
Net interest on the defined liability/(asset)		394		309
Difference between actual employer's contributions and actuarial employer's contributions	37		(13)	
Return on plan assets in excess of interest	14,500		(3,752)	
Change in financial assumptions	(16,940)		9,090	
Changes in demographic assumptions	0		(6,296)	
Total re-measurements		(2,403)		(971)
Total		5,443		7,771
Total return on scheme assets		(10,054)		8,238

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

Actuarial Adjustments for:	Note	2019/20	2018/19
		£000	£000
Staff Costs	3b	3,873	4,914
Administration charges	5b Table 1	62	77
Net interest on defined liability	5b Table 1	394	309
Remeasurements	5b Table 1	(2,403)	(971)
Total actuarial adjustment		1,926	4,329

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 2020

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

	Year to 31 March 2020		Year to 31 March 2019	
	£000	£000	£000	£000
Opening defined benefit obligation		202,818		189,150
Current service cost	7,359		6,868	
Past service costs, including curtailments	31		1,488	
Total service cost		7,390		8,356
Interest cost		4,840		4,795
Estimated benefits paid net of transfers in	(3,784)		(3,661)	
Contributions by scheme participants	1,445		1,384	
Total scheme transactions		(2,339)		(2,277)
Changes in financial assumptions	(16,940)		9,090	
Changes in demographic assumptions	0		(6,296)	
Total actuarial (gains)/losses		(16,940)		2,794
Closing defined benefit obligation		195,769		202,818

5.d Fair value of scheme assets reconciliation for the year to 31 March 2020

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

	Year to 31 March 2020		Year to 31 March 2019	
	£000	£000	£000	£000
Opening fair value of scheme assets		184,692		175,353
Interest on assets		4,446		4,486
Estimated benefits paid net of transfers in	(3,784)		(3,661)	
Employer contributions	3,480		3,455	
Contributions by scheme participants	1,445		1,384	
Total scheme transactions		1,141		1,178
Return on assets less interest		(14,500)		3,752
Administration expenses		(62)		(77)
Closing defined benefit obligation		175,717		184,692

5.e Projected pension expense for the year to 31 March 2021

	Year to 31 March 2021
	£000
Service cost	6,563
Net interest on the defined liability	431
Administration expenses	59
Total	7,053
Employer contributions	3,443

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2020.

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 2020		Assets as at 31 March 2019	
	£000	%	£000	%
Equities	116,173	66	127,576	69
Gilts	2,438	1	2,645	1
Other bonds	31,048	18	27,711	15
Property	21,613	12	23,057	13
Cash	5,314	3	3,263	2
Alternatives	(869)	(0)	440	0
Total	175,717	100	184,692	100

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

Tayside Superannuation Fund has relied on valuations provided by its advisors for its property holdings, which have been reported on the basis of 'material valuation uncertainty'. Given the unknown future impact that COVID-19 might have on the real estate market, the Fund is keeping the valuation of its property portfolio under frequent review.

5.g Financial assumptions as at 31 March 2020

The financial assumptions used for IAS19 calculations are below. These assumptions are set with reference to market conditions at 31 March 2020. The estimated duration of the Care Inspectorate's liabilities is 19 years. The discount rate is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach used at the last accounting date.

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 0.8% below RPI i.e. 1.9% per annum. The actuary believes this is a reasonable estimate for the future differences in the indices, based on the different calculation

methods, recent independent forecasts and the duration of the Care Inspectorate's liabilities. The difference between RPI and CPI is less than assumed at the previous accounting date. This reflects the movement in market implied RPI inflation that occurred following the UK Statistics Authority's proposal to change how RPI is calculated and subsequent announcements from the Chancellor on the issue.

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

Assumptions as at	31 March 2020	31 March 2019	31 March 2018
	% p.a.	% p.a.	% p.a.
Discount rate	2.35	2.40	2.55
Pension increases	1.90	2.40	2.30
Salary increases	2.90	3.40	3.30

5.h Demographic/statistical assumptions

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 and an initial addition to improvements of 0.0% per annum. This is consistent with the assumptions adopted last year.

The assumed life expectations from age 65 are:

Life Expectancy from Age 65 (years)		31 March 2020	31 March 2019
Retiring today	Males	19.7	19.6
	Females	21.7	21.6
Retiring in 20 years	Males	21.4	21.3
	Females	23.5	23.4

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 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	192,113	195,769	199,498
Projected service cost	6,426	6,563	6,703
Adjustment to long-term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	196,238	195,769	195,303
Projected service cost	6,566	6,563	6,560
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	199,042	195,769	192,560
Projected service cost	6,700	6,563	6,429
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	203,556	195,769	188,288
Projected service cost	6,792	6,563	6,341

6. Analysis of operating costs

Operating expenditure	2019/20	2018/19
	£000	£000
Property costs	2,241	2,414
Administration costs ¹	1,835	2,467
Supplies & services	2,044	2,707
Transport costs	1,531	1,624
Pension administration costs (IAS 19)	62	77
Depreciation & amortisation of assets	50	75
Changes in debt impairment allowance	(12)	16
	7,751	9,380

1. Administration costs includes £32.9k for external auditor's remuneration (2018/19 £32.5k). External audit provided no services in relation to non-audit work.

7. Property, plant and equipment

	2019/20			Total £000
	Furniture and fittings £000	Plant and equipment £000	Information technology £000	
Cost or Valuation:				
At 1 April 2019	549	143	373	1,065
Additions	0	0	0	0
Disposals	0	0	(85)	(85)
At 31 March 2020	549	143	288	980
Depreciation:				
At 1st April 2019	(397)	(134)	(373)	(904)
Charged in year	(48)	(2)	0	(50)
Disposals	0	0	85	85
At 31 March 2020	(445)	(136)	(288)	(869)
Net book value:				
At 31 March 2020	104	7	0	111
At 31 March 2019	152	9	0	161

Asset Financing: All assets are owned

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

Asset Financing: All assets are owned

8. Intangible assets

	2019/20		
	Computer software licences	Information technology	Total
Cost or Valuation:	£000	£000	£000
At 1st April 2019	21	187	208
Additions	0	0	0
Disposals	0	(66)	(66)
At 31 March 2020	<u>21</u>	<u>121</u>	<u>142</u>
Depreciation:			
At 1st April 2019	(21)	(187)	(208)
Charge for year	0	0	0
Disposals	0	66	66
At 31 March 2020	<u>(21)</u>	<u>(121)</u>	<u>(142)</u>
Net book value:			
At 31 March 2020	0	0	0
At 31 March 2019	0	0	0

There are no internally developed intangible assets

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

There are no internally developed intangible assets

9. Trade and other receivables

	2019/20		2018/19	
	£000	£000	£000	£000
Amounts falling due within one year:				
Prepayments and accrued income		829		1,036
Trade receivables	2,870		2,359	
Other receivables	8		58	
		<u>2,878</u>		<u>2,417</u>
		3,707		3,453
Amounts falling due after more than one year:				
Prepayments and accrued income		25		26
		<u>3,732</u>		<u>3,479</u>
Total trade and other receivables		3,732		3,479

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.

Provision for impairment of receivables:	2019/20	2018/19
	£000	£000
As at 1 April	(47)	(31)
Charge for the year	(48)	(64)
Unused amounts reversed	13	5
Uncollectable amounts written off	47	43
As at 31 March	<u>(35)</u>	<u>(47)</u>

As at 31 March 2020, trade and other receivables of £35k (2018/19 £47k) were past due and impaired. The amount provided is £35k (2018/19 £47k). The aging analysis of these receivables is as follows:

	2019/20	2018/19
	£000	£000
Up to 3 months past due	(4)	(15)
3 to 6 months past due	(6)	(3)
Over 6 months past due	(1)	(15)
Over 12 months past due	(24)	(14)
	<u>(35)</u>	<u>(47)</u>

As at 31 March 2020, trade and other receivables of £2,878k (2018/19 £2,417k) were due but not impaired. The aging analysis of these receivables is as follows:

	2019/20	2018/19
	£000	£000
Not yet due	2,733	1,862
Up to 3 months past due	43	150
3 to 6 months past due	19	203
Over 6 months past due	8	111
Over 12 months past due	75	91
	<u>2,878</u>	<u>2,417</u>

Analysis of trade and other receivables:

Amounts falling due within one year:	2019/20	2018/19
	£000	£000
Bodies external to government	3,082	2,908
Other central government bodies	180	310
Local authorities	411	233
NHS bodies	34	2
	<u>3,707</u>	<u>3,453</u>
Amounts falling due after more than one year:		
Bodies external to government	25	26
Total trade and other receivables	<u>3,732</u>	<u>3,479</u>

10. Cash and cash equivalents

	2019/20	2018/19
	£000	£000
Balance as at 1 April	1,542	2,504
Net change in cash and cash equivalent balance	(25)	(962)
Balance as at 31 March	<u>1,517</u>	<u>1,542</u>
The following balances as at 31 March were held at:		
Government Banking Service	1,044	1,210
Commercial banks and cash in hand	473	332
Balance as at 31 March	<u>1,517</u>	<u>1,542</u>

11. Trade and Other Payables

	2019/20	2018/19
	£000	£000
Amounts falling due within one year:		
Trade payables	254	1,131
Accruals and deferred income	1,050	577
Other taxation and social security	671	739
Other payables	1,052	978
	3,027	3,425
Amounts falling due after more than one year:		
	£000	£000
Lease Incentives	82	141
Analysis of trade and other payables:		
	2019/20	2018/19
	£000	£000
Due within one year:		
Bodies external to government	1,786	2,091
Other central government bodies	783	842
Local authorities	432	451
NHS bodies	26	41
	3,027	3,425
Falling due after more than one year:		
	£000	£000
Bodies external to government	82	141

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

Scottish Government grants	2019/20	2018/19
	£000	£000
Grant in aid operating costs	22,129	21,389
Transformation delivery programme grant	350	670
Scrutiny approach for Community Justice	325	326
National health and social care standards grant	50	50
Child protection initial case reviews	0	50
Support to early learning and childcare expansion	259	62
Adult Support and Protection Inspection Programme	338	0
Reducing Preventable Child Deaths/ National Child Death	189	0
Barnahus Project	24	0
Cessation of shared ICT services	205	0
Child Contact Centres – Feasibility Study	56	0
ELC Improvement	98	0
Safer Staffing	50	0
Total grant in aid funding	24,073	22,547
Care About Physical Activity (CAPA) project funding	499	210
Technology enabled care programme funding	67	48
ELC Evaluation	54	0
Improvement Adviser	22	0
Delivery of indoor and outdoor setting guidance	12	0
Child protection initial case reviews	0	70
Scottish study of early learning childcare grant	0	49
Scottish Government Hub funding	0	20
Total grants from Scottish Government	24,727	22,944

13. Capital commitments

There were no capital commitments as at 31 March 2020.

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.

Obligations under operating leases comprise:	2019/20	2018/19
	£000	£000
Buildings:		
Within 1 year	758	726
Within 2 to 5 years	1,926	2,183
Beyond 5 years	557	729
	3,241	3,638
Other:		
Within 1 year	98	91
Within 2 to 5 years	112	30
	210	121

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 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.

Commitments under operating leases	2019/20	2018/19
comprise:	£000	£000
Buildings:		
Within 1 year	795	774
Within 2 to 5 years	1,805	2,448
Beyond 5 years	172	258
	2,772	3,480

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.

14.c Finance leases

There are no obligations or commitments under finance leases.

15. Sources of financing

General Reserves 2018/19 £000	Revenue Transactions £000	Capital Transactions 2019/20 £000	General Reserve £000
2,925 Opening Balance	1,455	161	1,616
(28,582) Surplus/(Deficit) for the year	(25,968)	(50)	(26,018)
4,329 pension actuarial adjustments	1,926		1,926
(21,328) Total before grants	(22,587)	111	(22,476)
22,547 Grant-in-aid funding	24,073	0	24,073
397 Other Scottish Government grants	654	0	654
22,944 Total Grants	24,727	0	24,727
1,616 Total	2,140	111	2,251

16. Contingent Assets

The Care Inspectorate has the following contingent asset as at 31 March 2020.

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 £44k.

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.

We also received procurement services from the Scottish Government's Central Government Procurement Shared Service to the value of £24k (2018/19: £23k).

18. Post statement of financial position events

There were no events after the statement of financial position date relating to the 2019/20 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
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
IAS	Internal Accounting Standard
ICT	Information and communications technology
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
KPI	Key performance indicator
LGPS	Local Government Pension Scheme
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)
RPI	Retail price index
SCNE	Statement of comprehensive net expenditure
SLA	Service level agreement
SOCTE	Statement of changes in taxpayers' equity
SSSC	Scottish Social Services Council
VAT	Value added tax

Care Inspectorate - DRAFT

External Audit Annual Report to the Board and the Auditor General for Scotland for the financial year ended 31 March 2020

Audit Committee – 10 September 2020 and updated for the Board meeting at end of September 2020.

Joanne Brown
Engagement Leader

Lewis Wilson
Audit Manager

Fraser Hoggan
Audit In-Charge



Our audit at a glance



We received a good complete set of financial statements at the outset of the audit. This was in line with the timeline agreed with management.

Good working papers were provided to support the audit process and our queries were responded to quickly by the Finance Team throughout.

This was greatly appreciated by the audit team as it allowed a quality audit to be delivered in line with the timeline agreed by management despite the challenges Covid-19 created and the need to deliver the audit remotely.



As included in our audit plan we consider Care Inspectorate to be a smaller body for the purposes of wider scope responsibilities. We do however conclude on the financial sustainability and the governance statement disclosures, as required by the Code.



We have fulfilled our responsibilities per International Standards on Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice throughout our work. This report to the Board and the Auditor General for Scotland concludes our work.

An audit
underpinned by
quality and adding
value to you



We **intend to issue** an unmodified audit opinion on the annual report and accounts (subject to finalisation of testing and notifications from the pension fund, which may require an emphasis of matter included)



Significant audit risks are:

management override of controls; risk of fraud in revenue recognition and the risk of fraud in expenditure recognition as set out in Financial Reporting Council's (FRC) Practice Note 10. An additional significant audit risk was identified in relation to Covid-19 which caused significant disruption to all public sector entities in the later half of March 2020.

Our audit procedures in relation to the significant risks did not identify any exceptions.



Materiality is set at £828,660, representing approximately 2% of gross expenditure based on the 2019/20 draft financial statement expenditure of £41.433 million.

We did not identify any adjustments to the draft financial statements based on our work and minor disclosure amendments were discussed and agreed (subject to finalisation of testing)

“

Adding value through our external audit work

First and foremost our objective is to ensure we deliver a quality external audit which fully complies with International Standards on Auditing (ISAs) UK and the Audit Scotland Code of Practice (2016). By ensuring our audit is efficient and effective, underpinned by our quality arrangements, gives you assurance over our opinion.

Through this Annual Report we seek to provide insight and commentary over certain aspects of Care Inspectorate's arrangements, sharing relevant practices with the Audit Committee and Management.

We have continued to build on our working relationship with management and our understanding of Care Inspectorate as an organisation. We have acted on feedback received in prior year audits and sought to ensure continuity within the audit team. We also revisited with management the suitability of the timing of the year-end audit work.

Following the emergence of Covid-19 we discussed the approach to remote working at the outset of the year end audit to ensure an effective and efficient approach could be taken. We communicated with key members of the Finance Team on a weekly basis throughout the audit to keep them updated as to audit progress and we believe this worked well.

We continue to work closely with management on how we can add value through our external audit observations to further support them strengthen their financial arrangements. One example of this has been re-reviewing the front end of the accounts alongside management to identify where they can be streamlined, using good practice.

”

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Introduction

Reporting

This report is a summary of our findings from our external audit work for the financial year ended 31 March 2020.

Our work has been undertaken in accordance with International Standards on Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice 2016.

Our report is addressed to the Board of Care Inspectorate. In addition, in accordance with our reporting responsibilities the report is jointly addressed to the Auditor General for Scotland.

Once the accounts have been laid before parliament, the finalised audit report will be made publicly available on the Audit Scotland website (www.audit-scotland.gov.uk)

Our report **will be** presented as a final draft to the Board on 30 September 2020 alongside the final annual report and accounts and will then be finalised once the annual report and accounts are signed by the Accountable Officer.

We would like to thank Care Inspectorate management and the finance team for an effective year-end audit process and all their support and assistance throughout.

Structure of this report

As set out in our Audit Plan (March 2020) we consider in accordance with the Audit Scotland Code of Practice that Care Inspectorate meets the smaller body definition. Therefore full wider scope is not considered relevant.

However, as required in the Code of Audit Practice our report concludes on our audit of the annual report and accounts and certain aspects of Care Inspectorate's arrangements – Governance disclosures and financial management.

Covid-19

As a result of the Covid-19 pandemic an additional significant risk – Covid-19 was identified at financial statement level.

This risk reflects the challenges posed by remote working, market volatility and the risk to financial stability across the economy.

Given the timing of the pandemic in March 2020, Covid-19 had little impact on the 2019/20 financial statements. However, it did impact on a material uncertainty over the valuation of the Investment Property assets within the Tayside Pension Fund. This is drawn to users of the Care Inspectorate Annual Report and Accounts within Accounting policies, Note 5f. We draw attention to this note, through an emphasis of matter paragraph within our opinion.

Our opinion

For the financial year ended 31 March 2020 we will issue an **unqualified audit opinion**:

- True and fair view of the financial statements
- Regularity – expenditure has been incurred in accordance with the purpose of Care Inspectorate
- Other prescribed matters (which include the audited information in the remuneration report)

The audit process

We received a good complete set of financial statements, including front end, on 22 June 2020. This was in line with the timeline agreed with management.

The draft financial statements were supported by good working papers and the finance team were very quick to respond to our queries which was particularly helpful given the remote delivery of the audit.

We have no unadjusted differences to report (subject to completion of remaining testing)

We noted minor disclosure and formatting changes which resulted from our review of the accounts. These have all been processed in the final annual report and accounts. None of these changes were considered material and/or significant in nature and helped to improve the readability of the accounts.

Audit approach and materiality

Our audit approach was set out in our audit plan presented to the Audit Committee on 5 March 2020. Overall materiality has been set at £828,660, approximately 2% of gross expenditure and performance materiality is set at £621,495, 75% of materiality.

This is an increase from materiality communicated at planning due to actual expenditure being greater than budgeted. The benchmark of 2% remained the same.

We report to management any difference identified over £41,400 (trivial threshold being 5% of materiality).

An additional significant audit risk was identified in relation to Covid-19 which caused significant disruption to all public sector entities in the later half of March 2020.

Our work completed in relation to the audit risks identified (management override of controls, risk of fraud in income and expenditure recognition and Covid-19) and our conclusions are set out in this report under “*Responding to significant risks*”.

Audit opinion

We are pleased to report that for the financial year ended 31 March 2020 we [intend to](#) issue an **unmodified audit opinion**.

- That the financial statements represent a true and fair view of the organisation for the year to 31 March 2020 and at the date of the statement of financial position
- Regularity – expenditure has been incurred in accordance with the purpose of Care Inspectorate.
- Other prescribed matters (which include the audited information in the remuneration report)

Internal control environment

During the year we sought to understand Care Inspectorate’s overall control environment (design) as related to the financial statements. In particular, we have:

- Considered procedures and controls around related parties, journal entries and other key entity level controls.
- Performed walkthrough procedures of key financial processes including income and expenditure recognition, journal postings, and payroll.

Our work over controls is limited to our ISA requirements in understanding an entities control environment. While we have assessed Care Inspectorate’s controls to determine if they are designed to mitigate financial statement risk we don’t rely on controls in our approach. As such, our audit is fully substantive and the assessment of control design does not impact on our sample size.

We identified no material weaknesses or areas of concern from this work which would have caused us to alter the planned approach as documented in our plan.

Internal Audit

As set out in our external audit plan our audit approach is to comply with the ISA’s and we do not place formal reliance on the work of Scott Moncrieff, Care Inspectorate’s internal audit provider during 2019/20. We have reviewed the internal audit plan and individual reports issued to date, to consider if any impact on our audit approach.

The opinion of internal audit for the year is:

“In our opinion, the Care Inspectorate has a framework of controls in place that provides reasonable assurance regarding the organisation’s governance framework, effective and efficient achievement of objectives and the management of key risks.”

The findings of internal audit are consistent with our knowledge and experience of Care Inspectorate. From our review we are satisfied that there were no areas arising from the work of internal audit that would impact on our audit opinion or require specific disclosure in the annual governance statement. We noted no concerns over the capability or capacity of the internal audit function. Following a competitive tender exercise during 2019/20, Henderson Loggie were appointed Internal Auditors from 2020/21.

Responding to significant risks

Risk area	Identified audit risks at planning
Risk of fraud in expenditure recognition	Operating expenditure is understated or not treated in the correct period (risk of fraud in expenditure) as set out in Practice Note 10 (revised) which applies to public-sector entities. There is an inherent risk that operating expenditure is understated or not treated in the correct period in order to operate within expenditure limits (risk of fraud in expenditure). As payroll expenditure is well forecast and agreeable to underlying payroll systems, there is less opportunity for the risk of misstatement in this expenditure stream. We therefore focus on non-pay expenditure (other expenditure). We consider the risk to be particularly prevalent around the year end where there is greater incentive and susceptibility for misstatement and therefore focus our testing on cut-off of non-pay expenditure.

Work completed

The audited financial statement value for Operating Expenditure (excluding payroll expenditure) in 2019/20 is £7.751 million. In our response to the risk we have performed the following:

- Walkthroughs of the controls and procedures over other expenditure.
- Substantive testing (at an elevated risk level) of expenditure recognised pre and post year end to identify if there is any potential over or under-statement.
- Testing post year end bank statements and review of minutes and any legal expenses incurred to identify any potential unrecorded liabilities.
- Testing of expenditure incurred in the year to invoice and bank (completeness and accuracy).

Our conclusion

Based on our testing we can conclude (subject to final review of testing):

- We did not identify any exceptions in our cut-off testing of year end expenditure.
- We did not identify any exceptions in the completeness and accuracy of expenditure or associate accruals balances at the year end.
- Through our substantive procedures and sample testing we confirmed expenditure testing was in accordance with the nature of Care Inspectorate (regularity).

Risk area

Risk of fraud in revenue recognition

Identified audit risks at planning

As set out in ISA 240, there is a presumed risk that revenue may be misstated due to improper recognition of revenue. In 2019/20, Care Inspectorate received £24.1 million (2018/19: £22.5 million) in revenue funding from the Scottish Government.

The Care Inspectorate budget is agreed with Scottish Government with very little change occurring to the agreed budget and therefore there is an inherently low risk of fraud. Our presumed risk focusses on fees and charges. Care Inspectorate charges fees to service providers applying to register a service and once registered an annual continuation of registration fee is charged. Fees charged in 2019/20 were £12.063 million (2018/19: £11.911 million).

Work completed

The audited financial statement value for Income from Fees and charges in 2019/20 is £12.063 million. In our response to the risk we have performed the following:

- Walkthroughs of the controls and procedures over fees and charges.
- Substantive testing (at an elevated risk level) over income recognised in the final two months of the year where there is an inherently higher susceptibility of fraudulent recognition.
- Evaluation of the existence of debtor balances held at 31 March 2020 by agreeing balances held to invoices and/or other supporting records.
- Income cut-off procedures and substantive testing over pre and post year end balances, focused on income from fees and charges.

Our conclusion

Based on our testing we can conclude (subject to final review and completion of any o/s testing):

- We did not identify any exceptions in our cut-off testing of year end expenditure.
- We did not identify any exceptions in the evaluation of debtor balances existing at the year end.
- Through our substantive procedures and sample testing we confirmed expenditure testing was in accordance with the nature of Care Inspectorate (regularity).

Risk area

Management override of controls

Identified audit risks at planning

As set out in ISA 240 there is a presumed risk that management override of controls is present in all entities. This risk area includes the potential for management to use their judgement to influence the financial statements as well as the potential to override Care Inspectorates controls for specific transactions.

