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Jackie Irvine
Chief Executive Officer
Care Inspectorate
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Dundee
DD1 4NY

10 April 2024

Dear Jackie,

BUDGET ALLOCATION AND MONITORING (BAM) 2024-25

Purpose

I am writing, on behalf of Scottish Ministers, to confirm the budget and associated Grant in Aid allocated to the Care Inspectorate (CI) for 2024-25 following the 2024-25 Scottish Budget process, to complete and submit details of proposed budget planning and drawdown information as well as set out arrangements for monitoring the budget and to provide guidance on related matters. The use of resources must be in accordance with the corporate plan, the Framework Document between SG and CI and any relevant guidance issued by Scottish Ministers, in particular the Scottish Public Finance Manual (SPFM). Relevant guidance may also include the setting out, from time to time, of expectations for the way that Care Inspectorate operates in support of Ministers' policy aims and objectives for the public sector as a whole.

Ministerial Priorities

Grant in Aid is paid to enable the Care Inspectorate to fulfil its statutory functions and to deliver Scottish Ministers' strategic objectives which underpin their core purpose:

- Scrutiny, assurance and improvement support work will lead to improved quality of care and wellbeing for people.
- Poor-quality care will be addressed quickly, through a wide range of scrutiny assurance and improvement support interventions.
- Scrutiny, assurance and improvement support interventions will be influenced by the views and expertise of people who experience care and their carers.

- Care providers and commissioners will be supported to self-evaluate and build capacity to improve.
- Intelligence and evidence gathered from scrutiny, assurance and improvement support work will inform and assure the public and our stakeholders, contributing towards addressing health and social inequalities.
- Based on intelligence, focus scrutiny, assurance and improvement support activity on the highest risk services and to where it will have the greatest impact.
- Registration of services will support the development of high-quality and innovative services.
- Develop quality frameworks for inspection that are outcomes-focused and experience-led, promote self-evaluation and care based on the Standards.
- Your work will inform the development of person-led care and support, including the effectiveness of social work practice.
- You will progress the second year of the digital transformation project which will enable the Care Inspectorate to put in place a data solution that will support the changing landscape of health and social care, Care Inspectorate's evolving needs as the independent regulator of care services in Scotland and those of its partner organisations, who rely on the important information and insight the Care Inspectorate provides. The new digital platform will support a modern, flexible, and efficient way of working, enabling the Care Inspectorate to optimise its scrutiny activities and coordinate workloads.

Budget

This section sets out the initial allocation per HMT classification and represents the budgetary position as set out in the overall Scottish Government Budgetary process. The detailed Grant in Aid allocation for 2024-25 for the Care Inspectorate is:

Resource	Value	Notes
Core Resource	£30,880,000	Safer staffing element removed from published budget and included in additional GiA below. Includes £43k finance interest, Adult SCR (£56k) and the National Hub for reviewing/learning from the deaths of children and young people (£128k)
Core Resource - additional	£180,000	Appropriate Adults
Total Core Resource	£31,060,000	
Additional Resource planned for ABR/SBR		
Criminal Justice and Community Justice Scrutiny	£325,000	
ELC Improvement*	£265,000	
ELC Expansion*	£774,000	
ASP Inspection Programme	£546,000	£546k approved for 2024/25 for CI
Safer Staffing	£425,000	

Anne's Law (Care Home Connections)	£66,000	Revised total project cost of £145,380 up until March 2025
Scottish Study of Early Learning and Childcare (SSELC)*	£48,000	The funding letter was issued to CI on 14 June 2023 and comprises funding of £143.6k in total, with the split between 23/24 and 24/25 being £95.8k and £47.8k respectively.
Clinical priorities / Neurological framework	£20,000	
Child Contact Centre	£450,000	£450,000 is the full year's funding allocation estimated for 2024/25 but this figure is dependent on secondary legislation being laid before Parliament. The final figure will decrease incrementally depending on when in 2024/25 the legislation is put before Parliament.
Total Additional Resource	£2,919,000	
Total Resource	£33,979,000	①
Capital	£18,000	②
Financial Transactions	0	③
Non-Cash	£804,000	④
ODEL	0	⑤
UK Funded AME	0	⑥
Total budget	£34,801,000	

a separate funding letter will provide more detail on programme funding, key deliverables and sponsorship arrangements

- ① Resource spend scores most current expenditure. It comprises wages and salaries and operating costs offset by trading and other resource income.
- ② Capital spend comprises both Indirect Capital (capital grants to the public and private sector) and Direct Capital (additions to non-current assets and intangibles, offset by the net book value of expected disposals).
- ③ Financial Transactions comprises loans given which must go "beyond the public sector boundary" to individuals or entities in the private sector.
- ④ Non-cash comprises both Ring-fenced funding (mainly depreciation) and SG AME Non-Cash (mainly provisions; other examples include pension liabilities, capitalised interest). The non-cash element of funding cannot be used for general expenditure.
- ⑤ [ODEL is 'Outside DEL@ and is expenditure that does not score as DEL.
- ⑥ UK Funded AME is only provided for specifically agreed items. The main examples are Lottery income and expenditure, some pension liabilities and Corporation Tax.

Transfers of budgetary provision **between** the classifications in the table above would require the prior approval of Scottish Government Finance. Any proposals for such

transfers should therefore be submitted to the sponsor team. Transfers of budgetary provision **within** the classifications in the table above may be undertaken without reference to the Scottish Government, subject to any constraints on specific areas of expenditure e.g. the approved pay remit.

Your revised trading and other resource income is estimated at £12,827,000 and the assumed net book value of disposals of non-current assets is nil. These amounts have been taken into account in arriving at the budget shown above. If the amounts realised or expected to be realised in-year are **less** than estimated, you shall, unless otherwise agreed with the sponsor team, ensure a corresponding reduction in your gross expenditure so that the agreed budget is not exceeded. Excluding income resulting from gifts, bequests or donations, if the amounts realised or expected to be realised in-year are **more** than estimated, you must seek approval and discuss the financial impact with the sponsor team before using any excess to support additional expenditure, complying with relevant Scottish Government spending controls as required.

Budget Scoring and IFRS 16

IFRS 16 Leases was implemented from 1 April 2022. This changed the accounting treatment of leases held by public bodies, both as a lessee and a lessor. From 2024-25, budget requirements for accounting for leases under IFRS 16 have been included in the baseline budget, if applicable.

Cash drawdowns will be required for the regular lease payments, therefore the following table shows a reconciliation of budget position to working capital requirements.

	£000s
Total Budget	34,801
Less Non-Cash budget	(804)
Less UK Funded AME budget	0
Less Capital for new leases	(18)
Less Resource Interest on leases	(43)
Add contracted lease payments	736
Total cash requirement	34,672

Budget changes

The Scottish Government is responsible for ensuring that the overall Scottish budget is managed effectively and within the limits set by the Scottish Parliament and HM Treasury. Core Scottish Government Directorates and sponsored / arm's length bodies, such as NDPBs, must therefore comply with the SPFM. This includes adherence to any in-year financial management and governance controls, such as Accountable Officer spending controls, and ensuring appropriate assessment of value for money and affordability is undertaken, and that adequate audit trails and evidence are available to support transparency and public scrutiny for spending decisions.

Budget Revisions

Ministers have to manage the Scottish budget in the light of pressures and savings that may arise during the financial year. The Care Inspectorate may itself experience pressures and savings. Such factors may make it necessary for Ministers to make changes (upwards or downwards) to the budget and associated Grant in Aid for your organisation. Where, exceptionally, any changes have to be made, I shall keep you informed of Ministers' intentions and give you the opportunity to comment.

Any agreed budget revisions will be processed through the Autumn and Spring Budget Revisions (ABR and SBR) which are presented to Parliament during the financial year.

Budget Monitoring

Forecast outturn and spend to date for the financial year should be reported to the sponsor team by completing and submitting the Budget Monitoring spreadsheet issued each month in line with the budget monitoring timetable. A completed spreadsheet providing the position at the end of the financial year 2024-25 should be submitted to the sponsor team in April 2025, in line with year-end deadlines set by Scottish Government Finance.

It is essential that this exercise is completed each month and submitted to the sponsor team by the dates advised to allow the sponsor team and SG Finance to fully evaluate returns. This information is required for submission to SG DG Assurance meetings and SG Corporate Board for their considerations of the overall SG financial position and also for required reporting to HM Treasury.