We consider those key judgements that are most susceptible to significant audit risk of management override are those over income and expenditure recognition. These are areas where management has the potential to influence the financial statement through estimate and judgement.

Work completed

Accounting estimates:

In assessing the risk of management override, we have considered those key accounting estimates and judgements that could impact on the organisations financial results and where there is an inherently increased risk of fraudulent misstatement or where management bias could result in a material misstatement. In response to the significant audit risk we have:

- Considered the design of controls in place over key accounting estimates and judgements.
- Reviewed accounting estimates for management bias / indication of fraud that could result in material misstatement. This included review of estimates as at 31 March 2020 and retrospective review of those estimates as at 31 March 2019.

Journals testing:

We used data analytics to support our evaluation of journal transactions during the year. In response to the significant risk we have:

- Assessed the design of controls in place over journal entries, including how these are prepared, authorised and processed onto the financial ledger;
- Risk assessed the journals population to identify large or unusual journal entries, such as those that are not incurred in the normal course of business, or those entries that may be indicative of fraud or error that could result in material misstatement. We have tested these journals to ensure they are appropriate and that they are suitably recorded in the financial ledger and appropriately recognised within the financial statements;
- We have performed targeted testing of transactions around the financial year end reviewing journals which are large or otherwise appear unusual to understand the rationale for the transaction.

Our conclusion

Based on our testing we can conclude (subject to final file review):

- There was no evidence of management override in our testing of controls.
- We did not identify any unusual or significant transactions throughout the financial year or during the financial close period which were out with the ordinary operations of Care Inspectorate.
- We did not identify any indications of management bias or indication of fraudulent

Risk area

Covid-19

Identified audit risks at planning

The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to;

- Remote working arrangements may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation;
- Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and the reliability of evidence we can obtain to corroborate management estimates;
- Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and
- Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties.

We therefore identified the global outbreak of the Covid-19 virus as a significant financial statement risk, and potential for increased risk of misstatement.

Work completed

In assessing the risk posed by Covid-19 we have:




- Worked with management to understand the implications the response to the Covid-19 pandemic has on the organisation's ability to prepare the financial statements and update financial forecasts and assess the implications on our audit approach.
- Evaluated the adequacy of the disclosures in the financial statements in light of the Covid-19 pandemic.
- Evaluated whether sufficient audit evidence using alternative approaches could be obtained for the purposes of our audit whilst working remotely.
- Evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates including provisions.
- Evaluate management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment.
- Discussed with management any potential implications for our audit report if we have been unable to obtain sufficient audit evidence.

Our conclusion




Based on our testing we can conclude (subject to completion of final review):

- Covid-19 and remote working did not restrict Care Inspectorate's ability to prepare the financial statements or restrict the audit evidence required to complete the audit.
- Management have adequately assessed the impact of Covid-19 on the organisations governance arrangements and there has been no detrimental impact as a result of effective use of remote working technologies.

Accounting policies

Accounting area	Summary of policy	Comments	Assessment
Revenue recognition	<p>Care Inspectorate recognise grant funding from the Scottish Government based on the budget allocated.</p> <p>Income from registration fees and other income is recognised as it is earned and not on a cash basis.</p>	<p>Care Inspectorate's revenue recognition policies are in line with the FReM.</p> <p>While we recognised the risk of fraud within revenue in respect of registration fees and other income the presumed risk was rebutted in relation to government funding.</p> <p>Our audit testing addressed the risk of revenue being recognised incorrectly through cut-off testing. Our testing did not identify any exceptions.</p>	<p> (GREEN)</p>
Judgements and estimates	<p>The only area of significant judgement and estimate included within Care Inspectorate's accounts is the defined benefit pension scheme.</p> <p>An independent actuary provides an IAS 19 valuation in respect of these balances and transactions each year.</p> <p>All appropriate disclosures, including sensitivities and assumptions are included within the accounts.</p>	<p>Care Inspectorate's accounting treatment in respect of the defined benefit pension scheme is in accordance with IAS 19.</p> <p>Our audit testing has considered the independence and objectivity of the actuary as well as specific audit procedures over the transactions within pension assets and liabilities year on year.</p> <p>Audit procedures include assessment of the disclosure included within the annual accounts and we are satisfied that disclosure is in line with the FReM.</p>	<p> (GREEN)</p>
Other critical policies	None identified by Care Inspectorate.	<p>We have reviewed the Care Inspectorate accounting policies against the FReM requirements. Where appropriate the Care Inspectorate has tailored accounting policies, whilst still complying with the FReM. A number of accounting policies are of less relevance to Care Inspectorate's annual reports and accounts.</p> <p>We recommended a small number of minor disclosure changes, which have been made in the audited financial statements.</p>	<p> (GREEN)</p>

Assessment

-  Marginal accounting policy which could potentially be open to challenge and/or interpretation
-  Accounting policy appropriate but scope for improved disclosure
-  Accounting policy appropriate and disclosures sufficient

Narrative elements of your annual accounts

In accordance with our responsibilities we have reviewed the narrative aspects of the annual accounts and report. We have considered the consistency of this narrative with our understanding of Care Inspectorate and the financial statements and have set out our observations below. We have also audited the required information in the remuneration report (marked audited) and have no matters we wish to bring to your attention.

Performance Report

The performance report provides information on the Care Inspectorate's financial and non-financial performance during the year and defines the organisation's purpose and strategy.

The report includes a detailed Chief Executive statement which discusses the operations and performance of the organisation during the year. Following review, and further management review the report was reduced in size. This enhanced the readability of the report.

Overall Observations

The Care Inspectorate's financial statements continue to be developed to provide the reader of the accounts with an understanding of the organisation's financial and non-financial performance.

The "front end" of the annual report and accounts has been reduced in 2019/20. However, due to Covid-19 the ability to make further enhancements this year was reduced. However, further work will be done in 2020/21 to continue to ensure the annual report and accounts are meaningful, focused on outcomes and where appropriate include greater use of graphics to enhance the readability of the report.

Annual Report and Accounts
include the performance report
and accountability report
(including remuneration and
governance)

Remuneration and Staff Report

The Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions thereunder.

The disclosures within the report are consistent with underlying payroll information and the requirements of the FReM.

Governance Statement

All key information required by the FReM has been included within the Governance Statement.

No material issues of governance in the year have been required to be disclosed.

None of the information contained within the statement is inconsistent with our audit knowledge and understanding of the Care Inspectorate.

Key aspects of your financial statements

As set out in our audit plan we consider particular aspects of your financial statements in relation to management judgements including estimates and where management may have particular options or choices in what accounting standards or disclosure requirements to apply. We have summarised where these apply, and our conclusions below.



Judgements and Estimates – Defined Benefit Pension Scheme

Care Inspectorate is an admitted body to the Tayside Superannuation Fund. Due to the nature of Local Government Pension Schemes, these figures can move materially year on year as a result of in year transactions, changes in discount rates used in the actuarial calculation and the performance of scheme assets.

Care Inspectorate use an independent actuary to calculate the valuation of the pension under IAS 19. The IAS 19 valuation has been substantively audited in the year including an assessment of the actuary (independence, objectivity and qualifications) and the discount rates used.

Audit testing identified that the prior year pension assets value, was £187.692 million and not the £184.692 reported. Assets in the prior year were therefore understated by £3 million. This resulted from the asset valuation being performed by the actuary at February 2019 and rolled forward to 31 March 2019 which is an acceptable valuation technique under IAS 19.

We do not consider this error to be fundamental to users of the accounts as the restatement adjustment would be direct to the pension reserve with no impact on the bottom line. Although greater than materiality, the error represents just 1.6% of pension assets and material movements within pension balances are common year on year. Furthermore, pension assets in the current year were valued at the year end date so there is no risk that the error is repeated in the valuation as at 31 March 2020.

As a result, we have not proposed restatement of the prior year accounts.

As a result of the economic uncertainty which Covid-19 created at the year end date, the pension fund's independent property valuation experts have provided their valuation on the basis of material uncertainty in line with industry guidance. This material uncertainty impacts Care Inspectorate's share of the assets and a disclosure to this effect has been included in Care Inspectorate's financial statements.

Going Concern

As set out in the performance and accountability reports, Care Inspectorate's accounts have been prepared on the going concern basis.

A budget has been agreed with the Scottish Government for 2020/21.

As the Care Inspectorate's role is set out in Scottish legislation, to provide regulatory services for a range of care services, we have no reason to believe this will change.

We therefore agree with management's assertion that going concern is the appropriate basis for preparation of accounts.

Timing of transactions

Our substantive testing in relation to the significant risks of fraud in expenditure and revenue recognition has assessed the timing and recognition of transactions.

No exceptions were identified in our testing, indicating transactions have been recognised in the correct accounting period.

Care Inspectorate's financial and governance arrangements

Financial position 2019/20

The Care Inspectorate's budget is funded by grant-in-aid and specific grants from the Scottish Government alongside fees paid by service providers.

In 2019/20, Care Inspectorate received income directly of £13.415 million, alongside Grant-in-aid and specific grant income from Scottish Government of £24.727 million (£38.142 million total income). This income was used to cover expenditure of £37.457 million in year, resulting in an in-year surplus of £0.685 million. Staff costs continue to be the largest source of expenditure for Care Inspectorate accounting for 81% of gross expenditure (£33.682 million).



The return of a surplus in year compared to the budgeted deficit of £0.224 million is a result of:

- Income being greater than budgeted by £0.454 million.
- Additional grant funding of specific projects of £0.156 million.
- Savings in expenditure of £0.299 million, in part as a result of Covid-19, necessitating the delay of some planned activities to 2020/21.

The surplus has increased the reserves to £2.251 million (£2.140 million revenue and £0.111 million capital transactions). The £2.140 million revenue reserves is in excess of the medium term target of holding reserves at between 1.0% (£0.414 million) and 1.5% (£0.621 million) of gross expenditure.

The Statement of Financial Position shows a net liability position of £17.801 million which has increased from £16.510 million in 2018/19, with the majority attributable to the increase in the pensions liability. Similar to other public sector entities, the pension liability is a material figure, however, it is not expected that the Scottish Government will withdraw support for the pension liability.

Financial sustainability – 2020/21 budget 2020/21 and beyond

Indicative budgets for 2020 to 2023 includes budgeted deficits of £0.808 million in 2020/21, £2.367 million in 2021/22 and £3.256 million in 2022/23. Although the Care Inspectorate has sufficient reserves to absorb the budgeted deficit in 2020/21, if the current budget reflects actual outturn the organisation will be in a negative reserves position by 31 March 2022.

2020/21 is the first year that the Care Inspectorate has been required to set a deficit budget, using available reserves to fund core operating expenditure. This is not sustainable in the longer term and is recognising as a significant risk in the Care Inspectorate's risk register. It is forecast that £646k of digital costs will be funded from reserves, these are one off costs for 2020/21. In addition, £113k of operational costs are forecast to be paid for using reserves.

The budgets for 2021/22 and 2022/23 includes repayments to the Scottish Government of £0.575 million each year in respect of expected savings following ICT improvements. Management continue to discuss the future repayments with the Scottish Government as the savings originally anticipated from ICT improvements may not be fully realised.

The Care Inspectorate has formed a member / officer working group to consider how to reduce projected budget deficits over the next two years. This group will identify and consider potential savings and additional funding together with the likelihood of delivering these on time or at the value estimated. We will continue to monitor the progress made by this group in reducing forecasted deficits going forward.



Governance and transparency

The Care Inspectorate is committed to transparency in its governance arrangements. Board Minutes and Papers are published on the Care Inspectorate website alongside corporate plans, policies, governance documents and the strategic risk register. Board meetings are held in public to promote transparency and despite the move to remote working as a result of Covid-19, members of the public can still join meetings as observers via Microsoft Teams.

The Care Inspectorate embrace the importance of engagement with the public and continue to make information readily accessible and undertake public consultations.

The annual accounts and report have been presented to the Audit Committee in August 2020 to provide members with additional time to exercise scrutiny of the financial statements and provide feedback on the annual report.



Covid-19 response

Care Inspectorate moved to remote working as a result of the Covid-19 outbreak and have been able to continue operations throughout the pandemic. Given its role, enhanced notification systems were put in place requiring services to report suspected and confirmed cases of Covid-19 and any staffing issues as a result of the virus.



Due to the timing of the pandemic, it has not significantly impacted the finances of the organisation for year ended 2019/20. Some planned activities were postponed until 2020/21 to enable resources to be focussed on priority areas which has contributed to the surplus reported.

There was no detrimental impact on Care Inspectorate's governance arrangements as a result of Covid-19.

In accordance with the Coronavirus (Scotland) (No.2) Act 2020, which came into force on 27 May 2020, the Care Inspectorate must provide a report to the Scottish Parliament every fortnight setting out, which care home services have been inspected in the two weeks and the findings of those inspections. The first of these reports was laid before Parliament on 10 June 2020. The fortnightly reports are published on the Care Inspectorate's website once laid before Parliament.

Fraud and Irregularity

Care Inspectorate has arrangements in place to help prevent, detect and mitigate the risk of fraud or irregularity, including anti-bribery and whistleblowing policies. While we consider these to be reasonable, no arrangements can fully prevent against the risk of fraud, theft or irregularity. We are not aware of any material frauds at Care Inspectorate during the course of the year and have confirmed this with management.

The Care Inspectorate participates in the National Fraud Initiative (NFI), a counter fraud exercise co-ordinated by Audit Scotland working together with a range of Scottish public bodies, external auditors and the National Audit Office to identify fraud and error. All 109 matches identified in the NFI exercise have been worked through and actioned.

We found Care Inspectorate's arrangements for participation in the NFI exercise to be satisfactory. The Care Inspectorate has effective arrangements in place for the submission of data and investigation of potential matches.



Appendices

- Audit adjustments
- Audit recommendations 2019/20
- Follow up of previous recommendations
- Audit fees and independence
- Fraud arrangements
- Communication of audit matters

Audit adjustments

Uncorrected and corrected misstatements

We are pleased to report that there were no uncorrected misstatements to the financial statements arising during our audit.

Disclosure misstatements

In accordance with auditing standards we are required to highlight significant disclosure misstatements to allow Audit Committees to evaluate the impact of these matters on the financial statements.

Disclosure misstatement	Detail	Adjusted
Correction of operating leases disclosure	A formula error was identified in the operating leases working paper which resulted in the disclosure in the draft financial statements being incorrect to the value of £31k.	✓
Pension sensitivity analysis	One of the sensitivities in the IAS 19 report had been incorrectly disclosed in the first version of the draft financial statements.	✓

We also noted minor disclosure and formatting changes in our review which have been reported to management and updated in the final version of the financial statements. These were simple typos and rewording to enhance the user friendliness and readability of the information and do not require reporting in this report.

Audit recommendations 2019/20

We are pleased to report that we have not identified any recommendations in the year.

We will continue to monitor some of the recommendations raised in previous audits where these have not been fully implemented as detailed overleaf.

Follow up of previous recommendations

We set out below our follow up of our 2018/19 and 2017/18 recommendations and these are reflected below for information.

Recommendation

Board Chair Remuneration (raised 2018/19)

Care Inspectorate have gained retrospective approval from the Scottish Government for remuneration paid to the Board Chair in excess of the 174 days limit, stipulated in the appointment letter, for 2017/18 and 2018/19. Care Inspectorate Management should look to strengthen their controls around monitoring the Board Chair remuneration to ensure limits are not exceeded going forward, without first having Scottish Government approval.

Initial management response

Claimed hours worked will be reviewed throughout the year. Where a risk of exceeding the maximum number of days is identified, Scottish Government approval will be sought in advance.

Follow up – recommendation is closed

The Board Chair exceeded the 174 day limit per the appointment letter in 2019/20 however this was monitored throughout the year and approval was sought and obtained from the Scottish Government prior to the limit being exceeded. Management will continue to monitor this in future years and where it appears the limit will be exceeded will seek advance approval from the Scottish Government. As part of the appointment process for a new Chair, Care Inspectorate should discuss the time commitment with the Scottish Government to ensure it is appropriate, for the role to be fulfilled.

ICT savings and efficiencies (raised 2018/19)

Care Inspectorate to date have received additional Scottish Government funding of £0.970 million with a further £1.089 million and £0.241 million expected in 2019/20 and 2020/21 respectively. The total additional funding of £2.300 million from the Scottish Government is required to be repaid in later years (starting in financial year 2021/22) from the savings and efficiencies generated by the business and digital transformation programme and investment in ICT modernisation. These savings will need to be closely monitored and measured by Care Inspectorate Management in order to meet the terms of the Scottish Government in repaying the additional funding from savings made.

Initial management response

This is being considered as an element of the financial strategy work as described in the “Financial Sustainability” section earlier in this report.

Cash releasing savings from the transformation programme are being identified separately and used to either supplement the digital transformation programme, reduce the amount drawn down to support the Digital Transformation Programme (this will reduce the repayments due to commence 2021/22 onwards) or to fund non-recurring expenditure.

The Scottish Government have also been requested to review this repayment of funding approach within the context of the Care Inspectorate’s projected financial position.

Follow up – recommendation still applicable

Care Inspectorate have continued to assess the savings expected to be realised as a result of ICT efficiencies. Monitoring to date has identified that the expected savings will not be realised. Discussions with the Scottish Government in respect of the scheduled repayments is ongoing and management continue to monitor the savings and efficiencies. This will continue to be monitored by external audit in 2020/21.

Follow up of previous recommendations

Recommendation

Shared services ICT arrangements (raised 2017/18)

Following on from the lessons learned in respect of the shared services ICT arrangements between the Care Inspectorate and SSSC, Management should agree an action plan which can then be monitored by the Audit Committee and the Board. Recognising the wider sharing of arrangements between Care Inspectorate, SSSC and then NES from 2018/19 it is key that the arrangements in place in respect of governance are strengthened to mitigate any future similar risks to the Care Inspectorate.

Prior year management update

This has proved to be a more onerous task than originally anticipated. The Care Inspectorate and SSSC are working together as described in the “Shared services with SSSC – ICT” section earlier in this report. Once the vision for future shared services is agreed (anticipated October 2019) then the revised operational service level agreements will be fully developed and agreed.

Follow up – recommendation still applicable. Work ongoing and will be concluded during 2020/21

Substantial work and discussion has taken place between Care Inspectorate and SSSC over wider shared services and the supporting governance structures. CIPFA were commissioned and completed a review. This was accepted by both parties. Further discussion took place during 2019/20 between Chief Executives and also at the Board of Care Inspectorate and the Council of SSSC. Internal Audit plan to review the arrangements early on, in the 2020/21 Internal Audit programme to support the Care Inspectorate and SSSC reach final agreement. Both parties are committed to the continuation of shared services.

Annual report (raised 2017/18)

The front end of the financial statements, the wider annual report commentary, is very lengthy and contains information which is already publicly available on the Care Inspectorate and might not necessarily enhance the user of the accounts understanding of the work of the Care Inspectorate or the service outcomes.

2018/19 update: Minimal improvement has been made to the front end of the 2018/19 financial statements, Care Inspectorate should act on the recommendation for 2017/18 as well as consider how they can get the front end to better ‘tell the story’ of the organisation, in line with FReM requirements.

Prior year management update

Management still continue to look at the front end. Improvements have been made in 2017/18 and the accounts are more focused in commentary. There continues to be opportunity to look at how the Care Inspectorate demonstrates the achievement of outcomes and links to information already publicly available.

Follow up – recommendation still applicable. Work ongoing and improvements made in 2019/20

The 2019/20 annual report and accounts has been streamlined during 2019/20. However, due to Covid and other priorities it is recognised that further reductions to the size of the document could be made in 2020/21. Further improvements planned include the continued focus on outcomes and what the Care Inspectorate achieved in year vs description of activities, greater use of graphics and adopting a style of communication similar to the new corporate plan.

Audit fees and independence

External Audit Fee

Service	Fees £
External Auditor Remuneration	25,570
Pooled costs	5,940
Contribution to Audit Scotland costs	1,420
Contribution to Performance Audit and Best Value	-
2019/20 Fee	32,930

Fees for other services

Service	Fees £
We confirm there are no non-audit fees	Nil

Independence and ethics

- We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.
- We have complied with the Financial Reporting Council's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.
- Full details of all fees charged for audit are set out above in this annual report.
- We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standards.
- We are required by auditing and ethical standards to communicate any relationships that may affect the independence and objectivity of the audit team.
- We can confirm no independence concerns have been identified.

Client service

We take our client service seriously and continuously seek your feedback on our external audit service. Should you feel our service falls short of expected standards please contact Joanne Brown, Head of Public Sector Assurance Scotland in the first instance who oversees our portfolio of Audit Scotland work (joanne.e.brown@uk.gt.com). Alternatively, should you wish to raise your concerns further please contact Jon Roberts, Partner and Head of Assurance, 30 Finsbury Square, London, EC2A 1AG. If your feedback relates to audit quality and we have not successfully resolved your concerns, your concerns should be reported to Elaine Boyd, Assistant Director, Audit Scotland Quality and Appointments in accordance with the Audit Scotland audit quality complaints process.

Fraud arrangements

The term fraud refers to intentional acts of one or more individuals amongst management, those charged with governance, employees or third parties involving the use of deception that result in a material misstatement of the financial statements. In assessing risks, the audit team is alert to the possibility of fraud at Care Inspectorate.

As part of our audit work we are responsible for:

- Identifying and assessing the risks of material misstatement of the financial statements due to fraud in particular in relations to management override of controls.
- Leading a discussion with those charged of governance (for Care Inspectorate this is assumed to be the Audit and Risk Committee) on their view of fraud. Typically we do this when presenting our audit plan and in the form of management and those charged with governance questionnaires.
- Designing and implementing appropriate audit testing to gain assurance over our assessed risks of fraud.
- Responding appropriately to any fraud or suspected fraud identified during the audit.

As auditors we obtain reasonable but not absolute assurance the financial statements as a whole are free from material misstatement, whether due to fraud or error.

We will obtain annual representation from management regarding managements assessment of fraud risk, including internal controls, and any known or suspected fraud or misstatement.

Anti-Money Laundering Arrangements

As required under the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 there is an obligation on the Auditor General (as set out in the planning guidance) to inform the National Crime Agency if she knows or suspects that any person has engaged in money laundering or terrorist financing. Should we be informed of any instances of money laundering at Care Inspectorate we will report to the Auditor General as required by Audit Scotland.

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance including establishing and maintaining internal controls over the reliability of financial reporting effectiveness and efficiency of operations and compliance with applicable laws and regulations.

It is Care Inspectorate's responsibility to establish arrangements to prevent and detect fraud and other irregularity. This includes:

- developing, promoting and monitoring compliance with standing orders and financial instructions
- developing and implementing strategies to prevent and detect fraud and other irregularity
- receiving and investigating alleged breaches of proper standards of financial conduct or fraud and irregularity.

Throughout the audit we work with Care Inspectorate to review specific areas of fraud risk, including the operation of key financial controls. We also examine the policies in place, strategies, standing orders and financial instructions to ensure that they provide a strong framework of internal control.

In addition, as set out in the Audit Scotland Code of Audit Practice we have a role in reviewing Care Inspectorate's arrangements in response to the national fraud initiative exercise.

All suspected frauds and/or irregularities over £5,000 are reported to Audit Scotland by us as your auditors on a quarterly basis.

Communication of audit matters

International Standards on Auditing (UK) (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table above.

This document, our Annual Report is issued prior to approval of the financial statements and presents key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

Our communication plan

	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, including planning assessment of audit risks and wider scope risks	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern No significant matters identified.	•	•
Views about the qualitative aspects of Care Inspectorate's accounting and financial reporting practices, including accounting policies, accounting estimates and financial statement disclosures Summarised on slides 11, 12 and 13.		•
Significant findings from the audit Captured within this report.		•
Significant matters and issues arising during the audit and written representations that have been sought No significant matters arising and letter of representation signed as at date of signing the accounts.		•
Significant difficulties encountered during the audit No difficulties were encountered during the audit.		•
Significant deficiencies in internal control identified during the audit No significant deficiencies in internal control identified during the audit.		•
Significant matters arising in connection with related parties No significant matters identified in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements None identified		•
Non-compliance with laws and regulations None identified		•
Unadjusted misstatements and material disclosure omissions None identified		•
Expected modifications to the auditor's report, or emphasis of matter		•



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Grant Thornton UK LLP
10 Queen Street

30 September 2020
Our Reference: GB/AWF

Dear Sirs

Care Inspectorate
Financial Statements for the year ended 31 March 2020

This representation letter is provided in connection with the audit of the financial statements of the Care Inspectorate for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the 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.

I confirm that to the best of my knowledge and belief having made such inquiries as considered necessary for the purpose of appropriately informing myself:

Financial Statements

- i. I acknowledge my responsibilities under the Public Services Reform (Scotland) Act 2010 for preparing financial statements, which give a true and fair view, and for making accurate representation to you.
- ii. I have fulfilled my responsibilities for the preparation of the organisation's financial statements in accordance with International Financial Reporting Standards and the 2019/20 HM Treasury Financial Reporting Manual (FReM).
- iii. I have complied with the requirements of all statutory directions affecting the organisation and these matters have been appropriately reflected and disclosed in the financial statements.
- iv. The organisation has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- v. I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- vi. Significant assumptions used in making accounting estimates, including those measured at fair value and/or depreciated replacement cost, are reasonable.
- vii. I have reviewed the carrying value of property, plant and equipment and have noted no impairments. There are no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

- viii. I am satisfied that there are no material judgements used in the preparation of the financial statements requiring disclosure per International Financial Reporting Standards and the FReM
- ix. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the organisation have been assigned, pledged, or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- x. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the FReM.
- xi. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the FReM require adjustment or disclosure have been adjusted or disclosed.
- xii. I have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Annual Report to the Board and Auditor General for Scotland. The financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xiii. The financial statements are free of material misstatements, including omissions.
- xiv. The estimation error identified in the prior year (2018/19 audited accounts) pension assets valuation does not represent a material error in the annual accounts. The valuation of assets in the current year was conducted as at the year end date 31 March 2020 and has accounted for the prior year estimation error.
- xv. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xvi. There are no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xvii. I continue to believe that the organisation's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that current and future sources of funding or support will be more than adequate for the organisation's needs. I believe that no further disclosures relating to the group and organisation's ability to continue as a going concern need to be made in the financial statements.

Information Provided

- xviii. I have provided you with:
 - a. access to all information of which I am aware that is relevant to the preparation of the organisation's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested for the purpose of your audit; and

- c. access to persons within the organisation via remote arrangements, in compliance with the nationally specified social distancing requirements established by the government in response to the Covid-19 pandemic, from whom you determined it necessary to obtain audit evidence.
- xix. I have communicated to you all deficiencies in internal control of which management is aware.
- xx. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xxi. I have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxii. I have disclosed to you all information in relation to fraud or suspected fraud that I am aware of and that affects the organisation, and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xxiii. I have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxiv. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxv. I have disclosed to you the identity of related parties and all the related party relationships and transactions of which I am aware.
- xxvi. I have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxvii. I am satisfied that the Annual Governance Statement (AGS) fairly reflects the organisation's risk assurance and governance framework and confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Annual Report

- xxviii. The disclosures within the Annual Report fairly reflect our understanding of the organisation's financial and operating performance over the period covered by the financial statements.



website: www.careinspectorate.com
telephone: 0345 600 9527
email: enquiries@careinspectorate.gov.scot
Twitter: @careinspect

Agenda item 14.4

Approval

The approval of this letter of representation was minuted by the Board at its meeting on 30 September 2020.

Yours faithfully

Name: Peter Macleod

Position: Chief Executive

Date: 30 September 2020

Name: Paul Edie

Position: Chair

Date: 30 September 2020

Signed by the Accountable Officer and Board Chair on behalf of the Board



Title:	2020/21 BUDGET MONITORING
Author:	<i>Kenny Dick, Head of Finance and Corporate Governance</i>
Appendices:	1. Movement in Projected Financial Position
Consultation:	
Resource Implications:	Yes

EXECUTIVE SUMMARY

This report provides the Board with details of the projected 2020/21 financial position based on the ledger to 31 July 2020.

After expenditure delayed from 2019/20 is accounted for, the projected financial position is an underspend against revised budget of £0.204m. This is a decrease of £0.045m in projected expenditure from the position reported to the Board at its meeting of 13 August 2020.

The agreed grant in aid position has reinstated the anticipated baseline reduction of £0.049m. This has reduced the budgeted deficit from £0.808m to £0.759m.

A summary of the movement in projected financial position is shown in Appendix 1 of this report.

The significant risks to this projection are set out in Section 4 of this report.

The Board is invited to:

- | | |
|----|--|
| 1. | Note the Movement in Projected Financial Position from the position previously reported to Board (appendix 1). |
| 2. | Note the projected financial position for 2020/21 and the risks and emerging issues that may affect this position. |

Links:	Corporate Plan Outcome		Risk Register - Y/N		Equality Impact Assessment - Y/N	
For Noting	✓	For Discussion	✓	For Assurance		For Decision

BOARD MEETING 30 SEPTEMBER 2020

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If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report:
This is a public Board report.
Disclosure after:

Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

BOARD MEETING 30 SEPTEMBER 2020

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FINANCE AND STAFFING UPDATE

1.0 INTRODUCTION

The Board approved a 2020/21 revenue budget with a deficit of £0.808m to be funded from the general reserve balance. Since then, the agreed grant in aid position reinstated the anticipated baseline reduction of £0.049m and additional funding of £1.1m was provided to fund the costs of Job Evaluation and the Team Manager review. The revised budget deficit is now £0.759m which increases to £0.955m once expenditure brought forward from 2019/20 is included.

The projected financial position as at 31 March 2021 projects a deficit of £0.751m. This report provides the key assumptions used to arrive at this projected position and identifies key risks.

2.0 SUMMARY FINANCIAL POSITION

2.1 Core Approved Budget

There was £0.196m of expenditure budgeted to be spent in 2019/20 that was delayed due to the Covid-19 position. The funding for this expenditure has been carried forward in the general reserve balance and this expenditure will now be incurred in 2020/21.

This, when added to the 2020/21 revised budgeted deficit of £0.759m, provides an expected deficit of £0.955m. The projected deficit of £0.751m is £0.204m less than this as shown below.

	Approved 2020/21 Budget	Budget Virement 2020/21	Expenditure b/fwd from 2019/20	Additional Core Grant 2020/21	Revised 2020/21 Budget	Projected Expenditure	Variance
	£m	£m	£m	£m	£m	£m	£m
Staff cost	29.125	(0.051)	0.036	1.100	30.210	30.313	0.103
Accommodation costs	2.500	(0.004)			2.496	2.429	(0.067)
Administration costs	1.106	0.055	0.071		1.232	1.263	0.031
Travel costs	1.232				1.232	0.823	(0.409)
Supplies and services	1.538		0.089		1.627	1.809	0.182
Gross Expenditure	35.501	(0.000)	0.196	1.100	36.797	36.637	(0.160)
Grant in aid	(21.906)			(1.149)	(23.055)	(23.055)	0.000
Fee Income	(11.850)				(11.850)	(11.850)	0.000
Shared service income	(0.836)				(0.836)	(0.836)	0.000
Other income	(0.101)				(0.101)	(0.145)	(0.044)
Total income	(34.693)		0.000	(1.149)	(35.842)	(35.886)	(0.044)
(Surplus) / Deficit	0.808	(0.000)	0.196	(0.049)	0.955	0.751	(0.204)

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The draft Annual Report and Accounts for 2019/20 shows an improved general reserve balance compared to the position anticipated when the budget was set. The table below shows the latest projected position:

	Budgeted General Reserve Position	Projected General Reserve Position
	£m	£m
Opening general reserve*	1.552	2.140
(Surplus) / Deficit	(0.808)	(0.751)
Projected closing general reserve	0.744	1.389
Minimum of target range	0.744	0.744
Maximum of target range	0.913	0.913
	Minimum of Range	Exceeds Target Range by £0.476m

* balance for Revised 20/21 budget is as per draft Annual Report and Accounts

2.2 Specific Grants

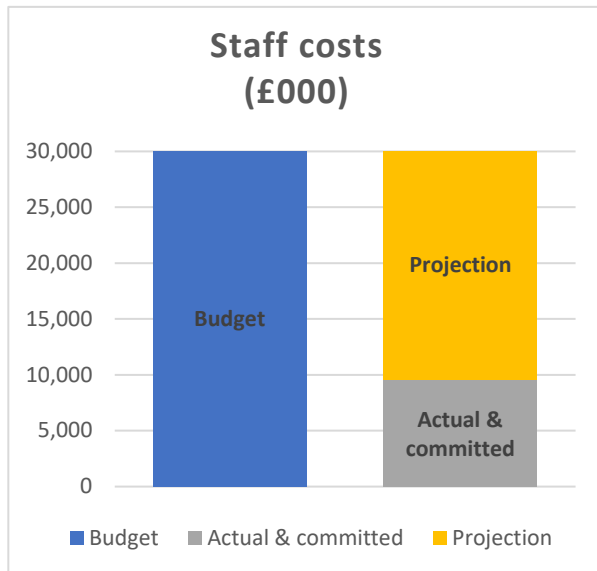
The projected expenditure on work funded by specific grants has been affected by the Covid-19 position. An underspend of £44k is currently projected. Discussions with the various grant providers are on-going.

We are continuing to engage with the Sponsor to convert short term specific grant funding into core grant in aid as appropriate.

The remainder of this report focuses on our core budget financial position and excludes further consideration of specific grant funded expenditure.

3.0 BUDGET VARIANCES

3.1 Staff Costs – projected overspend of £0.103m



Temporary arrangements were put in place to provide additional senior management and flexible response capacity due to the impact of the Covid-19 crisis. This is at a projected cost of £0.129m.

The Chief Executive used his delegated authority to approve the creation of an additional Chief Inspector post (2020/21 projected spend £0.053m) and a Transformation Lead post (2020/21 projected spend £0.078m).

The Board approved the establishment of an additional Service Manager to support the increase in the number of Team Managers required through the expansion of ELC and the Team Manager Review. The projected cost for 2020/21 is £0.040m.

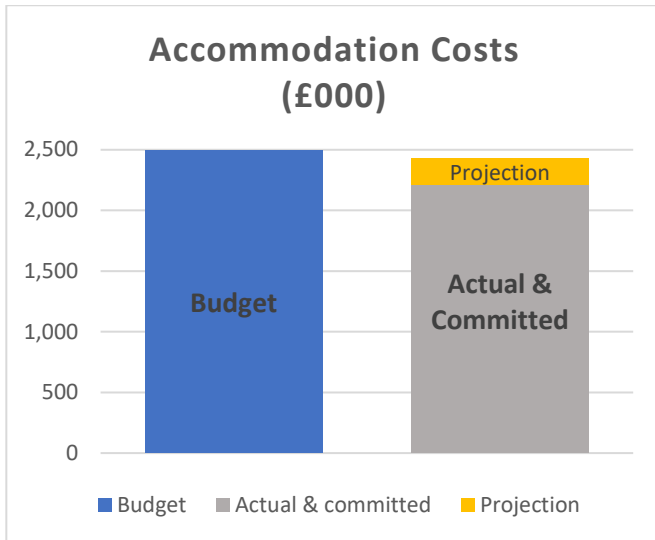
An additional Team Manager has been allocated to support Complaints ahead of the implementation of the Team Manager review at a projected cost of £0.041m.

Projected expenditure also includes £0.030m for two temporary Intelligence Researcher posts with contracts budgeted to end on 30 September to be made permanent posts.

The revised budget includes £1.100m as the cost of implementing the Inspector job evaluation and Team Manager review.

Mainly due to the impact of Covid-19 on recruitment, the budgeted ordinary and extraordinary slippage saving is projected to be exceeded by £0.268m. This partially offsets the additional expenditure identified above.

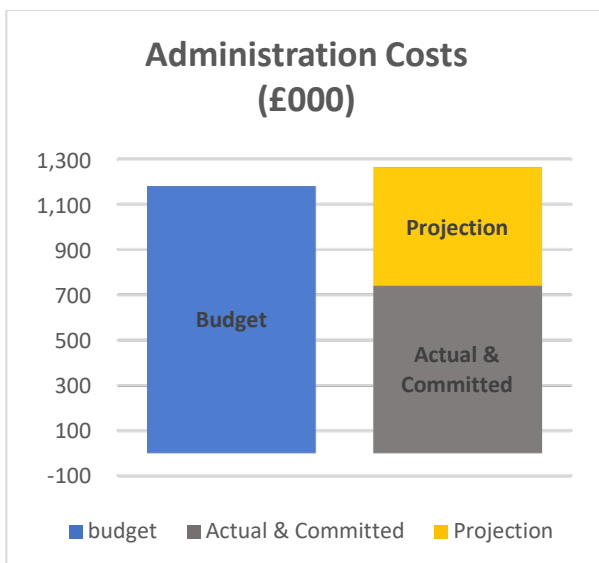
3.2 Accommodation costs – projected underspend of £0.067m



The budget included provision of £0.097m for end of lease and possible move costs for the Stirling and Dunfermline offices. The leases have been extended into 2021/22 and this budget will not be required this financial year. This will become a financial pressure for next year’s budget.

In response to the Covid-19 pandemic and preparing for returning to some degree of office-based working, additional cleaning will be required to reduce the risk of spreading the virus. The estimated cost of £0.030m partially offsets the savings from the move costs.

3.3 Administration Costs – projected overspend of £0.031m



The £0.057m cost of developing the business case for stage 2 of our transformation work is included in the projected costs. Additional funding was requested from the Scottish

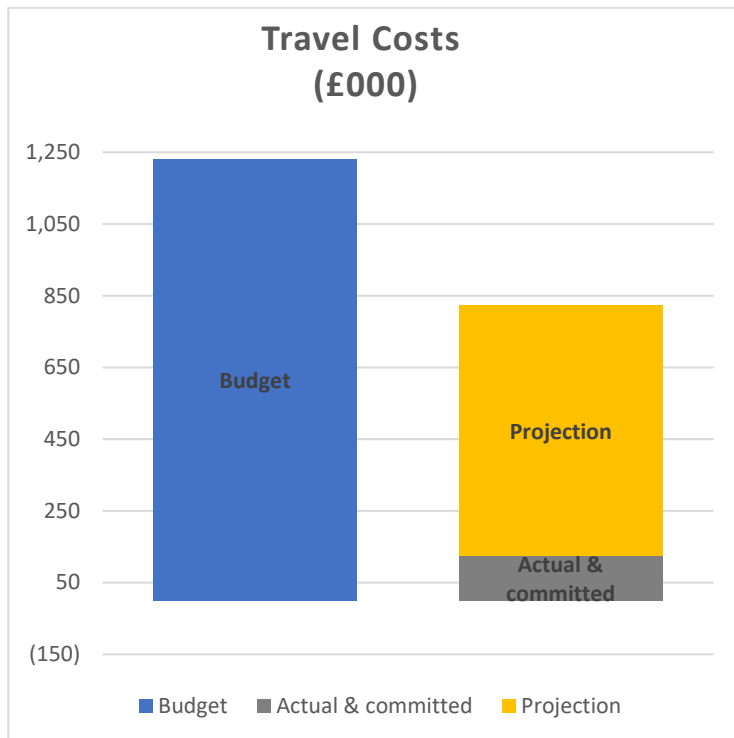
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Government, but it has subsequently been agreed that this will be funded from the improved general reserve balance (see Section 2.1 above). There are additional legal fees of £0.028m projected.

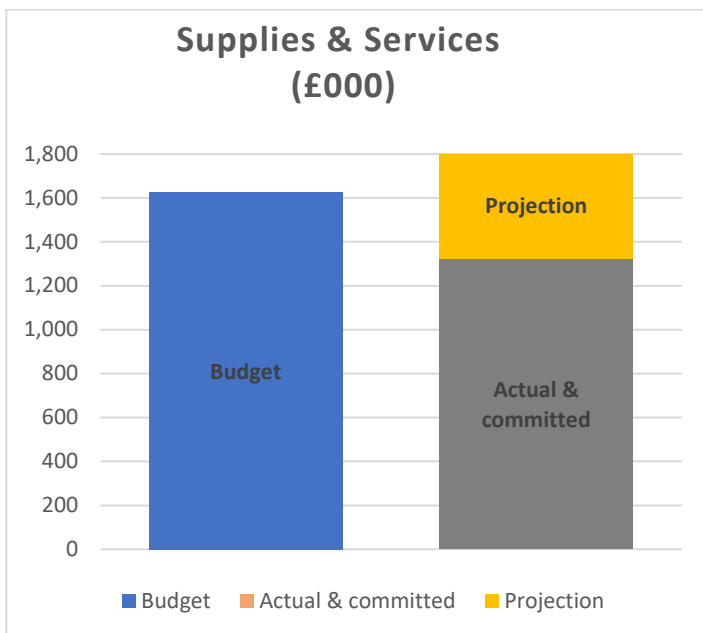
The additional costs identified above are partially offset by projected savings on printing, postage and stationery of £0.050m and other administration costs of £0.004m due to the Covid-19 position.

3.4 Travel Costs – projected underspend of £0.409m



The significant reduction in travel costs is a direct result of the travel restrictions imposed due to the Covid-19 crisis. This and the public health advice on visiting care services has significantly reduced scrutiny and improvement travel associated with inspection, complaints, registration and enforcement.

In addition, the need to work from home has greatly increased the use of Teams to hold meetings remotely without the need for travel. This is expected to be sustainable even after the Covid-19 restrictions are relaxed.

3.5 Supplies and Services – projected overspend of £0.182m

Additional furniture and ICT equipment has been purchased to support staff to work from home. The additional cost of this is £0.117m.

The delay to digital transformation has required maintenance agreements with a cost of £0.072m to be renewed. The budget assumed renewal of these agreements would not be necessary.

Funding of £0.100m was requested from the Scottish Government to support records indexation work. It has subsequently been agreed that this will be funded from the improved general reserve balance (see Section 2.1 above). Further negotiation with the supplier has reduced the cost of this work to £0.060m. There are projected in-year savings on storage and archiving costs of £0.046m which partially offsets the records indexation cost.

Hospitality and venue hire spend has significantly decreased due to staff working from home, with an underspend of £0.021m projected. This partially offsets some of the projected overspends noted above.

3.6 Funding and Income – projected additional income of £0.044m

Grant-in-aid, fee income and shared service charges are currently projected to be as budgeted.

We are currently projecting to draw down the full amount of additional grant in aid of £1.1m which allows for job evaluation costs and the Team Manager review to be implemented in October.

Seconded income is projected to be £0.033m more than budgeted due to a secondment to Social Work Scotland until 30 September 2020.

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Projected VAT recovery and union fee administration charges are projected to be £0.011m more than budgeted.

4.0 RISKS TO FINANCIAL PROJECTIONS

Budget Area	Description of Risk	Sensitivity	Likelihood
Staff costs	Projected costs assume a full complement of Scrutiny and Assurance staff will be in post by November 2020. This will be challenging.	Projection could be overstated by as much as £0.330m	High
Staff costs	Projected costs include a provision of £0.300m for overtime which may be necessary to catch up on scrutiny and improvement activity as Covid-19 restrictions ease. There is significant uncertainty over areas such as changing public health advice, a second spike and the capacity of staff to undertake significant overtime working.	Projection risk in the range £0.200m understated to £0.100m overstated	Medium
Travel costs	Projected costs assume that travel costs will increase from September 20 onwards as Covid-19 restrictions ease. There is significant uncertainty over areas such as a second spike and access to services.	Projection risk could be overstated by as much as £0.150m.	High
Fee Income	<p>As a result of the covid-19 crisis a decision was made to delay the issue of 2020/21 fee invoices and to suspend the pursuit of debt. We have resumed income collection and debt management, but it is not clear yet what the impact of Covid-19 has had on the finances of service providers and their ability and/or willingness to pay our fees.</p> <p>Projected continuation fee income is based on services registered at the time the budget was set. Since then, the volume of services cancelling their registration is higher than we would normally see at this time of year. It is not possible at this time to say whether this decrease will be offset by an increased in services newly registering.</p>	<p>Projections currently assume all budgeted fee income will be collected. It is not possible at this point to quantify the risk of not collecting all income due.</p> <p>Projections current assume fee income will be as budgeted. This could be overstated by as much as £100k.</p>	<p>Medium</p> <p>High</p>

5.0 EMERGING FINANCIAL ISSUES

5.1 Organisation Structure

Options to make some changes to organisational structure are currently being explored. This is focused on methodology development, creating a Chief Executive's office function, and increasing ICT and digital applications support capacity.

5.2 Transformation Stage 2

The outline business case for stage 2 of our business and digital transformation programme has been prepared and shared with senior managers. The cost projections in this report include funding (see Section 3.3) to support the development of a full business case for submission to the Scottish Government with a view to attracting funding. This will take time and it may be necessary or highly desirable to incur stage 2 transformation costs ahead of funding being agreed.

The improved general reserve will assist with this in the short term, but recurring funding needs to be identified for recurring costs.

5.3 Market Insight

Early discussions with the Scottish Government are on-going about creating a care market insight function for the Care Inspectorate. The initial thinking is indicating recurring costs of circa £0.300m would be incurred to create and run this function.

6.0 IMPLICATIONS AND/OR DIRECT BENEFITS

6.1 Resources

The Scottish Government has agreed to provide additional recurring funding of £1.650m in 2021/22 to support the job evaluation outcome and expected additional costs associated with a Team Manager review.

6.2 Sustainability

The report highlights the significant reduction in travel costs, a proportion of which will be sustainable. This reduction will lower CO² emissions and increase productivity through reduced time spent travelling.

6.3 Policy

The Scottish Government's Budget for 2020-21 was agreed by Parliament in March 2020. Finance Secretary Kate Forbes placed the spending plans in the context of downgraded projections for the UK economy and Brexit uncertainty, but it should now also be noted that the Coronavirus (COVID-19) outbreak has since had a significant impact on the future of the economy, as well as current and future policy development. The Budget has since been revised upward to take account of this and consequentials resulting from the UK Government's response to the crisis.

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As well as the broader financial landscape, this paper should be considered within the context of a range of policy developments and any additional responsibilities or projects that emerge from these. The full extent of the impact of the COVID-19 pandemic on policy remains to be seen, with developments to date including emergency legislation in both UK and Scottish parliaments (with related duties for the Care Inspectorate) and a delay in the expansion of funded ELC to 1140 hours. As we move forward, the Care Inspectorate will continue to have a key role in supporting the successful delivery of many existing policy drivers, including what is likely to be a renewed focus on health and social care integration and self-directed support, and how they are changing how people choose and experience care services and the ways in which services are delivered. Furthermore, a number of relevant developments are likely to emerge from the Scottish Government's Programme for Scotland, including the immediate establishment of an independent review into adult social care, which includes regulation and scrutiny within its terms of reference, and is due to report by January 2021. We are also likely to have new responsibilities following the recent passage of the Children (Scotland) Bill, which makes provision for the regulation of contact centres.

Other significant political developments on the horizon include the Scottish Parliament elections in May 2021, while the impact of Brexit on health and social care in Scotland is likely to become clearer as the UK comes out of the transition agreement and enters into a new relationship with the European Union.

6.4 People Who Experience Care

This report considers how the Care Inspectorate uses and reports on the use of the funds entrusted to it. This is a key element of public accountability and corporate governance. Public accountability and the governance framework are key drivers towards ensuring that the resources available are directed in accordance with corporate plans and objectives, with the ultimate aim of bringing benefits to people who experience care.