Grant in Aid

As a result of current legislative provisions, Scottish Government funding for its sponsored bodies is shown in the annual Budget Act in terms of Grant in Aid – i.e. the net cash figure required to support agreed budgets.

The authorised cash Grant in Aid for the Care Inspectorate for 2024-25 is £34,672,000. Scottish Government recognise that a core operating pressure of £2.3 million has been identified against the 2024-25 budget. The Care Inspectorate are asked to continue to seek efficiencies wherever possible to minimise the additional budget requirement. This is in line with the steps being taken within the rest of the Scottish Government whereby savings are required of all Directorates as part of a path to balance exercise.

On the basis that the Care Inspectorate are willing to continue these efforts and provide updates on efficiencies realised through the year, it is my intention to undertake an in year review to discuss the overall position in early August 2024 with a view to allocating additional budget up to a maximum of £2.3 million in line with your updated forecast at that time. This will allow us to monitor and review actual expenditure incurred during the year and ensure budget is aligned with spend.

Grant in Aid should be (re)profiled and drawn down using the relevant spreadsheet in the attached Excel workbook, Annex B. A profile has been provided and you should thereafter submit an updated profile to the sponsor team as part of the grant claim providing details

of Grant in Aid already drawn down, a profile of monthly Grant in Aid requirements for the remainder of the financial year and a note of the unrestricted cash reserves held at the end of the previous month (setting aside historic reserves). **Please provide an initial profile for 2024-25 by 17 April 2024.**

The updated profiles will be used for monthly cash management forecasts provided to HM Treasury and as the basis for the payment of grant in aid - unless notification to the contrary is received by the sponsor team at least 10 days before payment is due to be made. The sponsor team will normally aim to make payments of grant in aid within 5 days following the receipt of the request each month. **Grant in aid should not be drawn down in advance of need.** Unrestricted cash reserves held during the course of the year should be kept to the minimum level consistent with the efficient operation of the body and the level of funds required to meet any liabilities at the year-end. At the end of the financial year, the sponsor team and the Care Inspectorate will formally agree the total grant in aid attributable to that particular period. It is important to maintain a reconciliation of grant in aid against HMT budgets.

Issues Arising

If you have any questions arising from this letter, or if you foresee any financial issues developing in the course of the year, please do not hesitate to contact me . The sponsor team will, where necessary, consult relevant Scottish Government Finance colleagues.

Yours sincerely

Iain MacAllister
Deputy Director
SCNCSD: Regulation, Improvement and Integration Support
For and on behalf of Scottish Ministers

Annexes:

A – Detailed Budget allocation per HMT classification

ANNEX A

DETAILED BUDGET ALLOCATION 2024-25

Excludes additional Core Resource budget and Additional Resource budget to be transferred at ABR/SBR.

	<i>Budget on HMT database</i>	<i>HMT Classification*</i>
	<i>£000s</i>	
Wages and salaries	33,397	Resource
(Gross) Operating costs	10,267	Resource
Trading and other resource income (negative)	(12,827)	Resource
Finance Interest	43	Resource
Depreciation	804	Non-Cash Ringfenced
Amortisation	0	Non-Cash Ringfenced
Impairment	0	Non-Cash Ringfenced
Provisions	0	AME Non-Cash
Accruing pension liability	0	Non-Cash (UK Funded AME)
Capital grants	0	Capital
Capital additions to non-current assets (including investments)	18	Capital
Net book value of disposals of non-current assets (including investments) (negative)	0	Capital

Loans to the private sector	0	Financial Transactions
Total net expenditure (as recognised by HMT)	31,702	

* For a full explanation of HM Treasury's budgeting rules see the current version of [Consolidated budgeting guidance](#).

Any accruals for staff benefits will score as DEL, in line with the latest guidance from Treasury with their PES Paper (2020) 08.

Non cash budgets are ring fenced which means that (for example) any underspend on depreciation cannot be used to fund actual cash expenditure. "AME" stands for Annually Managed Expenditure, which covers expenditure which HMT accepts is volatile and is therefore subject to different controls.