6.5 Customers (Internal and/or External)

The budget represents the Care Inspectorate's plan in financial terms and the delivery of this plan supports all five customer services strategic themes.

7.0 CONCLUSION

The additional funding for the Inspector job evaluation outcome will assist with the recruitment and retention of Inspectors.

An underspend of £0.204m against the 2020/21 revised budget is currently projected. There are risks and emerging issues that will exert pressure on our resources.

The indicative 2021/22 budget considered at the Board meeting of 26 March 2020 identified a very challenging budget position. A budget savings / additional funding requirement of £2.6m was identified. The significant additional funding secured for job

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evaluation and the Team Manager review does not assist with this position. Securing further additional funds at a time when public finances are in an unprecedented parlous state will be very challenging.

The revised financial strategy to be considered by the Board addresses these issues.

Movement in Projected Expenditure from the Position Previously Reported to Board 13 August 2020

Budget Area	Increase/ (Decrease) £m	Main Reasons										
Staff costs	1.013	<p>Projected expenditure includes the cost of the job evaluation outcome, Team Manager review and other establishment changes agreed by the Board at its meeting of 13 August 2020. These total £1.235m and comprise the following:</p> <table border="0"> <thead> <tr> <th>Description</th> <th>Amount £m</th> </tr> </thead> <tbody> <tr> <td>Job evaluation changes to Inspector grades</td> <td>0.737</td> </tr> <tr> <td>Outcome of Team Manager review with November 2020 implementation projected</td> <td>0.363</td> </tr> <tr> <td>Other establishment changes</td> <td>0.135</td> </tr> <tr> <td>Total</td> <td><u>1.235</u></td> </tr> </tbody> </table> <p>The job evaluation and Team Manager review are funded by additional Grant in aid of £1.1m.</p> <p>Projected expenditure also includes £0.031m for the extension of a temporary customer services role to support the additional Covid 19 demands.</p> <p>These additional costs are partially offset by an increased in projected slippage totalling £0.253m. This is mainly due to vacancies remaining unfilled for longer than anticipated.</p>	Description	Amount £m	Job evaluation changes to Inspector grades	0.737	Outcome of Team Manager review with November 2020 implementation projected	0.363	Other establishment changes	0.135	Total	<u>1.235</u>
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Job evaluation changes to Inspector grades	0.737											
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Other establishment changes	0.135											
Total	<u>1.235</u>											
Accommodation costs	0.030	In response to the Covid-19 pandemic and preparing for returning to some degree of office-based working, additional cleaning will be required to reduce the risk of spreading the virus.										
Supplies and Services	0.012	<p>Projected expenditure to support staff working at home has increased by £0.018m and the cost of PPE supplies has increased by £0.015m.</p> <p>These increases totalling £0.033m are partially offset by a projected decrease of £0.021m in the requirement for hospitality and venue hire while staff are working from home.</p>										

Budget Area	Increase/ (Decrease) £m	Main Reasons
Grant in aid	(1.100)	The Sponsor Department has also confirmed additional grant in aid totalling £1.1m to fund the outcome of the Job Evaluation exercise and Team Manager review. The net effect of this is zero as the revised budget includes the additional expenditure which is offset in full by the additional grant in aid.
Sub total	(0.045)	Movement in projected net expenditure
Grant in aid	(0.049)	The approved budget included a baseline reduction of £0.049m to our core grant in aid which has now been reinstated in the approved grant in aid letter. The net effect of this is a reduction in the budgeted deficit from £0.808m to £0.759m.
Total	(0.094)	Change to general reserve position



Title:	HR ANNUAL REPORT 2019/2020
Author:	<i>Marnie Westwood, Interim Head of Human Resources</i>
Appendices:	1. Workforce Profile
	2. Employee Benefits
Consultation:	Strategic Leadership Team for content
Resource Implications:	None

EXECUTIVE SUMMARY

The purpose of this report is to outline:

- An overview of the activity and progress achieved during the past 12 months.
- The key priorities for human resources during 2020/2021.
- The current workforce profile.

HR continue to make positive changes in the way the team works, supporting both the Care Inspectorate and SSSC to meet organisational strategic objectives. The aim is to ensure the workforce are fully engaged and supported to deliver their roles appropriately. The priorities for HR are designed and delivered to reflect both HR and the organisation's continuous drive to maintain an employer of choice status as set out in our Strategic Workforce Plan.

The key focus for the HR team are to support the organisation to attract and retain people with talent and experience from a range of sectors and all walks of life; to be an employer of choice; to develop cost-effective and flexible reward structures; to create a healthy working environment and actively encourage healthy working lives to enable our staff to flourish and achieve their full potential for the benefit of themselves and our organisation.

The Board is invited to:

1. Note the contents of this update report.
2. Advise on any format or content changes required for future annual reports.

Links:	Corporate Plan Outcome	1, 2 and 3	Risk Register - Y/N	N	Equality Impact Assessment – Y/N	N
For Noting	x	For Discussion		For Assurance		For Decision

If the report is marked Private/Confidential please complete section below to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report:

This is a public Board report.

Disclosure after: N/A

Reasons for Exclusion

a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

HR ANNUAL REPORT 2019/2020

1.0 INTRODUCTION

- 1.1 The Human Resources (HR) Annual report provides the Board with an update on the activities of the HR team during 2019-20. It also sets out the key areas for development for the coming year.

It was agreed that an annual report would be submitted around June of each year, however, due to priority and capacity being redirected to responding to Covid-19 it was agreed that the report would be postponed until September 2020. The report, however, covers the period April 2019 – March 2020 and then the developments for 2020/21.

We have provided information and analysis on the organisation's workforce profile as appendix 1.

- 1.2 The HR team is a shared service between the Care Inspectorate and the Scottish Social Services Council (SSSC), ensuring that we provide an effective HR service to our managers and employees across both organisations.

2.0 PROGRESS MADE 2019/2020

- 2.1 HR continues to make positive changes in the way the team works, supporting both the Care Inspectorate and SSSC to meet organisational strategic objectives. The aim is to ensure the workforce are fully engaged and supported to deliver their roles appropriately. The priorities for HR are designed and delivered to reflect both HR and the organisation's continuous drive to maintain an employer of choice status as set out in our Strategic Workforce Plan.
- 2.2 The key achievements in the previous year are summarised below with further details provided later in the report:

2.2.1 Accreditations

- Maintained the Gold Healthy Working Lives award and continued to provide a number of health initiatives and benefits to employees.
- Successfully maintained the Investors in Young People (IYYP) award due to the positive work undertaken with our young people.
- We were awarded Disability Confident status which recognises our commitments regarding the recruitment, employment, retention and career development of disabled people.

2.2.2 Shared Service developments

- Further implementation of the HR shared services structure which included work on a shared services agreement between both organisations.
- Undertaken significant work to align terms and conditions and processes/policies where sensible to make efficiencies.

- Settled the 2019-20 pay award in collaboration with the SSSC within the parameters of public sector pay policy.

2.2.3 Recruitment

- Similar to 2018-2019, between April 2019 and March 2020 we worked with all directorates to manage 64 recruitment campaigns, equating to more than 5 campaigns per month.
- Managed the appointment of 44 new employees into the organisation and 38 internal promotions.

2.2.4 Case Management

- Supported 17 employee relation cases - capability (5), dignity at work (5), grievances (5) and disciplinaries (3) through to resolution, in almost half of cases successfully supporting resolution at the informal stage.
- Continued to provide dedicated support to managers in managing over 52 long term sickness absence cases and 22 short term absence cases where employees met short term triggers of 3 spells of absence in 6 months or 5 spells in 12 months.

2.2.5 People management policy development

- Continued to support policy development with our colleagues in the Organisational and Workforce Development (OWD) and Health and Safety (H&S) teams for all policies as part of the policy review process.
- We have also produced guidance documents to support our policies such as Working from Home, Mental Health in the workplace, Redeployment guidance, Starting Salary guidance and the Employee Transfer process.
- Supported organisational working groups such as the Staff Survey group, Team Manager review, Health and Safety Committee, induction review group, corporate parenting group and office 365 group.

2.2.6 Pay and Grading including payroll

- From October 2019 we worked with Beamans Management Consultants on Phase 3 our job evaluation scheme for Inspectors, Senior Inspectors and Team Managers which concluded in August 2020. The appeal process, if necessary, will be held between late September/October 2020.
- Determined the best way forward with our outsourced HRMIS and payroll solution.

2.2.7 Covid-19 Response

- Supported the Care Inspectorate's efforts particularly to get all staff working from home from w/c 16 March 2020 against the COVID-19 pandemic which included supporting employees, producing the staff notification tool, Q and A documents and dedicated policies such as Oncall/Out of Hours and redeployment/voluntary leave guidance.
- We have also development and implemented workforce surveys to determine our response to returning to business as normal and we will continue to support our covid-19 response.

3.0 HR STRUCTURE AND SHARED SERVICES

- 3.1** The implementation of a shared HR service between the Care Inspectorate and SSSC began during the third quarter of 2017, although due to change of leadership did not come into being fully until October 2018.
- 3.2** An external review of the proposed shared service (including Finance and Health and Safety) was commissioned and undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA). An HR Service Specification is being consulted on for both organisations and should be agreed by October 2020.
- 3.3** The team structure has been temporary since October 2018 with only two post holders fulfilling their permanent role. However, the team structure should be agreed between September 2020 – March 2021. We have recently recruited to three HR Assistant posts on a permanent basis. One of which was filled by our modern apprentice which supports our organisational position of having career pathways for all. Two new modern apprenticeships are currently advertised. Following which, the wider team structure should be agreed and a robust recruitment process put in place to recruit to the permanent posts.

4.0 HR/PAYROLL SYSTEM AND ASSOCIATED SERVICES

- 4.1** In 2018 we procured a new HR/payroll system and awarded a contract to Zellis (previously NorthgateArinso). As well as an HR/payroll system the contract includes Zellis operating a partially outsourced payroll service.

While the fundamental elements of the solution (ie payroll, expenses and background software) were implemented in October 2018, others parts of the project were behind schedule or not delivered to a sufficient standard. A paper was submitted to the Audit Committee in Q2 2019-20 and matters were escalated with Zellis.

In the final half of 2019-20 we developed a recovery plan and significant improvement was made in quarter four. Successes include:

- New self-service functionality (annual leave entry; employee change of details)
- Significant improvements with the system reporting tool
- A number of changes to the background software fixing previous errors and making the solution more intuitive
- Weekly operational payroll meetings with Zellis staff performing outsourced services

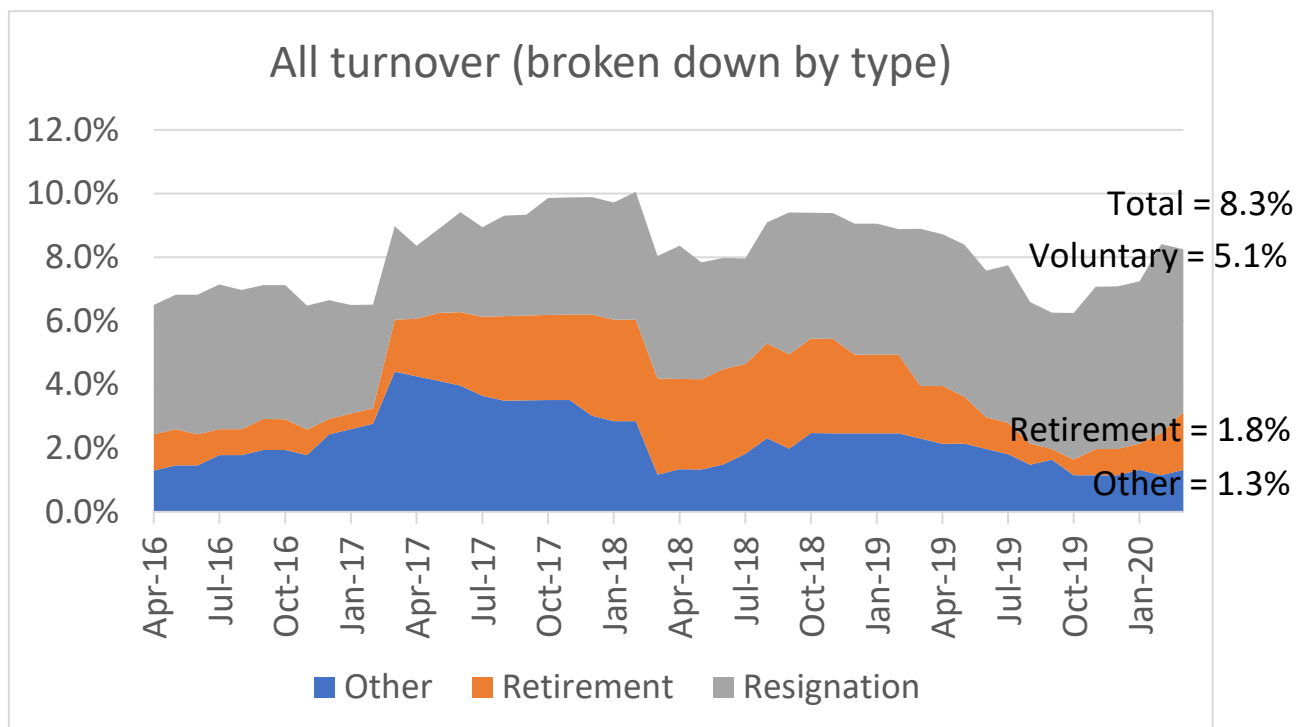
- 4.2** The recovery plan has continued into 2020-21 and further progress has been made on dashboards, self-service reporting and annual leave balances. We also plan to launch a Diversity questionnaire in the coming weeks. The recovery plan is expected to conclude in October 2020 and we will begin to operate under “business as usual” conditions with Zellis.

5.0 WORKFORCE DATA

5.1 Appendix 1 provides an analysis of our current workforce profile including details of our headcount, age and gender profiles, length of service, geographical spread and flexible working details.

5.2 Our overall turnover rate in 2019-2020 was 8.3%. A breakdown of turnover by type for the last four years is shown in figure A. Rates observed in 2019-20 for retirement (1.8%/18 employees) and other reasons for turnover* (1.3%) are relatively low, while voluntary turnover has had a slight increase (5.1%).

5.2.1 Figure A – all turnover by type

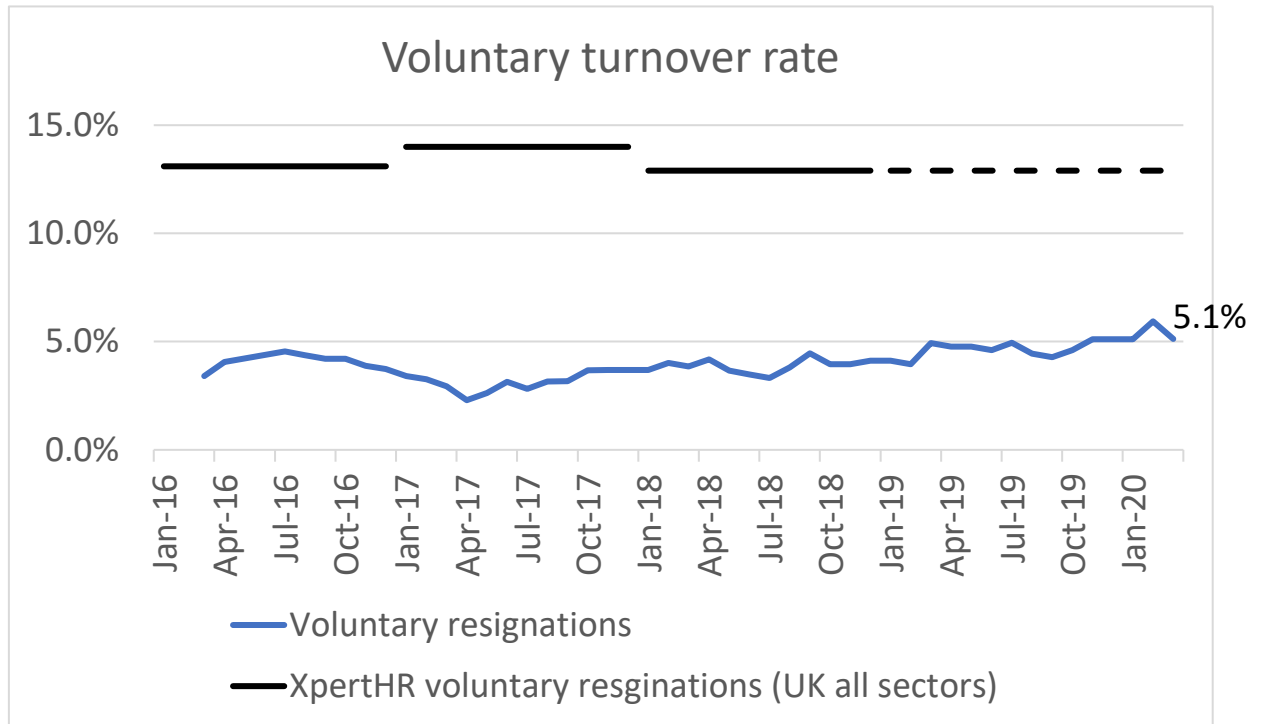


*Other reasons for turnover include ending of fixed term contracts, ill health retirement, dismissals and in previous years voluntary severance.

5.2.2 In spite of voluntary turnover increasing, figure B shows that compared against the XpertHR UK benchmark, it remains low. It should be noted however that this

benchmark draws on data from all sectors, whereas turnover in the public sector does tend to be lower.

Figure B -Voluntary turnover



Exit interview data was received for 36% of voluntary leavers. We are currently undertaking a joint working group with the SSSC to review our Exit Interview processes and encourage a greater uptake of the process.

HR and OWD have recently worked with Age Scotland as part of our Workforce planning strategy. We committed to raising age awareness, listening to feedback from employees, providing support for those with carer responsibilities, running health and wellness campaigns and provide quality finance, pension and legal advice to support decision making about retirement. Furthermore, we offer inhouse 'Planning for your Future Workshops' twice per year as provided by Age Scotland. This work will progress further in 2020/2021.

5.3 Flexible Working arrangements

Appendix 1 identifies the proportion of flexible working (including flexible retirement) contracts across our organisation. Flexible working comprises arrangements such as term time working, reduced hours, part time and condensed hours.

We use the 'Happy to talk Flexible Working' logo on our job adverts and support flexible working opportunities providing that the arrangements will continue to meet the operational needs of the organisation.

In addition to our Flexible Working policy, we have a separate Homeworking Policy which allows Inspectors and Strategic Inspectors to request a Homeworking Contract.

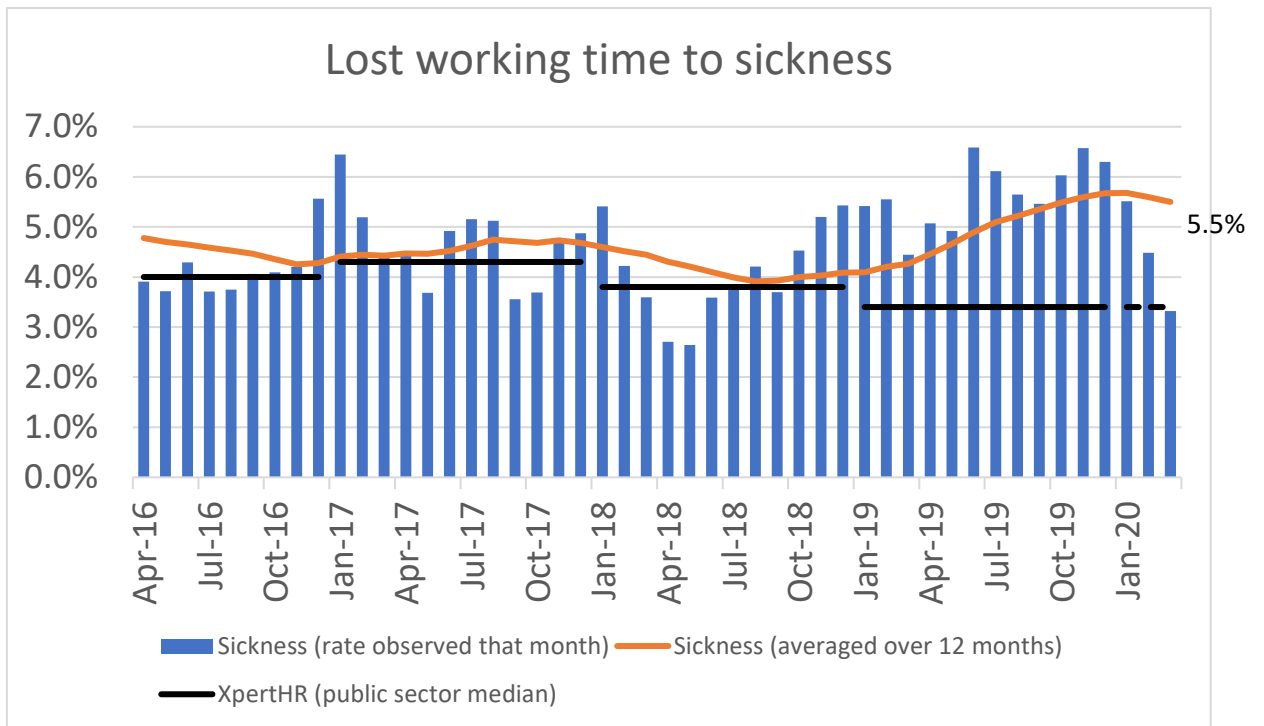
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Both our Flexible Working and Homeworking policies are due to be reviewed in 2020/2021. This was also a key recommendation from the Team Manager review undertaken in 2019-2020 which agreed a set of principles to support the policy update. Also, in response to the covid-19 pandemic we will explore more agile working arrangements allowing employees to undertake their duties from home.

5.4 Sickness Absence

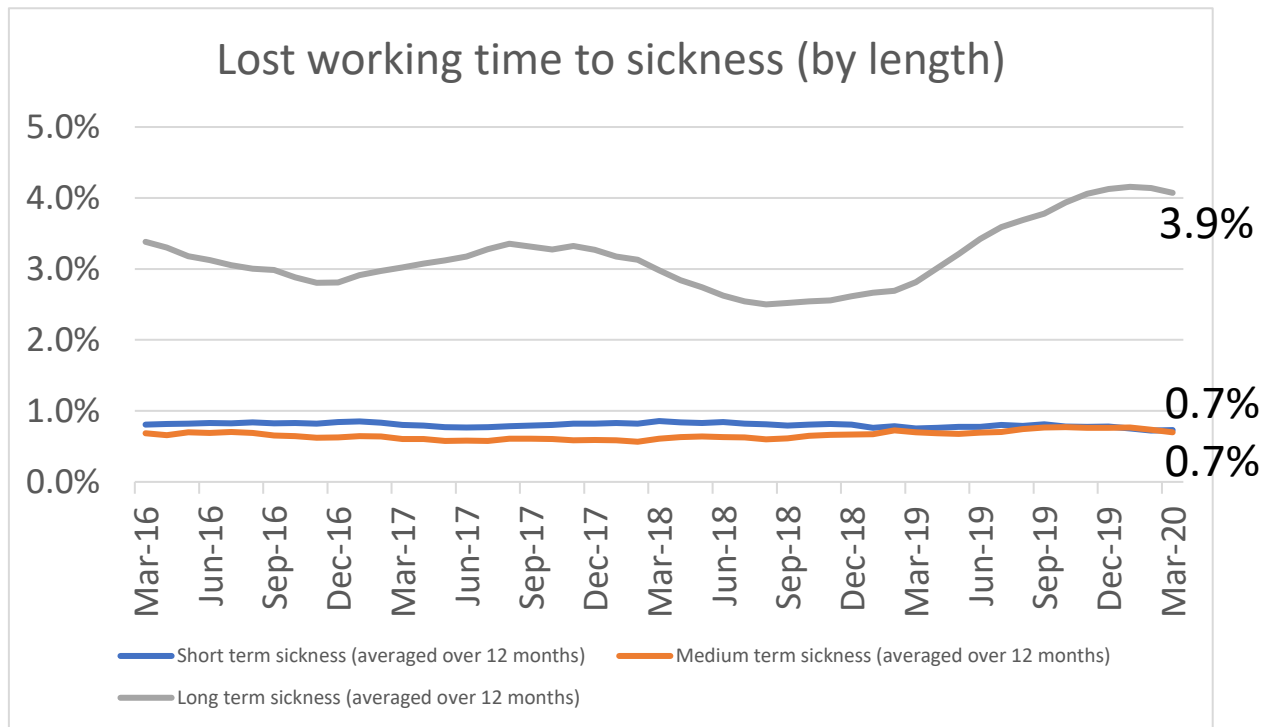
Around 5.5% of working time was lost to sickness absence in 2019/20. This is a mean average of around 12 working days per employee per year and is higher than what we have experienced in recent years (see figure C), and higher than the most recent XpertHR and CIPD benchmarks (3.4% and 3.6% respectively).

5.4.1 Figure C – Lost working time to sickness (2016 – 2020)



Long term sickness (4 weeks or more) was particularly high over the financial year with typically more than 20 staff absent long term at the end of each month. While around 3.9% of working time was lost to long term sickness, rates of short term (up to a week) and medium term (1 to 4 weeks) sickness remained similar to previous years (see figure D).

5.4.2 Figure D – Lost working time to sickness by length



Within the last 4 years, mental health (for example depression and anxiety) and stress (both work and non-work related) have been the two most frequently cited reasons for long term absence. Mental health and musculo-skeletal issues are the two most common reasons cited in the 2020 CIPD Health and Wellbeing Survey.

The following support measures were provided to our staff to support those who were absence and facilitate a quicker return to work:

- **Occupational Health (OH) support:** a total of 46 OH referrals were undertaken, 53% related to mental health reasons, 18% for musculoskeletal conditions and 30% for other reasons such as chronic conditions.
- **Return to work interviews:** During 2019/2020 we had an 84.63% return rate for return to work meeting paperwork. We will work to improve this figure in 2020/2021.
- **Carer Leave:** an increase in time off for caring responsibilities has been identified for short-term absence and in the 2019/2020 pay remit negotiations we agreed up to five days carer leave for employees per annum.
- **Risk Assessments:** Within 2019-2020, we supported 107 risk assessments to be put in place. This was almost double those completed in 2018-2019. So far in 2020, we have supported managers and employees with over 80 risk assessments to support employees during this unprecedented time.
- **Increased support for mental health conditions:** During 2020, three members of the HR team successfully undertook the Mental Health First Aider qualification and are now qualified to support employees who are experiencing mental health

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concerns. We produced mental health guidance and advice for managers and employees.

- *Line Manager training:* We produced Maximising Attendance training with a particular focus on mental health. This will be rolled out to all managers throughout 2020/2021.
- *Monthly case management meetings:* We hold monthly case management meetings with the Health and Safety team to ensure we identify sickness absence cases as early as possible to offer appropriate support.
- *Other support measures:* we have been supporting the work of the wellbeing group during the covid-19 pandemic and organising specific sessions from our Occupational Health provider. We also signpost all employees to the Employee Assistance Programme on a regular basis.

6.0 RECRUITMENT ACTIVITY

6.1 In 2019/2020 the following recruitment activity took place across the Care Inspectorate:

- 64 planned recruitment campaigns (including 23 internal only campaigns).
- 43 were for temporary posts and 21 were permanent posts. 40.6% of vacancies were in Scrutiny and Assurance, 35.9% in Corporate and Customer Services and 20.8% in Strategy and Improvement.
- Similar to the previous year, there was an increased demand for temporary positions for projects such as Digital Transformation, ELC expansion, CAPA and our career pathways projects.
- We supported 44 external new starts and 38 internal promotions/secondments. We recruited 21 new inspectors into the workforce.
- 742 applications were processed across the 64 campaigns, the average number of applications per campaign was 11.6.

The average campaign timescale was 53 days from vacancy going live to the employee's first day. This is a reduction from the 87 days recorded in our strategic workforce plan. We have decided to advertise all of our senior and inspector posts for a minimum of three calendar weeks to increase visibility which may increase this figure in 2020-2021.

- In the past 12 months we have completed or commenced some key actions to continuously improve our recruitment processes:
- Developed a recruitment action plan with our Communications team which includes a recruitment microsite and a Prospectus for candidates.
- Attended key conferences to promote working at the Care Inspectorate.
- Held virtual job open days via 'facebook live' for our Inspector campaigns to increase visibility.
- Developed our selection approach from a purely competency based model towards a value-based approach. The process also focusses on the technical and behavioural requirements of the roles.
- Developed Manager 'Application shortlisting and effective assessment' training. This will be rolled out in September 2020.

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- Commenced work on an updated Recruitment policy and bespoke e-recruitment process in conjunction with the SSSC.
- Due to the Covid-19 pandemic some of the actions have been delayed. However, the pandemic has encouraged us to use more imaginative recruitment methods such as the use of selection testing and virtual interviews resulting in reduced recruitment costs.

We continue to be a member of the Disability Confident Scheme and we recently committed to the Stonewall Diversity Champions Scheme. The benefits of which include attracting and recruiting LGBT talent.

6.1.1 Scrutiny and Assurance Recruitment

Recruitment of Inspectors will remain an organisational priority due to the number of our Inspectors who are within the age bracket 55 and above.

Each year, we plan two planned high-volume recruitment campaigns for inspectors. In 2019-2020 we held three campaigns. We hold a reserve list for 12 months following each campaign with details of candidates who have successfully passed our assessment process but for whom we have no available position due to geographical reasons. This supports us to appoint quickly if a vacancy does arise. There are currently 7 candidates on the reserve list.

We also hold a locum bank of Inspectors. Locums are ex-inspectors with a zero hours contract who can be called upon where there is a need to undertake inspections due to a vacancy position. There are currently 9 locum Inspectors available.

Whilst this report provides details of the 2019-2020 year, it should be noted that the most recent Inspector advert which closed on 7 September 2020 has yielded 267 applications, which is 178% higher than our recent average. It is likely that this is due to the increased salary for Inspectors, however, more detailed analysis of applications will take place. Assessment Centres will take place in early October with candidates commencing between November 2020 and January 2021.

7.0 YOUTH EMPLOYMENT

7.1 The Care Inspectorate first achieved Investors in Young People (IYYP) accreditation in 2016 and maintained the award in 2019. The next formal assessment will take place in 2022.

7.2 An annual interim review was held in April 2020. Findings were positive and it stated that young people believe they have a voice and feel supported in the organisation. The report also advised that what the Care Inspectorate do goes above the requirements for the base IYYP standard. The Care Inspectorate employed 7 young people as at 31/03/2020. A young person is defined as someone who is between 16 and 25. The Scottish Government ask is that public bodies employ 1 young person for every 100 employees therefore we are compliant with this and are continuing to recruit Modern Apprentices in 2020/21 as well as supporting student placements,

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mentoring university students and working with SQA and Napier to look at what competencies employers want from young people.

A member of the HR team is now a member of the corporate parenting group which means there are stronger links between the work of the group and youth employment.

7.3 EMPLOYEE RELATIONS

As was the case in previous years, in 2019-2020 we had very small numbers of formal cases. We attribute this to working closely with managers prior to provide early intervention.

The following employee relations cases were supported by HR:

- 3 Disciplinary cases – 1 formal and 2 informal cases.
- 5 Grievances – 3 formal and 2 informal case.
- 5 Dignity at Work cases – 2 cases were dealt with informally and 3 cases were dealt with formally.
- 5 Capability (Performance) – 4 informal cases and 1 formal case ongoing.

During 2020-2021 we will be rolling out focussed training sessions to managers on these topics.

8.0 TERMS AND CONDITIONS

- 8.1** During 2019-2020 a job evaluation exercise was undertaken for our Inspector group as there were concerns about the competitiveness of the pay grades for our inspector posts. The outcome of which was that our Inspectors moved from a grade 5/6 to a grade 7. Our Senior Inspectors remained at grade 7 and Team Managers remained at grade 8.

Pay is only one element of the overall benefit package available to our staff and Appendix 2 outlines other key elements.

In 2020-2021, we are supporting structural/workforce change processes across the Scrutiny and Assurance, ICT and Digital Transformation and a review of Communications and Policy. The key changes are proposed removal of the senior inspector role, addition of 9 team managers and restructure teams to reduce the spans of control; bringing a dev ops approach to ICT where the two teams are aligned and development and operations work collegiately; and consideration of creating a Chief Executive Office so that there is direct access to the CE/Strategic Leadership Group so that key messages don't become lost or convoluted and Comms and Policy team get a strategic overview on a daily / weekly basis.

9.0 HEALTHY WORKING LIVES (HWL)

- 9.1** We successfully maintained the Healthy Working Lives Gold Award level for another year in February 2020. The next review is due in February 2021.

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HWL continue to promote a variety of healthy working lives initiatives. The annual Spring Step Count Challenge went ahead a bit differently this year due to the Covid-19 pandemic. Christine Czyba, Acting Senior HR Adviser, provided Zumba workouts online and bitesize stretching exercise which can be done at a desk at anytime.

- 9.2** We have worked with our Occupational Health provider, Optima, to provide many useful webinars and factsheets for our staff during the pandemic. Topics include managing anxiety, managing fatigue, issues arising from the gradual exit from lockdown and supporting homeworking amongst others.

10.0 KEY PRIORITIES FOR HR 2020/2021

- 10.1** Other priorities for the team include:

Recruitment & Retention/Youth Employment

- Implement a new recruitment policy and process – review our recruitment and selection approaches to ensure we are employing the right people, with the right skills, values and motivation.
- Use all media channels and opportunities to promote our organisation as an
- employer of choice and ensure we are recruiting the very best people into roles, secondments, placements, apprenticeships and traineeships.
- Invest in the skills and confidence of our managers as recruiters through training and induction.
- Review our recruitment approach for managers to ensure the right focus between technical skills, behaviours and potential
- Develop and roll out of HR briefing sessions and how to guides on key people management policies to instil a coaching approach to management of people related issues
- Refresh the Youth Employment Strategy and progress Investor in Young People.

10.2 Pay and Grading

- Review our pay and grading structure
- Continue to benchmark against developments in other sectors which may impact on our ability to recruit from these sectors or our appeal as an employer of choice.
- Implement a pay award that is affordable and sustainable for 2020/21

10.3 Wellbeing

- Continue to invest in and maintain our Healthy Working Lives gold award by offering a range of health promotion activities to our staff, including health and safety, occupational health, health in the community, employability, health and the environment, and mental health and wellbeing.
- Work with H&S to deliver mentally healthy workplace training & CPR.

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- Continue to support our managers and employees to reduce work related stress and absence through our people management policies, healthy working lives initiatives and training.
- HR support to Coronavirus Pandemic including recovery plans; FAQs for staff, amendments to policies to support employees during pandemic

10.4 HR Systems and Analytics

- Continued implementation of the HR/payroll system & enhanced HR analytics reporting so that our stakeholders value the information and analysis we provide them with
- Develop new payroll procedures to achieve high payroll accuracy
- Work on the rollout of Myview dashboards, new self-service functionality (ie absence entry)
- Use technology to automate and streamline processes across both CI and SSSC
- We support Corporate and Directorate improvement initiatives across the organisation by having “One source of truth” concept implemented wherever possible.

11.0 IMPLICATIONS AND/OR DIRECT BENEFITS

11.1 Resources

There are no additional resource implications as a result of this report. A further report will be issued to the Care Inspectorate Strategic Leadership team and the SSSC Executive Management Team later this year detailing the proposed HR team structure to meet the shared services model on a permanent basis.

11.2 Sustainability

This report is for information only and there are no sustainability issues or benefits as a result of it.

11.3 Policy

There are few direct policy implications in relation to this report but issues around recruitment and pay should be considered within the context of the Scottish Government’s Budget for 2020-21, agreed by Parliament in March, and the Coronavirus (COVID-19) outbreak, that has had a significant impact on the economy, as well as current and future policy development. It is also notable that, through policy drivers such as the expansion of early learning and childcare, the integrated Health and Social Care Workforce Plan and the enactment of Health and Social Care (Staffing) (Scotland) Bill, there has been a significant focus on recruitment, retention and employment conditions across the social care sector during the period covered by this report.

11.4 People Who Experience Care

It is important that the organisation is in good shape and our employees are well supported and equipped to deliver their roles in line with the objectives set in our Corporate Plan 2019-2022. A committed and well skilled workforce will deliver a high-quality service which will in turn benefit people who use care services and their carers.

11.5 Customers (Internal and/or External)

This report is for information only and there are no direct customer issues or benefits as a result of it. However, customer service remains a key priority for HR and has been at the heart of some of our recent work a HR team recruitment exercises.

12.0 NEXT STEPS

This report highlights some of the key tasks and HR metrics for the Care Inspectorate which we continue to monitor and review in line with our aims of the Strategic Workforce Plan.

Looking ahead, HR plan to continue to meet our objectives in the strategic workforce plan, to transform the way we recruit, create a healthy working environment to allow staff to flourish, continue to proactively manage employee relation cases including absence and provide training and guidance to line managers to deal with people related issues through a structured plan of training activities.

WORKFORCE PROFILE DETAILS

Headcount and FTE

Type	Headcount	FTE
Scrutiny and Assurance	375	345
Other	224	213
Total	599*	558*

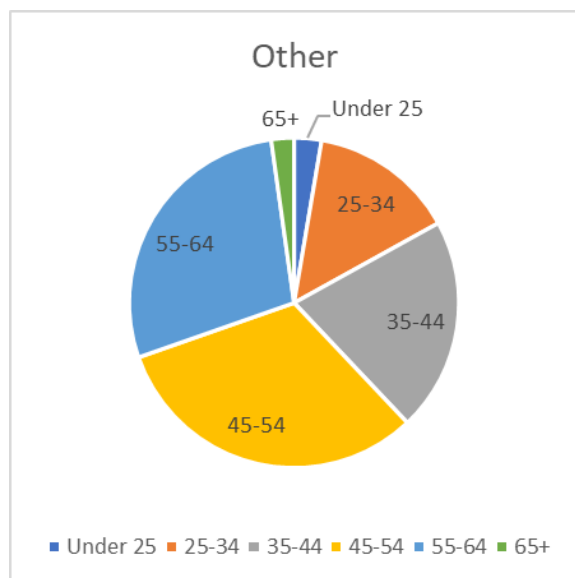
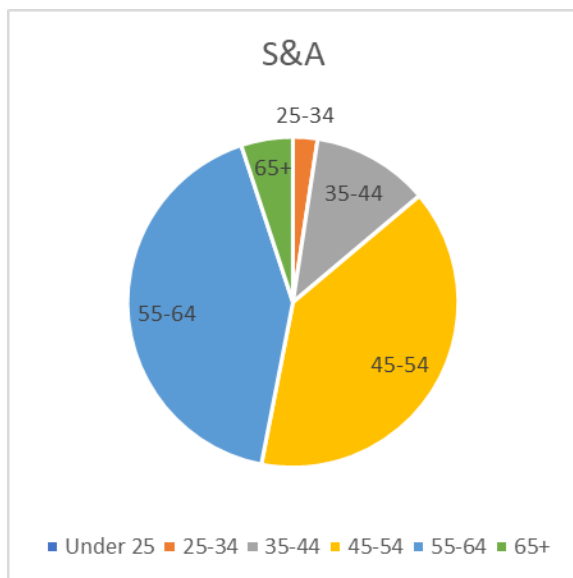
Included in the Scrutiny and Assurance figures are Inspectors, Senior Inspectors, Strategic Inspectors, Team Managers, Service Managers and Chief Inspectors. 'Other' includes all staff in other directorates (a significant amount are administrative business support staff). While the headcount and FTE is lower than it has been in the past, the size of the organisation has not changed much.

*These figures exclude any locum staff, agency staff and consultants. It includes all staff on payroll whether they are currently at work or not (ie includes maternities, long term sick, etc).

Age profile

We have an aging workforce – particularly in our Scrutiny and Assurance area (19 of the S&A staff are 65 or over, with a further 18 staff hitting 65 within the next 2 years). Around 47% of the Scrutiny and Assurance workforce are 55 or over. Our average retirement age is 61.5 years.

The age range of our other staff is much more diverse and also includes 6 staff below the age of 25.



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Type/Age	Under 25	25-34	35-44	45-54	55-64	65+
S&A	0.00%	2.4%	11.5%	39.2%	41.9%	5.1%
Other	2.7%	14.3%	21.0%	31.7%	28.1%	2.2%
Total	1.0%	6.8%	15.0%	36.4%	36.7%	4.0%

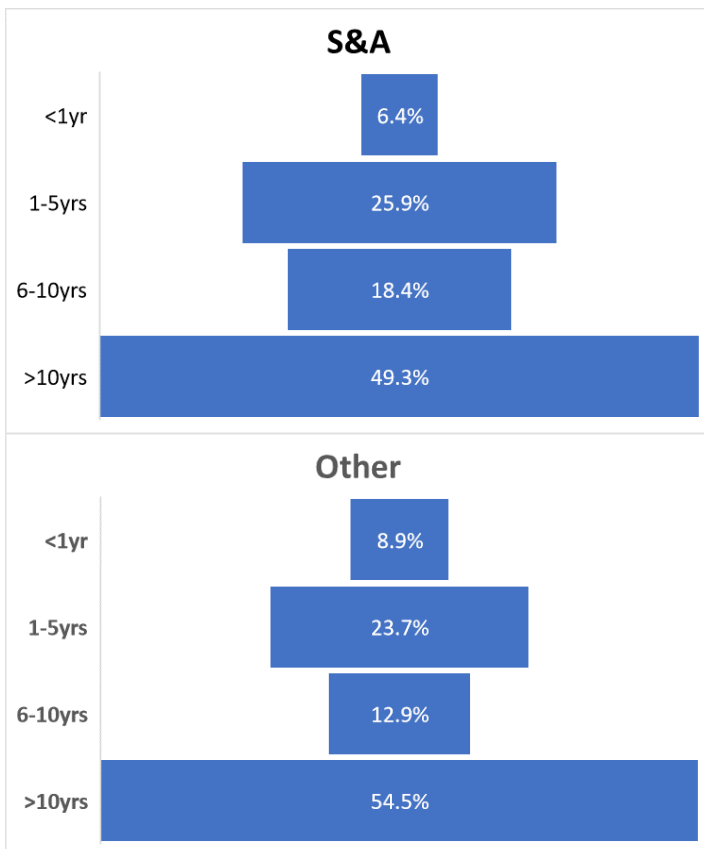
Gender profile

Around three quarters of the workforce are female. This is not too different to the care sector as a whole (84.5% female and 15.4% male).

Type	Female	Male
Scrutiny and Assurance	79.5%	20.5%
Other	77.7%	22.3%
Total	78.8%	21.2%

Length of service

Around half of the workforce have been with the Care Inspectorate (or the Care Commission) for more than 10 years. However, we have had 44 new starters within the last year (24 in S&A and 20 in the other areas).

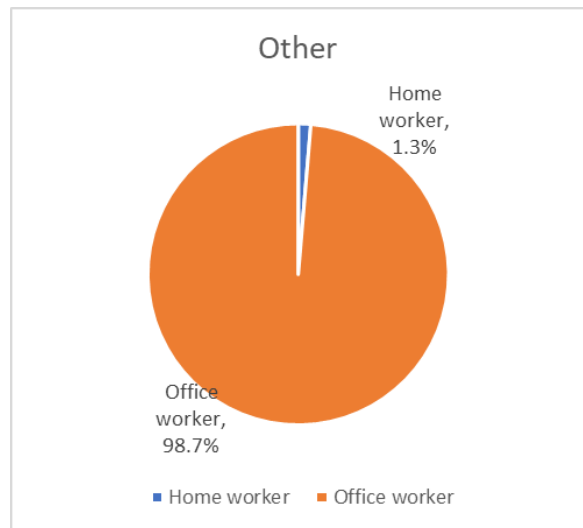
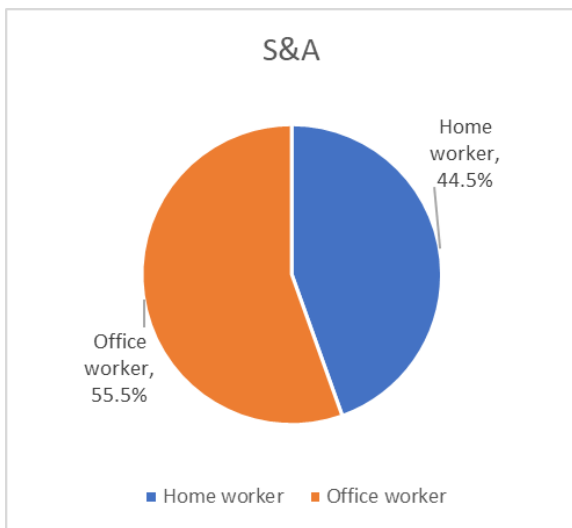


Geographic spread

We have 429 staff based in one of our offices and 170 who are contractual home workers. Dundee and Paisley are by far our biggest office bases.

Type/Office	Aberd.	Dumfries	Dundee	Dunferm.	Edin.	Elgin	Hamil.	Invern.
S&A	18	6	31	18	28	3	15	6
Other	13	4	103	11	17	1	17	6
Grand Total	31	10	134	29	45	4	32	12

Type/Office	Oban	Orkney	Paisley	Selkirk	Shetland	Stirling	W Isles
S&A	3	0	56	11	1	11	1
Other	1	1	34	4	1	7	1
Grand Total	4	1	90	15	2	18	2

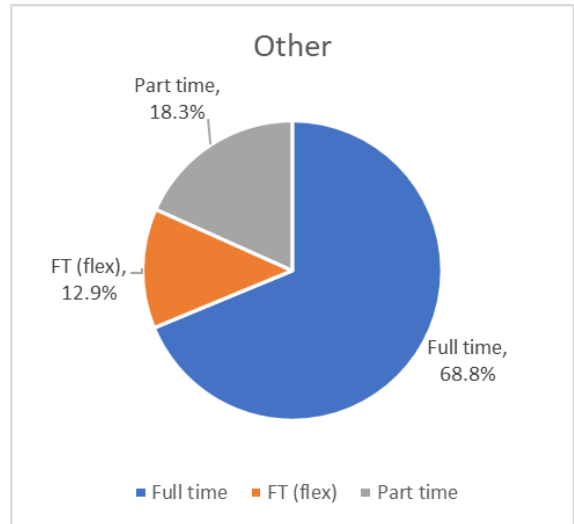
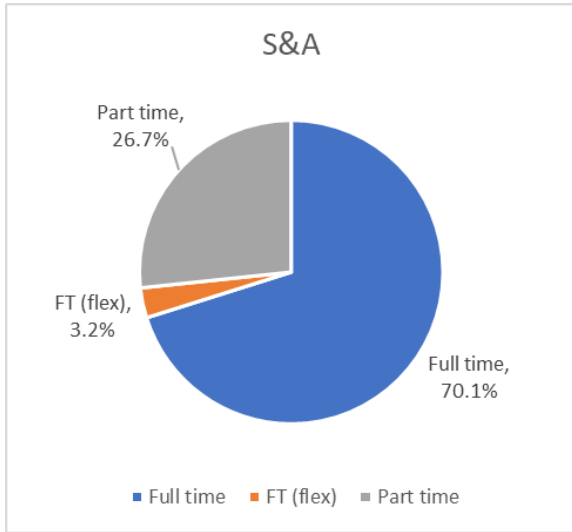


Flexible working

Generally speaking our staff have a lot of flexibility around when they work (eg 140 hours over 4 weeks for S&A staff and flexi time scheme for all others). Over and above this though, we have a number of formalised flexible working arrangements (part time and full time).

23.5% of our staff are part time (26.7% of S&A and 18.3% of other). A significant proportion of our part time workforce are 55 or over – particularly in S&A (where over a third of those 55-64 are part time and two thirds of those 65+).

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EMPLOYEE BENEFITS

Annual leave - Of 41 public bodies in Scotland that information was available for, the CI's annual leave entitlement is now the joint highest. An analysis of XpertHR benchmarking report suggested this entitlement is also very generous when compared to other employers in general. In 2019-2020, as part of the Pay Remit discussions an additional public holiday, St Andrews Day, was recognised by the Care Inspectorate. This means employees now receive between 32-37 days AL depending on length of service and 6 days public holiday entitlement.

Working Week - Of the 41 public bodies, the majority work 37 hour weeks compared to the 35 hour week at the CI (40 hours for senior staff).

Pension Scheme - As a defined benefit scheme, the LGPS is generous compared to defined contribution schemes that are offered by most private and voluntary sector employers.

Family Friendly Policies - Our reward package includes a range of family friendly policies, health and wellbeing offerings and continuous professional development /educational opportunities for employees. As part of the 2019-2020 pay remit discussions we introduced the provision of up to 5 days carer leave each year for our employees.

Employee Assistance Programme (EAP)

The EAP is an online and offline personal support programme that gives employees unlimited access to a range of specialist support and information including financial, relationships, health, legal and family care, plus access to the Wellbeing Zone. HR are committed to raising awareness to the Care Inspectorate's employee assistance programme with frequent communications being issued regarding this throughout 2019-2020. A particular emphasis has been put on the EAP due to the covid-19 pandemic.

Discovery Credit Union was implemented in March 2018 and 28 employees have joined the scheme.

Childcare vouchers - In April 2019, 19 employees make use of our childcare voucher scheme, however, by March 2020 only 11 employees purchased vouchers. As a result of a new government initiative - Tax Free Childcare - this scheme is no longer available from 4 October 2019. However, existing staff in the scheme can continue to request vouchers.

Cycle to work - Only one employee joined the cycle to work scheme in 2019-2020 and purchased a bike. We ran promotional activities throughout the year.

My Lifestyle

The "mylifestyle" hub gives all employees access to a range of employee benefits and rewards to suit individual lifestyles. These include discounts and offers for supermarkets, high street stores, holidays etc., together with a "myresources" page which provides help, guidance and tips on how to budget and manage money with links to useful advice websites, video tips and money saving calculators.



Title:	2019-20 PROCUREMENT UPDATE AND PERFORMANCE REPORT
Author:	<i>Gillian Berry, Senior Accountant</i>
Appendices:	1. Annual Procurement Report 2019/20
Consultation:	
Resource Implications:	None

EXECUTIVE SUMMARY

This report provides an overview of our procurement performance for 2019/20. The Appendix to this report is the Annual Procurement Report which documents our progress towards achieving our strategic procurement objectives.

The Board is invited to:

1. Note and comment on the Annual Procurement Report 2019/20 (Appendix 1).
2. Note the annual report is published on the internal and external website, adjusted for any feedback received from the Board.

Links:	Corporate Plan Outcome	Y – Principle 6	Risk Register - Y/N	Y – Risk 2 Financial Sustainability	Equality Impact Assessment - Y/N	N
For Noting	Y	For Discussion	Y	For Assurance		For Decision

If the report is marked Private/Confidential please complete section overleaf to comply with the Data Protection Act 2018 and General Data Protection Regulation 2016/679.

Reason for Confidentiality/Private Report:

This is a public Board report.

Disclosure after: N/A

BOARD MEETING 30 SEPTEMBER 2020

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Reasons for Exclusion	
a)	Matters relating to named care service providers or local authorities.
b)	Matters relating to named persons which were they to be discussed in public session, may give rise to a breach of the Data Protection Act 2018 or General Data Protection Regulation 2016/679.
c)	Matters relating to terms and conditions of employment; grievance; or disciplinary procedures relating to identified members of staff.
d)	Matters involving commercial confidentiality.
e)	Matters involving issues of financial sensitivity or confidentiality.
f)	Matters relating to policy or the internal business of the Care Inspectorate for discussion with the Scottish Government or other regulatory or public bodies, prior to final approval by the Board.
g)	Issues relating to potential or actual legal or statutory appeal proceedings which have not been finally determined by the courts.

2019-20 PROCUREMENT UPDATE AND PERFORMANCE REPORT

1.0 INTRODUCTION

The Care Inspectorate has a duty to ensure compliance with the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations. The Accountable Officer also has a specific responsibility to ensure compliance with the procurement section of the Scottish Public Finance Manual. This report provides an overview of procurement developments and reports on procurement performance for 2019/20.

2.0 PROCUREMENT PERFORMANCE

The procurement strategy and annual procurement report are part of the reporting landscape for organisations that have an estimated regulated procurement spend of £5m or more. Whilst the Care Inspectorate did not meet this criteria, an annual procurement report will continue to be developed with plans to publish on the Care Inspectorate and SSSC websites as good practice.

The annual report is attached as Appendix 1.

3.0 PROCUREMENT SHARED SERVICE FROM SCOTTISH GOVERNMENT

The Care Inspectorate partners with the Central Government Procurement Shared Service (CGPSS) to benefit from both operational and strategic support in all aspects of procurement to ensure the Care Inspectorate maximises value and performance from its third party expenditure, manages risk and remains compliant with changing legislation and policy. This shared service provides both corporate and cash benefits in further improving our procurement capability. Our shared service partner provided support in the following areas in 2019/20:

- Supporting the procurement of storage and archiving services, including the exit plan and costs of incumbent supplier.
- Provision of specialist advice.

The shared service is provided on the basis of a Memorandum of Understanding which was developed by the Central Government Procurement Shared Service Steering Board. The Care Inspectorate's Executive Director of Corporate and Customer Services is the Chair of this Steering Board.

4.0 PROCUREMENT CAPABILITY

Scottish Government assesses procurement capability through the Procurement and Commercial Improvement Programme (PCIP). The PCIP focuses on the policies and procedures driving procurement performance, and the results they deliver.

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The PCIP includes Full, Medium and Lite Assessments and, for those bodies with an annual procurement spend of less than £7m, a Healthcheck.

The Care Inspectorate's second assessment was completed in November 2019 and was a joint assessment with the SSSC. As our annual procurement spend is below £7m, excluding VAT, a Healthcheck was completed. This assessed nine key areas, using a red, amber and green scoring system. The process also focused on areas where further improvement could be made. The Care Inspectorate scored green in all nine areas assessed. The assessment noted a number of key strengths in procurement and one area for improvement was agreed which has since been implemented.

5.0 IMPLICATIONS AND/OR DIRECT BENEFITS

Sections 5.1 to 5.5 note the implications and direct benefits arising from this report.

5.1 Resources

There are no direct resource implications associated with this procurement update report. This section provides details of the Care Inspectorate's procurement performance for the year, and any benefits realised from procurement are incorporated into the 2020/21 budget.

5.2 Sustainability

The procurement sustainability implications are within the attached annual procurement report.

5.3 Policy

The Care Inspectorate has a duty to ensure compliance with the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations. The Act, a key part of a procurement reform programme between 2006 and 2016, establishes a national legislative framework for sustainable public procurement and places a number of general duties on contracting authorities aimed at promoting good, transparent and consistent practice in procurement.

When considering this paper, it is also important to be aware of the need to ensure effective governance within the context of public service delivery and reform to the benefit of the people of Scotland. Relevant policy developments in this regard include the National Performance Framework and the Four Pillars of Public Service Reform: Prevention, Performance, People and Partnership. It should also be noted that the Coronavirus (COVID-19) outbreak has since had, and will continue to have, a significant impact on current and future policy development.

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The Scottish Government's Procurement Strategy 2017-2019 sets out national activity and priorities in relation to how procurement will support sustainable economic growth and deliver benefits for the people and communities of Scotland.

5.4 People Who Experience Care

Efficient procurement will help secure best value from contracts awarded. This in turn means that the Care Inspectorate optimises the use of its resources to maximise the benefits of the work of the Care Inspectorate to people who experience care.

5.5 Customers (Internal and/or External)

The objectives of strategic theme 4 relate to our commitment to measure, monitor and publish our procurement performance. This report demonstrates how we carry out and monitor our activities in this area.

6.0 CONCLUSIONS/NEXT STEPS

This report summarises the developments in procurement over the last financial year. The Annual Procurement Report, appendix 1, highlights that our procurement capability has improved, and that the Care Inspectorate has plans in place to support further improvement.



Annual Procurement Report 2019/20

Prepared by: Gillian Berry, Senior Accountant
Contact: 01382 207140

Approved by Board:

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1.1	About the Care Inspectorate
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2.2.3	Community benefits
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2.2.5	Fair and ethical trading
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2.4	Provide timely performance information
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Glossary

1.0 INTRODUCTION

1.1 About the Care Inspectorate

The Care Inspectorate is the independent scrutiny and improvement body for care, social work and child protection services and has a significant part to play in improving services for adults and children across Scotland. It regulates and inspects care services and carries out joint inspections of adults' and children's services delivered by health and social care partnerships across local authority areas.

The Care Inspectorate operates from offices across Scotland. Its headquarters are co-located with the Scottish Social Services Council (SSSC) in Dundee.

We aim to make sure that people receive high quality care and that their rights are promoted and protected.

It's our job to make sure that:

- vulnerable people are safe
- the quality of care, social work and child protection services improve
- people know the standards they have a right to expect
- we can report publicly on the quality of these services across Scotland
- we can support and encourage the development of better ways of delivering these services.

The Care Inspectorate and SSSC published a joint Procurement Strategy in 2016. This strategy covers the period 2016 to April 2020 and is designed to take a responsible and sustainable approach to procurement. The strategy has the following key priorities:

1. Achieve value for money
2. Deliver sustainable procurement
3. Raise the level of procurement knowledge, skills and expertise
4. Provide timely performance information
5. Achieve the benefits derived from collaborative working
6. Strengthen contract and supplier management processes
7. Provide a procurement service which supports effective procurement which delivers best value.

The purpose of this report is to record and publish the Care Inspectorate's procurement performance and achievements in delivering its procurement strategy.

2.0 KEY PRIORITIES

2.1 Achieve Value for Money

Procurement spend subject to procurement legislation and procedures excludes the following:

- Payroll expenditure
- Internal spend - i.e. 'spend' or cross charging between departments
- All direct payments to Her Majesty's Revenue and Customs
- Rent
- Rates
- Shared services

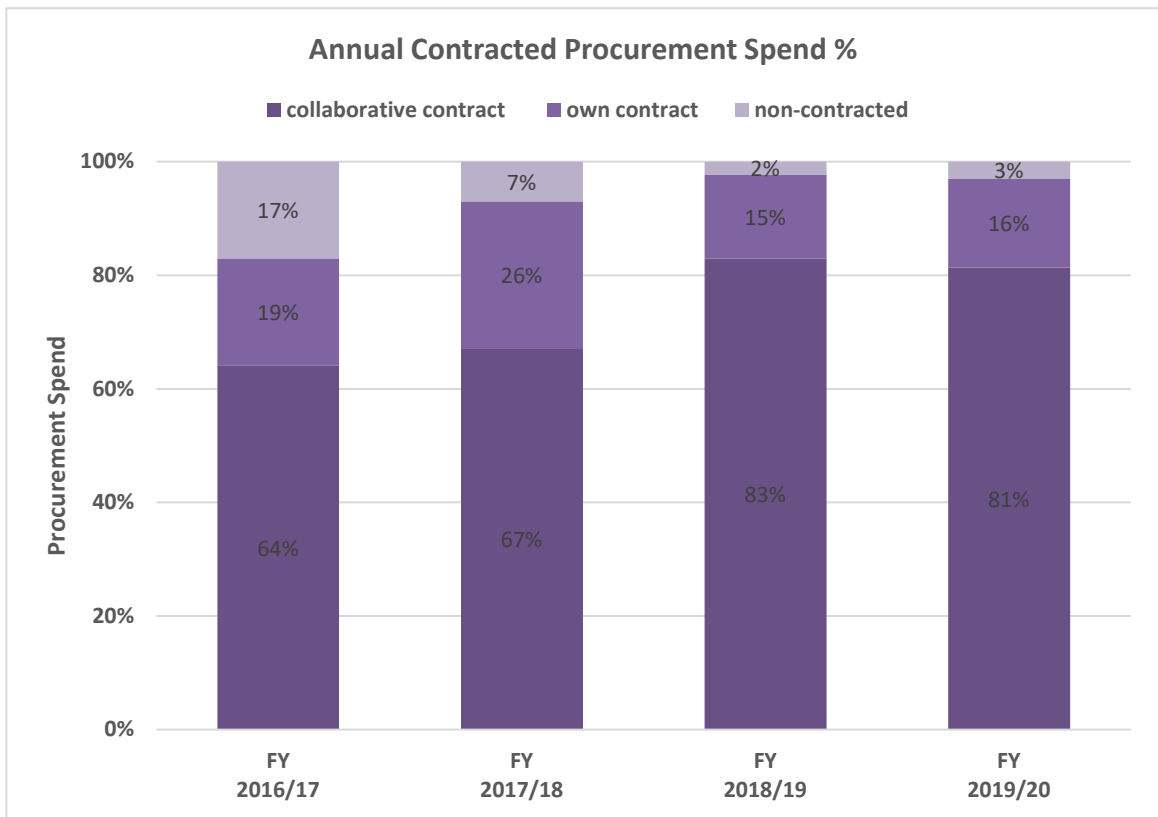
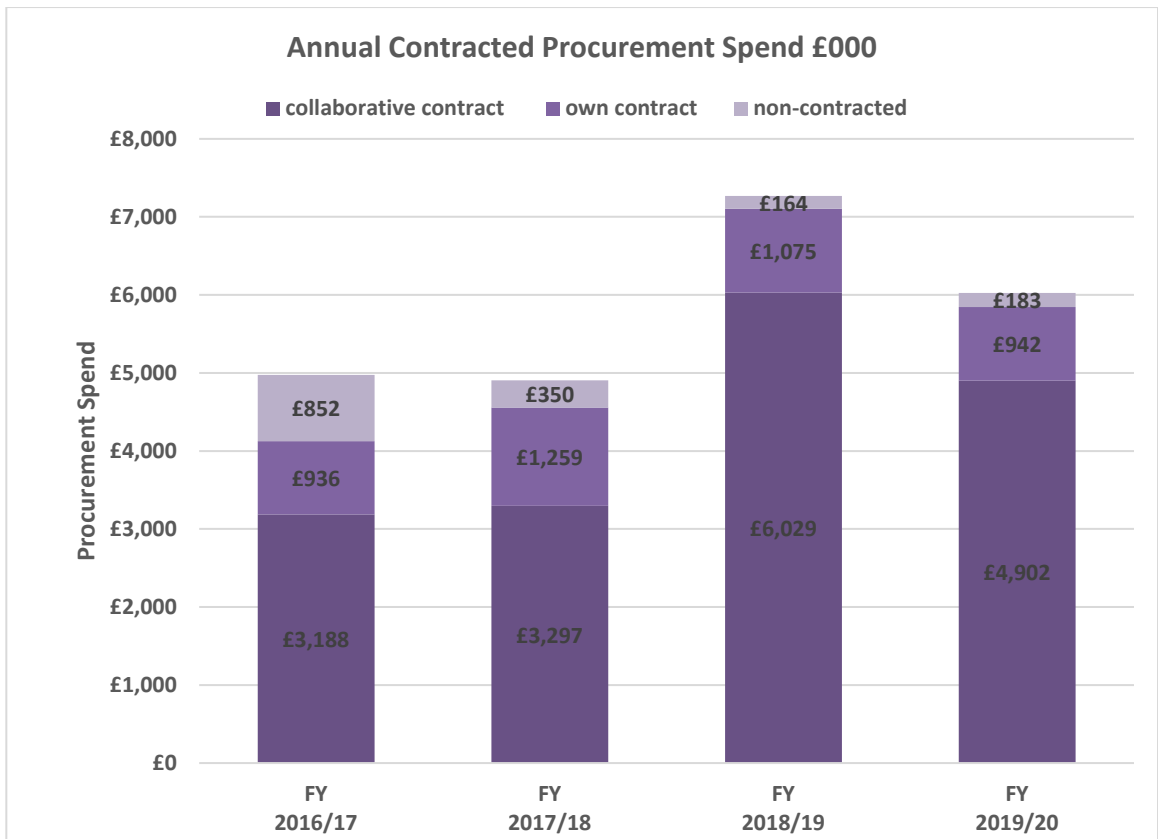
To ensure value for money is achieved in our procurement activity, sourcing strategies are prepared for all standard tenders.

The table below shows the value and volume of procurement activity for the year to 31 March 2020 (figures for the year to 31 March 2019 are shown for comparison):

Table 1: Value and Volume Summary		
	2018/19	2019/20
Total Spend	£9,491,872	£8,247,316
Total Procurement Spend	£7,267,595	£6,028,186
Total Invoice Value	£9,285,352	£7,635,342
Number of Invoices	2,650	2,695
Number of Suppliers Paid*	667	645
Average Invoice Value	£3,504	£2,833

* No of suppliers includes 236 paid by electronic purchasing card (2018/19; 289).

The analysis of procurement spend between spend on collaborative frameworks and spend on organisation owned contracts and frameworks is as follows:



As can be seen from the analysis above, contracted spend represents 97% of procurement spend. A procurement exercise was concluded to award a new contract for storage and archiving. The migration to this contract involved exit charges payable in respect of the legacy contract. Adjusting for this, the percentage of contracted spend is the same as in 2018/19. An analysis of spend classified as 'non contracted' spend is provided in 2.1.2.

2.1.1 Collaborative procurement

We use collaborative frameworks wherever possible and only tender for our own procurement where there is not a suitable framework in place. Spend on collaborative procurement continues to represent the highest value of procurement spend. During the year we have undertaken mini-competitions or continued to call off frameworks with the following contract or framework owners:

- Scottish Procurement and Property Directorate (SPPD)
- Crown Commercial Services
- Audit Scotland
- HMRC
- Scotland Excel
- Advanced Procurement for Universities and Colleges (APUC)
- Scottish Prison Service
- Health Trust Europe
- Eastern Shires Purchasing Organisation (ESPO)
- Yorkshire Purchasing Organisation (YPO)
- National Services Scotland (NSS).

Where possible, we collaborate with the Scottish Social Services Council (SSSC) in the award of contracts.

2.1.2 Non-contracted spend

Non-contracted procurement spend comprises expenditure with suppliers who are not on our contracts register.

As noted in 2.1, this has seen a marginal increase of 1% from the position reported in 2018/19, now representing 3% of our overall procurement spend for 2019/20 and comprises the following:

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Description	Value (£000)	%age
Total non- contracted spend	183	100%
Spend now regularised (mainly storage and archiving)	(161)	(88)%
Spend which should have followed a low value procurement process	(19)	(10)%
Legacy banking contract for which transactions are being phased out.	(2)	(1)%
Low value catering supplies	(1)	(1)%
Total unidentified spend	0	0%

As noted above, the highest value of this spend relates to legacy contracts where the position has now been regularised.

2.1.3 Contract benefits realised

Reported procurement savings have been calculated following the 'Procurement Benefits Reporting Guidance' which was developed for the Scottish Public Sector.

Savings totalling £0.742m (2018/19: £1.198m) have been realised from procurement during the year. This comprises £0.592m cash savings (2018/19: £1.005m) and £0.150m non-cash savings (2018/19: £0.193m). The highest savings were realised from the following contracts:

- Fixed telephony services
- Mobile telephony services
- ICT hosting services
- Business and digital development support
- Car lease insurance
- Travel and accommodation services

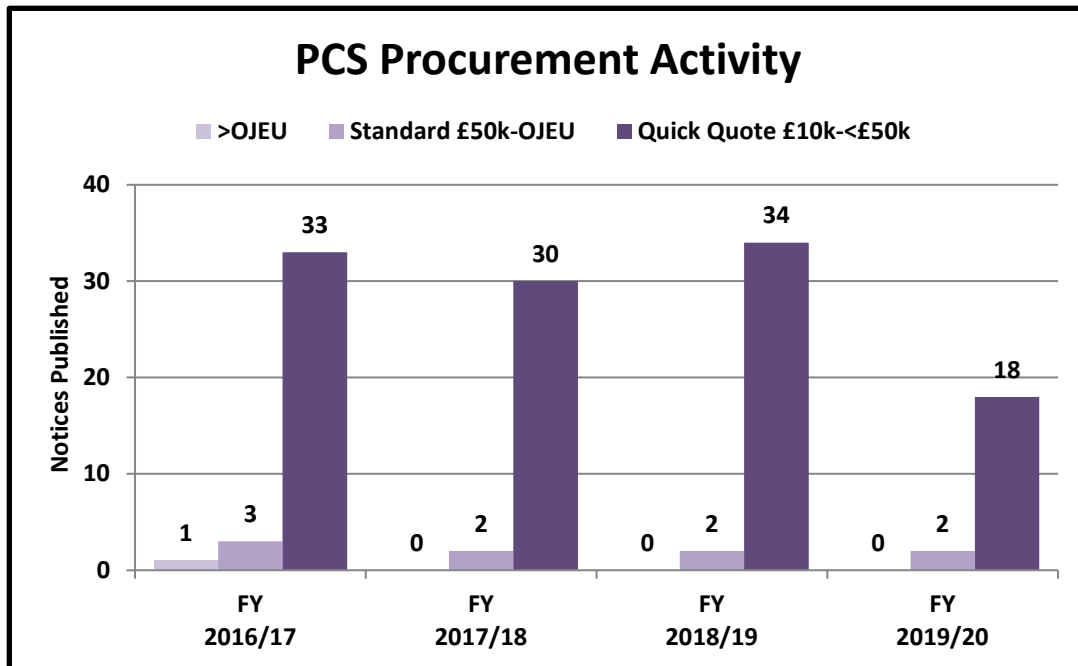
Sustainability benefits realised during the year are detailed in 2.2.

2.1.4 Summary of procurement activity

We are committed to making public procurement open and accessible to businesses, especially small and medium sized enterprises (SMEs), the third sector and supported businesses. Most of our tender opportunities greater than £10,000 are advertised on the Public Contracts Scotland (PCS) advertising portal. Where procurement spend is estimated to be at or above the European Commission procurement thresholds, this is also published in the Official Journal of the European Union (OJEU). We also publish our contract register on PCS.

The PCS portal has a 'Quick Quote' facility which is a proportionate process to request and receive quotes for lower value goods and services and for goods and services which are competitively advertised using collaborative framework suppliers.

The following summarises the tenders which were advertised on PCS and shows that all the Care Inspectorate’s 2019/20 procurements are below the OJEU threshold.



The decrease in activity this year is mainly due to a reduction in demand for temporary agency staff. All regulated procurement followed a compliant procurement process.

2.1.5 Forward procurement plan

To promote wider participation in the Care Inspectorate’s procurement process, a two-year plan of our procurement activity will be published. This plan gives notice to suppliers of future opportunities and provides the following information:

- the subject matter
- whether it is a new, extended or re-let procurement
- the expected contract notice publication date
- expected award date
- expected start date
- the estimated value of the contract.

2.1.6 Electronic purchasing card

Purchasing and payment by electronic purchasing card (ePC) is encouraged when paying for low value, high volume goods and services. There were 1,004 transactions totalling £149,663 using this method in 2019/20 with an average transaction value of £149.07.

The value and volume of spend has seen a decrease from the position reported in 2018/19. This is likely due to a reduction in spend during March as planned activity

during this period was either cancelled or delayed until 2020/21 in response to the Covid-19 pandemic.

2.1.7 Invoice analysis

A total of 2,695 invoices, totalling £7.635m in value were processed during the year.

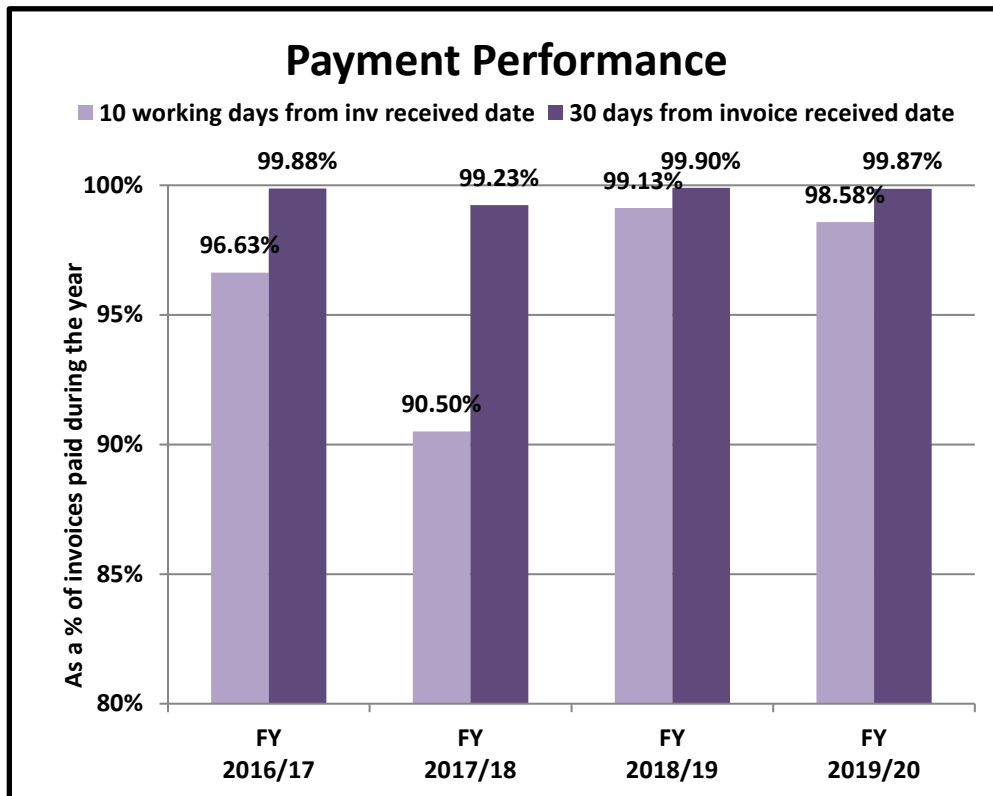
We continue to explore opportunities for consolidating invoicing and purchasing low value goods and services using ePCs, where savings are realised from the reduction in volume of invoices processed. The volume of low value invoices has decreased by 2% in 2019/20. The cumulative saving from this is £16k and is reported in the non cash savings in 2.1.3.

2.2 DELIVER SUSTAINABLE PROCUREMENT

The Care Inspectorate has a duty to comply with the sustainable procurement duty as detailed in the Procurement Reform (Scotland) Act 2014. The procurement strategy details our sustainability priorities and our progress towards achieving those are outlined in 2.2.1 to 2.2.6.

2.2.1 Prompt payment to suppliers

We are committed to paying our suppliers promptly and payment performance continues to be maintained at a high level. 99.87% of suppliers were paid within 30 days of the invoice received date, and 98.58% paid within the Scottish Government’s target of 10 working days. The following shows payment performance for the financial years 2016/17 to 2019/20.



2.2.2 Paying the living wage through regulated procurement

We promote fair work practices in all of our tender documentation and are committed to promoting the payment of the Real Living Wage. The Care Inspectorate is an accredited living wage employer.

During the year we awarded 21 contracts or call-offs where sustainability benefits were secured. The following shows contracts or call-offs where the suppliers have documented that they pay either the Real Living Wage or the Living Wage:

- ❖ Provision of temporary staff (awarded contracts value totalled £534k)
- ❖ Cleaning and environmental services (awarded contract value £488k)
- ❖ Print and associated services - business stationery (awarded contract value £80k).
- ❖ Provision of maintenance and repair of automatic door closers (awarded contract value £75k)
- ❖ Air conditioning repair and maintenance services (awarded contract value £46k)
- ❖ Grounds maintenance and improvement service (awarded contract value £30k)
- ❖ Hot drinks supplies (awarded contract value £21k)
- ❖ Legal services (awarded contract value £20k)
- ❖ Provision of corporate induction and team building services (awarded contract value £9k).

2.2.3 Community benefits

We promote the use of community benefits within procurement exercises where they are relevant and proportionate to the contract. We have not had any contracts exceeding £4m in value, however, we continue to call-off of Scottish Procurement and Property Collaborative contracts which supports the provision of apprenticeships and work placements.

The following community benefits were secured from the award of below regulated procurement threshold (<£50k total contract value) contracts:

- The contract awarded to deliver the staff engagement survey has signed the Wheatley Pledge. This is part of Wheatley Works range of programmes and is a financial incentive scheme provided by Wheatley Foundation to employers who recruit unemployed people who live in one of their homes or receive their care services.
- The supplier awarded the contract for air conditioning repair and maintenance services has an apprenticeship scheme.
- The supplier awarded the contract for grounds maintenance and improvement services donates plants to local community projects.

2.2.4 SME's local businesses, supported businesses and the third sector

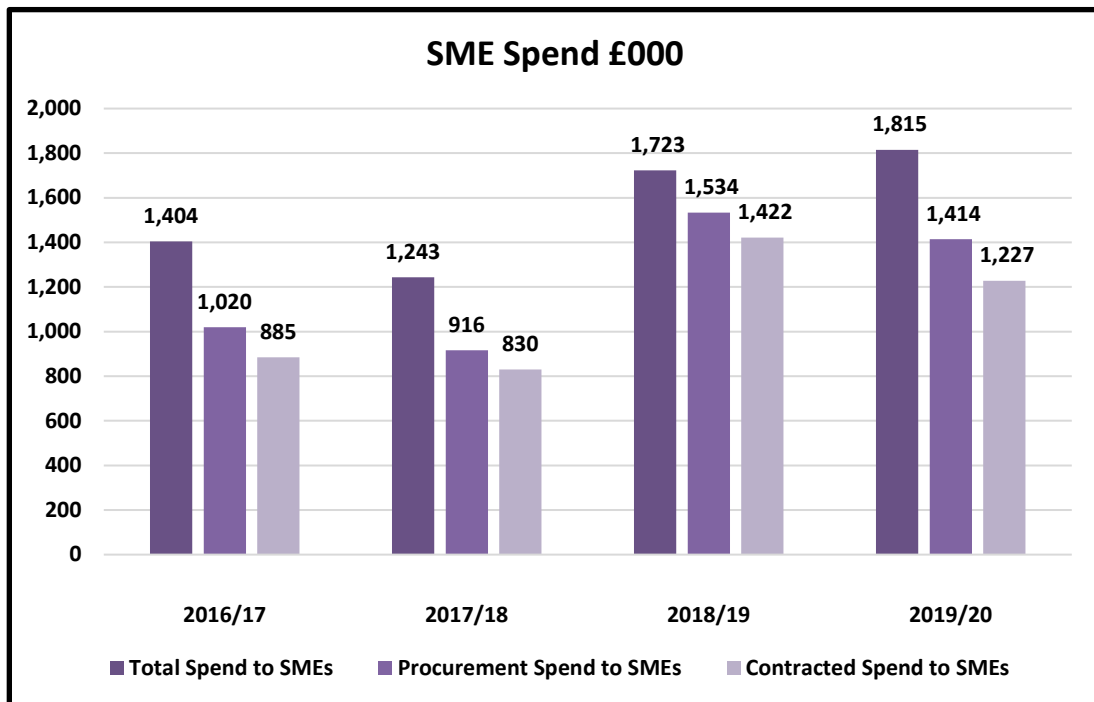
During the year we have continued to address sustainability in procurement. A directory of supported businesses is published on the Care Inspectorate intranet. This directory provides supported business supplier names, contact details including

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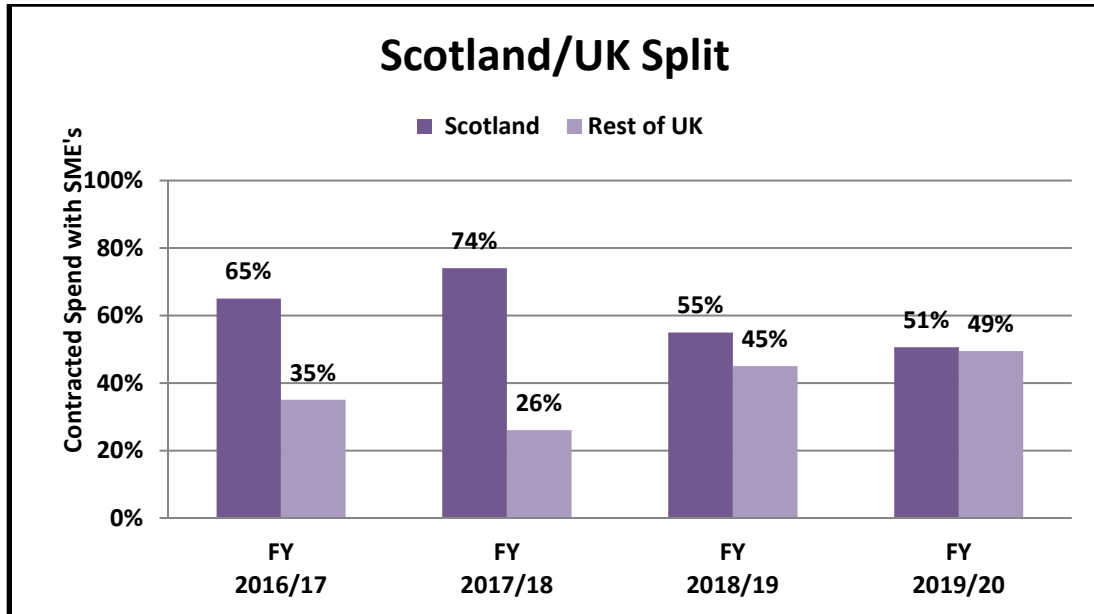
website links and a summary of goods and services provided by each supported business.

We submit quarterly returns to Scottish Government showing Care Inspectorate spend with supported businesses.

We continue to capture spend with SME's, social enterprises and third sector suppliers. Our annual spend with SMEs is £1.8m, representing 22% of our total spend and 23% of our procurement spend. This is an increase of 2% in our procurement spend for 2019/20, representing 21% of our total contract spend. Within this, £39k of spend has been with social enterprises. An analysis of our annual spend with SMEs is shown below:



A breakdown of the procurement spend between Scottish and other UK SMEs is represented in the tables below:



2.2.5 Fair and ethical trading

Our standard procurement procedures involve assessing a bidder’s suitability to be awarded the contract. This process includes considering whether the bidder has been convicted of certain offences or committed any acts of professional misconduct while running their business. There were no tenders where mandatory or discretionary grounds for exclusion were applied.

Our standard terms and conditions allow us to end a contract if the contractor or subcontractor fails to keep to their legal duties in the areas of environmental, social or employment law when carrying out that contract.

2.2.6 Other sustainability benefits

We continue to maintain a sustainability tracking tool where we capture sustainability benefits in our procurement activity. For 2019/20 the Care Inspectorate awarded 8 contracts and 22 call-off agreements where the following social, environmental and economic benefits were realised:

- | | |
|------------------------|--|
| Social Benefits | <ul style="list-style-type: none"> • Supplier diversity • Social Inclusion • Equality & human rights |
| Environmental Benefits | <ul style="list-style-type: none"> • Emissions • Energy use • Raw materials • Habitat • Waste |
| Economic | <ul style="list-style-type: none"> • Competitiveness |

These benefits relate to regulated and lower value contracts and include the following:

- The contract for hot drinks supplies was awarded to a certified carbon neutral water and coffee services company who are providing compostable paper cups.
- The cleaning and environmental services contract includes the use of biodegradable cleaning materials, energy efficient tools and recycling services.
- Of all the paper and stationery purchased during 2018/19, 55% of expenditure related to the purchase of 'green' products. This is an increase of three percentage points from the position reported for 2018/19.
- To further promote sustainability, we only purchased sustainable promotional materials to be used in event participation.

2.3 RAISE THE LEVEL OF PROCUREMENT KNOWLEDGE, SKILLS AND EXPERTISE

The Care Inspectorate continues to invest in ensuring our staff are equipped with the right tools and experience in order to discharge their procurement duties effectively and efficiently. A central procurement training register is maintained by the Procurement Team.

The Procurement Team continued to deliver training at Care Inspectorate team level. This allowed the training to be delivered around individual team requirements, ensuring it was meaningful and relevant. During the year, they delivered five training events.

Informal training is provided on an on-going basis by the Procurement Team and procurement continues to form part of the induction that new staff undertake when they join the Care Inspectorate.

The Procurement Development Group meet at least twice per year.

2.4 PROVIDE TIMELY PERFORMANCE INFORMATION

The Procurement Development Group (PDG) provides an opportunity where key procurers within the Care Inspectorate and SSSC can discuss best practice, new developments and procurement plans with a specific aim of developing and improving the organisations' procurement capability and the effectiveness of our internal processes. The PDG inform the development of our internal procedures and reporting requirements, both internally and to Scottish Government.

A set of agreed performance measures are reported to this group bi-annually where progress against targets is reviewed and solutions are sought for further improvement.

This report on annual performance is also presented to this group, the respective executive management teams of the Care Inspectorate and SSSC, the Care Inspectorate's Board and the SSSC's Council. Feedback from this report will be incorporated into the 2020/21 procurement action plan where required.

Outwith the above, any areas of concern are reported to the relevant management team as they occur.

2.5 ACHIEVE THE BENEFITS DERIVED FROM COLLABORATIVE WORKING

As can be seen from the information reported in 2.1, we continue to use collaborative frameworks where available and continue to explore opportunities for collaboration through CGPSS and our membership of our Procurement Cluster Group.

Our relationships with CGPSS and the Procurement Cluster Group facilitate the sharing of knowledge and encourage partnership working to ensure we deliver value for money and pool resources and expertise.

Savings of £0.662m, representing 89% of our total procurement savings, have been realised from the use of collaborative frameworks.

2.6 STRENGTHEN CONTRACT AND SUPPLIER MANAGEMENT PROCESSES

Contract management training has been delivered to all staff with responsibility for managing contracts. This training provides staff with the tools and techniques required to better manage their contracts and suppliers.

Contract managers are appointed for all relevant contracts and contract management meetings are held regularly for all key contracts. Supplier performance on key contracts is managed effectively to deliver value for money.

The procurement team collate contract management information bi-annually and maintain a central record of this which is linked to the contract register.

2.7 PROVIDE A PROCUREMENT SERVICE WHICH SUPPORTS EFFECTIVE PROCUREMENT WHICH DELIVERS BEST VALUE

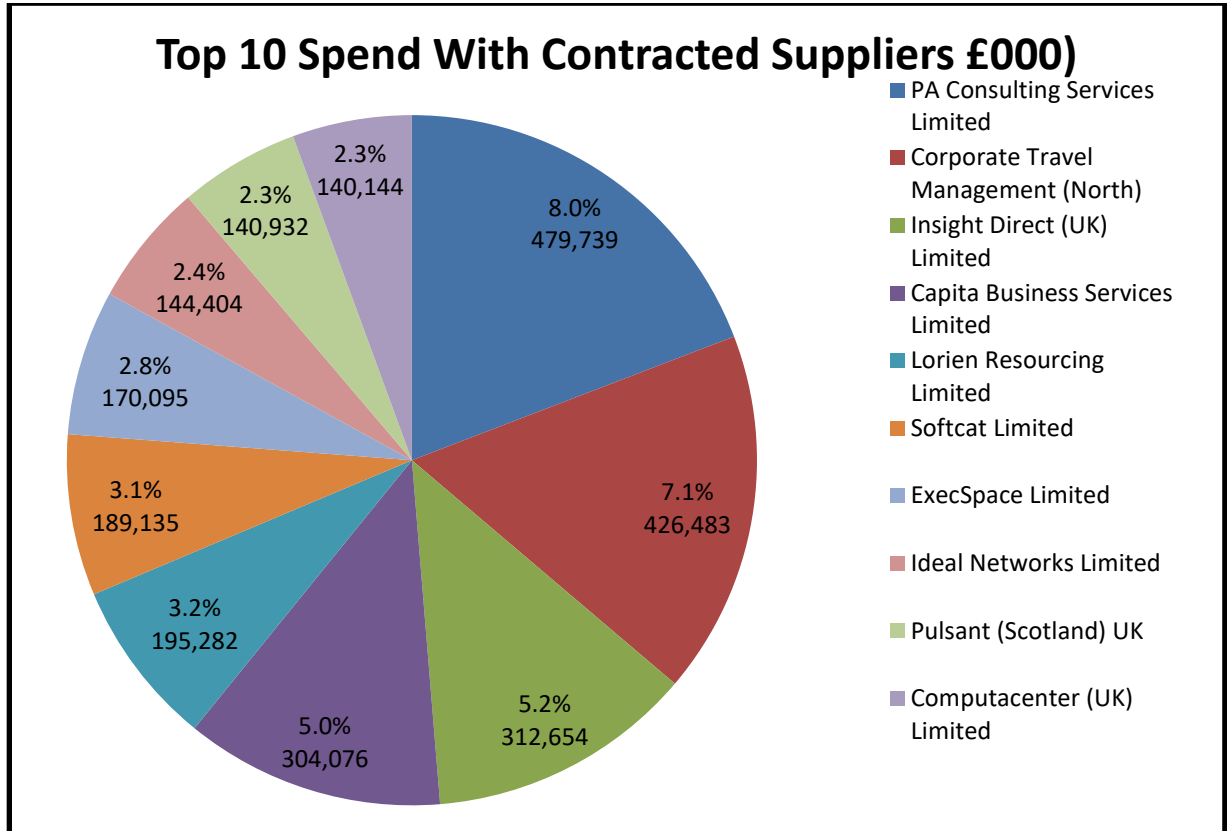
The procurement business processes are reviewed by the Procurement Team on a cyclical basis ensuring all processes are reviewed annually. This review ensures they reflect current legislation and meet the needs of the users. A number of processes have, and continue to be, amended and developed to support the changing procurement landscape.

The Procurement Team have also had an integral role in the creation of lessons learned reviews during the year. These are shared with the wider internal procurement community to ensure these valuable lessons are considered for future procurements.

The success of the service delivery is informed by the independent 'healthcheck', regular feedback from users of the procurement service and a customer survey which is distributed every two years. This feedback and follow-up action contribute to ensuring that the right level and quality of service is being delivered.

3.0 TOP 10 CONTRACTED SUPPLIERS

Together, the top 10 suppliers account for 42% (2018/19: 50%) of our total procurement spend, and 43% (2018/19: 36%) of our contracted spend.



The top 10 contracted suppliers provide goods and services across the following categories of expenditure:

Spend Category	Spend Value £000
Information systems*	1,231
Professional fees	480
Transport costs	426
Hired agency staff	195
Venue and Events Hire	170
Total	2,502

* Capita Business Services Ltd provided information and telecoms services.

4.0 SUPPLIER ACTIVITY

The Procurement Team review active suppliers quarterly, with the aim being to ensure only suppliers we do regular business with are set up in the creditors' ledger.

Agenda item 18
Appendix 1

Suppliers who have not been used for a period of 13 months are made 'inactive' and any request to use them requires completion of a procurement template to ensure procurement procedures are being complied with. Only when this has been undertaken can new suppliers be created, or inactive suppliers updated to 'active' status. This ensures current contract arrangements have been analysed to ensure we are buying from a contract wherever possible. This is also good practice to mitigate the risk of purchasing or supplier fraud.

The number of active suppliers as at 31 March 2019 was 262 (2018/19: 274). Of those there were 193 supplier sites for the supply of goods or services and 69 supplier sites for reimbursing inspection volunteers and associate assessors for travel and subsistence expenses (2018/19: 198 suppliers, 76 inspection volunteers).

5.0 CONCLUSION

The Care Inspectorate continues to make good progress towards the achievement of the published procurement priorities and the procurement action plan which supports the procurement strategy has been updated to reflect current priorities. The implementation of this plan will support continued development in procurement.

Glossary

Term	Description
Call-off	Either mini competition or direct call-off from a collaborative framework using framework conditions.
CGPSS	Scottish Government Central Government Procurement Shared Service.
Collaborative Frameworks	A collaborative framework is a framework which has been awarded to meet the needs of a number of public sector organisations.
Community Benefits	Contractual requirements which deliver a wider social benefit in addition to the core purpose of the contract. In particular, requirements in relation to targeted training and employment outcomes.
Contract spend	Spend which is compliant with Care Inspectorate procurement governance.
Living Wage	National minimum wage for workers aged over 25.
Non contracted	Spend not linked to a formal contract which is recorded on the contract register.
Own contracts	Contracts advertised and awarded by the Care Inspectorate.
Procurement Cluster Group	Group of Scottish Public Sector bodies of differing sizes who meet to discuss best practice, new developments and procurement plans. This facilitates the development of procurement capability within the Scottish Public sector.
Procurement spend	Spend which is influenced by Procurement governance arrangements.
Public Contracts Scotland (PCS)	Public procurement advertising portal where contract notices and awards are published.
Regulated procurement	Procurement seeking offers in relation to a contract with a value of £50,000 or over.
Real Living Wage	Living wage calculated to be sufficient to provide the necessities and comforts essential to an acceptable standard of living. Applies to all workers over the age of 18.
SME	The usual definition of small and medium sized enterprises (SMEs) is any business with fewer than 250 employees.
Supported Business	A supported business' primary aim is the social and professional integration of disabled or disadvantaged persons. At least 30 per cent of the employees of those businesses should be disabled or disadvantaged.
Third Sector	Term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.

Care Inspectorate and SSSC Register of Regulated Procurement Contracts Awarded 2019/20

Agenda item 18 - Annex 1

Care Inspectorate									
Published Date	Supplier Name	Subject matter	Estimated value	Start Date	End Date (exc. Extension options)	Sustainability Benefit	Lotting	Route to market	Notice Type
04-Apr-19	EDF Energy	Electricity	£563,870	01/04/2019	01/04/2021	Communities; Equality & Fair work	N/A	Direct Award	Call off SPPD Framework
30-May-19	Ogilvie Fleet Limited	Car Lease Services	£502,252	20/03/2019	19/03/2022	Climate change	N/A	Direct Award	Call off AS Framework
10-May-19	PA Consulting	Software Development & Knowledge Transfer in Support of Care Inspectorate's Digital Transformation	£446,300	28/11/2018	22/10/2019	N/A	N/A	Direct Award	Call off SPPD Framework
04-Mar-20	Capita	SWAN Managed IP PBX Broadsoft Horizon Service	£393,021	01/01/2020	31/03/2023	N/A	N/A	Direct Award	Call off NSS Framework
27-Sep-19	ExecSpace	Booking of Meeting Rooms and Conference Venue Service	£361,051	02/09/2019	02/09/2023	3rd sector; SME	N/A	Direct Award	Call off SPPD Framework
04-Jun-19	Iron Mountain PLC	Provision of Storage and Archiving Services	£350,000	13/05/2019	31/05/2025	N/A	N/A	Mini Comp	Call off CCS Framework
numerous	Harvey Nash / Lorien Resourcing Ltd	Interim IT Staff Services	£301,823	01/04/2019	31/03/2020	Equality & Fair work; Climate change	N/A	Mini Comp	Call off SPPD Framework
05-Mar-20	Henderson Loggie	Internal Audit Services	£295,000	01/04/2020	31/03/2023	Communities; SME;	N/A	Mini Comp	Call off APUC Framework
21-Oct-19	PA Consulting	Software Dev & Knowledge Transfer in Support of Care Inspectorate's Digital Transformation extension	£288,775	22/10/2019	28/02/2020	N/A	N/A	Direct Award	Call off SPPD Framework
04-Apr-19	Royal Mail	Mail Delivery Services	£233,300	01/10/2016	31/01/2021	N/A	N/A	Direct Award	Call off SPPD Framework
09-Oct-19	Insight Direct (UK) Ltd	Microsoft Licenses and support	£230,862	18/12/2019	26/09/2023	N/A	N/A	Direct Award	Call off HTE Framework
21-Feb-20	Pulsant	Co-Location & Cloud Services	£208,300	01/01/2020	31/12/2020	Environmental accreditations; Equality & Fairwork	N/A	Direct Award	Call off SPPD Framework
26-Nov-19	CGI UK Ltd	Enterprise Architectural Services	£196,500	25/11/2019	24/11/2020	Climate change	N/A	Mini Comp	Call off SPPD DPS
07-May-19	CSC Computer Sciences Limited	ServiceNow Subscription Services	£140,715	31/12/2018	30/12/2020	N/A	N/A	Digital Marketplace	Call off CCS Framework
04-Mar-20	Park Place Technologies Ltd	Server and Infrastructure Maintenance and Support - IBM Hardware	£97,575	01/03/2020	28/02/2022	Climate change; Environmental accreditations	N/A	Direct Award	Call off SPPD Framework
13-Feb-20	Anderson Strathern LLP (List Ranked) / Harper Macleod LLP	Litigation, Reparation, Employment & Inquiries	£80,000	01/02/2020	31/03/2023	Equality & fair work; Scottish Business Pledge	N/A	Mini Comp	Call off SPPD Framework
18-Jul-19	Allander Print Limited	Print and Associated Services - Business Stationery	£80,000	01/08/2019	31/07/2022	SME	N/A	Mini Comp	Call off SPPD Framework
24-Mar-20	CGI UK Ltd	Business Case Consultancy	£76,025	23/03/2020	22/06/2020	Climate change	N/A	Mini Comp	Call off SPPD DPS
04-Feb-20	All Round Security	Framework for the Provision of Maintenance and Repair of Automatic Door Closers	£75,000	01/02/2020	31/01/2023	Equality & Fairwork; SME;	No-single service requirement	Open	CI Framework
25-Jun-19	HP Inc UK Ltd	Mobile Client Device	£75,000	16/11/2015	15/08/2020	Climate change; Environmental accreditations	N/A	Direct Award	Call off SPPD Framework
17-Jun-19	Softcat Ltd	Software Value Added Reseller	£70,507	18/06/2018	17/06/2022	N/A	N/A	Direct Award	Call off SPPD Framework
numerous	Pertemps / Blue Arrow	Temporary Admin, Catering and Manual – south region	£67,831	01/04/2019	31/03/2020	Equality & Fair work; Climate change	N/A	Mini Comp	Call off SPPD Framework
07-May-19	CSC Computer Sciences Limited	ServiceNow Professional Services & Training	£55,902	31/12/2018	30/12/2020	N/A	N/A	Digital Marketplace	Call off CCS Framework

Scottish Social Services Council (SSSC)									
Published Date	Supplier Name	Subject matter	Estimated value	Start Date	End Date	Sustainability Benefit	Lotting	Route to market	Notice Type
13/12/2019	Exactive	Cloud Based Unified Communication & Contact Centre Services	£305,540	16/12/2019	31/03/2023	Scottish Business Pledge; SME;	N/A	Mini Comp	Call off SPPD DPS
numerous	Pertemps / Harvey Nash	Interim Professional Staff Services	£189,039	01/04/2019	31/03/2020	Equality & Fairwork; Climate change	N/A	Mini Comp	Call off SPPD Framework
11/10/2019	Anderson Strathern LLP	Provision of Legal Presenters	£180,000	01/11/2019	01/11/2022	Communities; Equality & Fairwork;	No-single service requirement	Open	SSSC Framework
11/10/2019	ExecSpace	Booking of Meeting Rooms and Conference Venue Service	£174,702	02/09/2019	02/09/2023	3rd sector; SME	N/A	Direct Award	Call off SPPD Framework
07/05/2019	Royal Mail	Mail Delivery Services	£166,220	01/10/2016	31/01/2021	N/A	N/A	Direct Award	Call off SPPD Framework
04/02/2020	Capital Document Solutions Ltd	Provision & maintenance of networked multi function printing, copying & scanning devices	£166,000	01/02/2020	31/01/2024	Scottish Business Pledge; Climate change;	N/A	Mini Comp	Call off SPPD Framework
24/06/2019	HP Inc UK Ltd	Desktop Client Device	£130,000	01/01/2016	01/01/2020	Climate change; Environmental accreditations	N/A	Direct Award	Call off SPPD Framework
25/06/2019	HP Inc UK Ltd	Mobile Client Devices	£120,000	16/11/2015	15/08/2020	Climate change; Environmental accreditations	N/A	Direct Award	Call off SPPD Framework
numerous	Pertemps / Blue Arrow	Temporary Admin, Catering and Manual – south region	£55,611	01/04/2019	31/03/2020	Equality & Fairwork; Climate change	N/A	Mini Comp	Call off SPPD Framework
18/11/2019	MTC Media Ltd	My Learning - Smartphone Applications	£52,500	11/11/2019	11/07/2020	SME	N/A	Mini Comp	Call off SPPD DPS
14/06/2019	Softcat Ltd	Software Value Added Reseller	£50,446	18/06/2018	17/06/2022	N/A	N/A	Direct Award	Call off SPPD Framework

Care Inspectorate & Scottish Social Services Council Forward Planned Procurement 2020/22								
Contract/Framework owner	Commodity	Estimated value (exc VAT)	Organisation	Status New/Re-let	Anticipated route	Anticipated contract notice publication date	Anticipated contract award date	Anticipated start date
CCS	Employee Services	£47,000	CI/SSSC	re-let	F/W call off	tba	Q4 21/22	Mar-21
CCS	Managed Learning Services	£97,000	CI	re-let	F/W call off	tba	Q4 20/21	Apr-21
CCS	Lease Franking machines and consumables	£22,000	CI	re-let	F/W call off	Q1 21/22	Q1 21/22	May-21
CCS	Leased Car Insurance	£86,667	CI	re-let	F/W call off	Q3 20/21	Q4 20/21	Feb-21
CI	Travel Insurance	£300 per annum	CI	re-let	F/W call off	n/a	Q1 21/22	Apr-21
CI	Survey software licenses for 10 accounts for 1 year	£4,500	CI	re-let	T1	n/a	Q1 21/22	Jun-21
CI	Maintenance of roof access on Compass House for 3 years	£1,500	CI	re-let	T1	n/a	Q2 20/21	Sep-20
CI	105 Motivational Map credits	£2,100	CI	re-let	NCA	n/a	Q3 20/21	Nov-20
CI	Online credit check facility (60 checks over three years, 15Dec17 to 14Dec20)	£1,600	CI/SSSC	re-let	T1	n/a	Q3 20/21	Dec-20
CI	Photographic library usage under a flexi-license of 40 images per year which can be used for print and the web.	£3,600	CI	re-let	NCA	n/a	Q4 20/21	Feb-21
CI	Annual Lift Maintenance for Quadrant House for 4 years	£9,800	CI	re-let	T1	n/a	Q2 21/22	Jul-21
CI	photography services 3 year agreement	£10,000	CI	re-let	T1	n/a	Q2 21/22	Aug-21
CI	Online Health and Wellbeing resources	£10,000	CI	re-let	T1	n/a	Q1 22/23	Jun-22
CI	Business Continuity Management Services	£100,000	CI	re-let	Open	Q1 20/21	Q2 20/21	Aug-20
CI	Maintenance and replacement parts of the lighting control system in Compass House and Quadrant House, Dundee	£7,500	CI	re-let	T1	n/a	Q2 20/21	Aug-20
CI	Planned and Ad-Hoc Maintenance Services Framework Agreement	£140,000	CI	re-let	Open	Q2 20/21	Q3 20/21	Oct-20
CI	Parliamentary Monitoring and Intelligence	£42,360	CI	re-let	Quick Quote	Q2 20/21	Q3 20/21	Jan-21
CI	BMS Maintenance and Ad-hoc repairs	£19,665	CI	re-let	Quick Quote	Q2 20/21	Q2 20/21	Aug-20
CI	SOFI train the trainer sessions for inspectors	£40,000	CI	re-let	NCA	Q2 20/21	Q2 20/21	Aug-20
CI	Framework for Provision of Hot and Cold Drinking Water Dispensers	£15,000	CI/SSSC	re-let	Quick Quote	Q2 20/21	Q2 20/21	Sep-20
CI	Health and Safety Equipment and associated services (including E-Learning)	£180,000	CI/SSSC	re-let	Open	Q2 20/21	Q2 20/21	Oct-20
CI	Waste & Recycling (Dundee & Dunfermline)	£42,133	CI	re-let	tba	Q2 20/21	Q2 20/21	Nov-20
CI	Snow clearing and winter gritting services	£34,500	CI	re-let	Quick Quote	Q2 21/22	Q2 21/22	Oct-21
CI	Young Inspection volunteer Scheme	£48,000	CI	re-let	Quick Quote	Q2 21/22	Q2 21/22	Oct-21
CI	Engineering Days for IBM and VMware Infrastructure	£35,700	CI	re-let	F/W call off	Q2 21/22	Q2 21/22	Nov-21
CI	Provision of Roof Repairs & Maintenance	£39,452	CI	re-let	Quick Quote	Q2 21/22	Q2 21/22	Dec-21
CI	Removal of existing revolving door, supply and installation of single glass sliding door plus 5 years maintenance	£9,595	CI	re-let	T1	n/a	Q2 21/22	Aug-21
CI	Online Learning Resources (KnowHow)	£31,795	CI	re-let	Quick Quote	Q3 20/21	Q4 20/21	Jan-21
CI	Website Maintenance, Support and Improvement Services Framework	£88,800	CI	re-let	DPS call off	Q4 20/21	Q1 21/22	Jun-21
CI	Office Design Services	£45,000	CI	re-let	Quick Quote	Q4 20/21	Q4 20/21	Apr-21
CI	One to One Coaching from Aug19 to Mar21 - Chief Exec	£3,520	CI	re-let	T1	n/a	Q4 20/21	Apr-21
CI	Hosted search service for 2 years	£10,500	CI	re-let	Quick Quote	Q4 20/21	Q4 20/21	Apr-21
CI	Support and maintenance for Practice Management System	£10,000	CI	re-let	tba	Q4 20/21	Q4 20/21	Mar-21
CI	Exhibition Assembly and Storage Services	£15,000	CI	re-let	Quick Quote	Q4 21/22	Q4 21/22	Apr-22
CI	Maintenance, Support, Hosting and Development of the Hub Website	£31,660	CI	re-let	Quick Quote	Q4 21/22	Q4 21/22	Apr-22
CI	Learning Management System Development	£40,000	CI	re-let	Quick Quote	Q4 21/22	Q4 21/22	Apr-22
CI	Performance Management Training Framework	tba	CI	re-let	Quick Quote	tba	tba	tba
CI	Internal Engagement Audit	£18,000	CI	new	Quick Quote	tba	tba	tba
CI	Facilitation Services	tba	CI	new	Quick Quote	tba	tba	tba
CI	Succession Planning Consultancy	tba	CI/SSSC	new	tba	tba	tba	tba
CI	Coaching Strategy Programme	tba	CI	re-let	tba	tba	tba	tba
ESPO	Cash Collection Services	£14,000	SSSC	re-let	F/W call off	Q3 21/22	Q3 21/22	Jan-22
HMRC	Merchant Acquiring services	£48,000	CI/SSSC	re-let	F/W call off	tba	Q4 21/22	Jan-22
SE	Provision of a Guard Services	£500,000	CI	re-let	F/W call off	Q4 20/21	Q1 21/22	May-21
SPPD	Vehicle Hire	£42,400	CI/SSSC	re-let	F/W call off	n/a	n/a	Sep-20
SPPD	Recruitment Advertising and Public Information Notices	£40,000	CI/SSSC	re-let	F/W call off	n/a	n/a	Jul-20
SPPD	IT Training Services Framework	£31,500	tba	re-let	F/W call off	tba	tba	Jan-21
SPPD	General Stationery & Office Paper	£80,000	CI/SSSC	re-let	F/W call off	tba	tba	Nov-21
SPPD	Taxi Services Edinburgh	£1,000	CI/SSSC	re-let	F/W call off	tba	tba	Oct-20
SPPD	Taxi Services Glasgow	£1,000	CI	re-let	F/W call off	tba	tba	Jul-20
SPPD	ePurchasing Card Solution (formerly Government Procurement Card)	£800,000	CI/SSSC	re-let	F/W call off	n/a	n/a	Aug-20
SPPD	Mobile Client Devices	£150,000	CI/SSSC	re-let	F/W call off	tba	n/a	Aug-21
SPPD	Postal Services	£80,000	CI/SSSC	re-let	F/W call off	tba	tba	Jul-21
SPPD	Media Services	£33,000	CI/SSSC	re-let	F/W call off	tba	tba	Mar-21
SPPD	IT Consumables	£1,000	SSSC	re-let	F/W call off	tba	tba	Nov-20
SPPD	Creative Services Framework	£93,000	SSSC	re-let	F/W call off	tba	tba	Jul-21
SPPD	Public Relations Framework	£25,000	SSSC	re-let	F/W call off	tba	tba	Jul-21
SPPD	Interpreting, Translation & Transcription Services	£120,000	CI/SSSC	re-let	F/W call off	tba	tba	Nov-21
SPPD	Legal Services - Property	£33,000	CI	re-let	F/W call off	Q2 20/21	Q2 20/21	Jul-20
SPPD	Legal Services - Debt collection	£40,000	CI/SSSC	re-let	F/W call off	Q2 20/21	Q2 20/21	Aug-20
SPPD	Upgrade and Maintenance of the Sequence (CRM) System	£5,000,000	SSSC	re-let	F/W call off	Q2 20/21	Q4 20/21	Aug-21
SPPD	SSSC Open Badges new features and upgrades	£35,100	SSSC	re-let	F/W call off	Q3 20/21	Q4 20/21	Apr-21
SPPD	Digital Technology Services	£457,025	CI/SSSC	re-let	DPS call off	tba	tba	Apr-21
SPS	Occupational Health Services	£70,000	CI/SSSC	re-let	F/W call off	tba	tba	Apr-21
SSSC	Travel Insurance	£500 per annum	SSSC	re-let	F/W call off	n/a	Q1 21/22	May-21
SSSC	SSSC Catering Services Framework	£42,000	SSSC	re-let	Quick Quote	Q2 21/22	Q3 21/22	Nov-21
SSSC	Technical support for the maintenance, hosting & enhancements to the SSSC Step into Leadership website	£11,200	SSSC	re-let	Quick Quote	Q3 20/21	Q4 20/21	Apr-21
SSSC	e-learning system that will be used to provide awareness training to all staff on crucial records management issues (275 licenses for 3 years)	£4,650	SSSC	re-let	T1	n/a	Q3 20/21	Jan-21
SSSC	Workload Scheduling Tool	£40,000	SSSC	re-let	Quick Quote	Q3 20/21	Q4 20/21	Mar-21
SSSC	Framework Agreement for the provision of the SSSC Workforce Data Website	£60,992	SSSC	re-let	Quick Quote	Q4 21/22	Q4 21/22	Apr-22
YPO	Meeting Pods	£56,000	CI	re-let	F/W call off	Q3 21/22	Q3 21/22	Feb-22
YPO	Provision of Office Furniture & Chairs	£400,000	CI/SSSC	re-let	F/W call off	Q4 21/22	Q4 21/22	Apr-22

Key	
Call off	Either mini competition or direct award from a collaborative framework using framework conditions
CCS	Crown Commercial Services
CI	Care Inspectorate
DPS	Dynamic Purchasing System
ePC	ePurchasing Card
ESPO	Eastern Shires Purchasing Organisation
FW	Framework
HMRC	HM Revenue & Customs
NCA	Non Competitive Action
Open	Advertised through PCS by relevant CPV under organisational terms and conditions
SE	Scottish Enterprise
SPPD	Scottish Procurement & Property Directorate
SPS	Scottish Prison Services
SSSC	Scottish Social Services Council
T1	Template 1 - internal procurement procedure for the purchase of goods and services <£10k
YPO	Yorkshire Purchasing Organisation

BOARD & COMMITTEE MEETING DATES – 2021/22
Compass House, Dundee

Quarter 1 – 2021/22			
Board Development Event/Seminar	Thurs 15 April 2021	10:30 am – 15.30 pm	Dundee
Audit & Risk Committee	Thurs 20 May 2021	10.30 am – 12.30 pm	Room: 1.12
Public Board	Thurs 17 June 2021	10:30 am– 13:00 pm	Rooms: 6/7/8
Quarter 2 – 2021/22			
Audit Committee (Meeting open to all Board members)	Thurs 12 August 2021	10:30 am – 12:30 pm	Room: 1.12 (Annual Report & Accounts)
Public Board meeting	Thurs 12 August 2021	13.30 am – 15:30 pm	Rooms: 6/7/8
Audit & Risk Committee	Thurs 9 September 2021	10:30 am – 12:30 pm	Room: 1.12
Board Development Event/Seminar	Thurs 9 September 2021	13:30 am – 15.30 pm	Room: 1.12
Public Board	Thurs 23 September 2021	10:30 am – 13:00 pm	Rooms: 6/7/8
Quarter 3 – 2021/22			
Board Development/Strategic Event	Thurs 28 October 2021	9:30 am – 17:00 pm	External venue tbc
Audit & Risk Committee	Thurs 18 November 2021	10:30 am – 12:30 pm	Room: 1.12
Board Development Event/Seminar	Thurs 18 November 2021	13:30 am – 15:30 pm	Room: 1.12
Public Board	Thurs 16 December 2021	10:30 am – 13:00 pm	Rooms: 6/7/8
Quarter 4 – 2021/22			
Public Board meeting	Thurs 10 February 2022	10:30 am – 13:00 pm	Rooms: 6/7/8
Board Development Event (including annual Review of Strategic Risk Register)	Thurs 10 February 2022	14.00 am – 16.30 pm	Room: 1.12
Audit & Risk Committee (including Effectiveness)	Thurs 10 March 2022	10:30 am – 13:30 pm	Room: 1.12
Public Board (including Governance Review and Effectiveness)	Thurs 31 March 2022	10:30 am– 14:00 pm	Rooms: 6/7/8

FYI – Easter Sunday 4 April 2021



BOARD

Schedule of Business 2020/21

BUSINESS TOPIC	7 May 2020 <i>(Special)</i>	18 June 2020	13 Aug 2020	30 Sept 2020	17 Dec 2020	21 Jan 2021 <i>(if req'd)</i>	25 Mar 2021
OPENING BUSINESS							
Chair's Report		✓	✓	✓	✓	✓	✓
Chief Executive Report		✓	✓	✓	✓	✓	✓
Update on Covid-19 (within CE Report)	✓	✓	✓				
Covid-19 Activity report (including proposed evidence to SP Health & Sport Committee)			✓				
STRATEGY AND POLICY							
Approval of Care Inspectorate Strategies on a rolling/as required basis <ul style="list-style-type: none"> • Financial Strategy • Customer Service Strategy • Legal Services Strategy • ICT Strategy • Intelligence Strategy • Shared Services Strategy • Information Governance Strategy • Communications Strategy • Improvement Strategy • Health and Safety Strategy • Workforce Strategy 							

BUSINESS TOPIC	7 May 2020 (Special)	18 June 2020	13 Aug 2020	30 Sept 2020	17 Dec 2020	21 Jan 2021 (if req'd)	25 Mar 2021
Interim Review of Current Performance Measures				✓	✓		
Revision of Corporate Plan				✓	✓		
Financial Strategy				✓ PRIVATE	✓		
Scrutiny and Assurance Plan 2020-21 Update			✓				
Proposals for Scrutiny and Assurance Plan				✓ PRIVATE			
Scrutiny and Assurance Plan 2021-22					✓		
Budget and Indicative Budget							✓
Strategic Risk Register 2020/21		✓			✓ (Revision to risk #8)		
Approval of Risk Appetite and Risk Policy							
Annual Review of Procurement Strategy					✓		
MONITORING AND GOVERNANCE							
Budget Monitoring				✓	✓		
Monitoring our Performance Quarterly Report		Q4 ✓		Q1 ✓	Q2 ✓		Q3 ✓
Deferral of Continuation Fees	✓						
2020/21 Financial Position Update	✓	✓					
Finance and Staffing Update			✓				
Board Membership Changes	✓						
Minute of Audit and Risk Committee		✓		✓	✓		✓
Complaints Activity Report		✓ (annual)			✓ (mid-year)		
Annual Report and Accounts							
- Audit Committee Annual Report to the Board				✓			
- Draft Annual Report and Accounts 2019/20							

BUSINESS TOPIC	7 May 2020 <i>(Special)</i>	18 June 2020	13 Aug 2020	30 Sept 2020	17 Dec 2020	21 Jan 2021 <i>(if req'd)</i>	25 Mar 2021
- Combined ISA260 Report to those Charged with Governance and Annual Report on the Audit							
Health and Safety Annual Report		Deferred to September		Deferred to December	✓ (and Strategy)		
Code of Corporate Governance		✓					
Changes to Reservation of Powers & Scheme of Delegation <i>(arising from annual Board Governance Review)</i>			✓				
Board Self-Evaluation Action Plan <i>(arising from annual Board Governance Review)</i>					✓		
UN Convention on the Rights of the Child – report		✓					
Equality Duty Reporting – Annual Progress Report							✓
Annual Review of the Care Inspectorate’s Financial Regs		✓					
CAPA 2 Programme Final Report		✓					
Best Value Report 2019/20 <i>(to 1st Quarter meeting of Board)</i>		Deferred to Sept		Submitted to Audit and Risk Committee instead			
Annual Accounts 2019/20 Progress Report <i>(to 1st Quarter meeting of Board)</i>		✓					
Board and Committee Cycle – 2021/22 draft dates				✓			
Annual Procurement Performance Report				✓			
Shared Services Update Report		✓		✓			
CI Wellbeing strategy (Presentation)				✓			

BUSINESS TOPIC	7 May 2020 <i>(Special)</i>	18 June 2020	13 Aug 2020	30 Sept 2020	17 Dec 2020	21 Jan 2021 <i>(if req'd)</i>	25 Mar 2021
OPERATIONAL							
Digital Programme Update Report		✓		✓ (including outline business case, Phase 2)	✓		✓
Independent Review of The New School Butterstone			✓				
Transformation Programme Update Report		Update within CE report		✓	✓		
HR Annual Report		Deferred to Sept		✓			
Approval of Pay Remit for submission to Scottish Government (tbc)							
Update on Significant Organisational Restructures <i>(when required)</i>							
Estates Update <i>(when required)</i>							
Approval of Compensation Payments <i>(when required)</i>							
STANDING ITEMS							
Identification of Risk	✓	✓		✓	✓		✓
Schedule of Board Business		✓	✓	✓	✓		✓
CONFIDENTIAL/PRIVATE ITEMS							
CI Employee Relations Appeals <i>(to be standing item, when required)</i>				✓ (none to report)	✓		✓
Independent review of the New School Butterstone			✓				
Digital Transformation Update (see above)				✓			
Market Oversight				✓			
CI's Powers of Enforcement				✓			

BUSINESS TOPIC	7 May 2020 (Special)	18 June 2020	13 Aug 2020	30 Sept 2020	17 Dec 2020	21 Jan 2021 (if req'd)	25 Mar 2021
OTHER INFORMATION TO BOARD							
Policy/Parliamentary Tracker and Timetable <i>(email briefings in advance of Board meetings)</i> Work and Policy Direction of UK Regulators <i>(email briefings in advance of Board meetings)</i> Scottish Government Programme for Government <i>(email briefing)</i>							