**EXECUTIVE FRAMEWORK DOCUMENT
SCOTTISH GOVERNMENT AND THE CARE INSPECTORATE
ISSUED SEPTEMBER 2019**

Introduction

1. This framework document has been drawn up by the Scottish Government (SG) in consultation with the Care Inspectorate (formally known as Social Care and Social Work Improvement Scotland) , which is a Non-Departmental Public Body (NDPB) and was established under the Public Services Reform (Scotland) Act 2010 (“the 2010 Act”). It sets out the broad framework within which the Care Inspectorate will operate and defines key roles and responsibilities underpinning the relationship between the Care Inspectorate and the SG.
2. While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and should be reviewed and updated as necessary, and at least every 2-3 years. Any proposals to amend the framework document either by the SG or Care Inspectorate will be taken forward in consultation and in the light of SG priorities and policy aims. Any questions regarding the interpretation of the document shall be determined by the SG after consultation with the Care Inspectorate. Legislative provisions shall take precedence over any part of the document.
3. References to the Care Inspectorate include any subsidiaries and joint ventures owned or controlled by the NDPB. The Care Inspectorate shall not establish subsidiaries or enter into joint ventures without the express approval of the SG.
4. Copies of the document shall be placed in the Scottish Parliament Reference Centre. It shall also be published on the SG and the Care Inspectorate websites.

Purpose

5. The Care Inspectorate is to contribute to the achievement of the SG’s primary purpose of increasing sustainable economic growth by aligning its aims and objectives with the Programme for Government, Scotland’s Economic Strategy and National Performance Framework.
6. The work of the Care Inspectorate directly supports the 11 National Outcomes set out in the [National Performance Framework](#). High-quality regulation and effective scrutiny can support improvement and help to ensure that:
 - we have a globally competitive, entrepreneurial, inclusive and sustainable economy;
 - we are open, connected and make a positive contribution internationally;
 - we tackle poverty by sharing opportunities, wealth and power more equally;
 - we live in communities that are inclusive, empowered, resilient and safe;
 - we grow up loved, safe and respected so that we realise our full potential;
 - we are well educated, skilled and able to contribute to society;
 - we have thriving and innovative businesses, with quality jobs and fair work for everyone;
 - we are healthy and active;
 - we value, enjoy, protect and enhance our environment;

- we are creative and our vibrant and diverse cultures are expressed and enjoyed widely; and,
- we respect, protect and fulfil human rights and live free from discrimination.

7. The Care Inspectorate's statutory duties are to:

- Further improvement in the quality of social services.
- Take into account standards and outcomes published under section 50 of the 2010 Act relating to care services and social work services and the Scottish Social Services Council's codes of practice in the performance of its functions.
- Provide information to the public about the availability and quality of social services.
- Provide advice to Ministers about any matter relevant to the functions of the Care Inspectorate.
- Provide advice about any matter relevant to the functions of the Care Inspectorate, when asked to, by:
 - persons who provide, seek to provide, or may seek to provide social services;
 - persons, or groups of persons, representing those who use, or are eligible to use, social services;
 - persons, or groups of persons representing those who care for those who use, or are eligible to use, social services;
 - local authorities;
 - health bodies; and
 - such other persons, or groups of persons, as may be prescribed.
- Prepare in consultation with appropriate persons a plan for carrying out inspections in accordance with best regulatory practice and to keep that plan under review.
- Inspect any social services or the organisation and co-ordination of any social services when requested to do so by Scottish Ministers.
- Conduct joint inspections under section 115 of the 2010 Act with some or all of the bodies listed at section 115(6) at the request of Scottish Ministers and to lead such inspections of services for children and for adults when requested to do so by Scottish Ministers.
- Establish, review and publicise a procedure for complaints about the provision of care services following consultation with the Scottish Public Services Ombudsman (SPSO), local authorities and other relevant parties on that procedure (section 79 of the 2010 Act).
- Establish, review and publicise a procedure for complaints about the exercise by SCSWIS of its functions in accordance with guidance issued by SPSO (section 97 of the 2010 Act).
- Consult with the Scottish Social Services Council on the exercise by SCSWIS of its functions, where appropriate (section 95 of the 2010 Act).
- Consult with the Mental Welfare Commission on the exercise by SCSWIS of its functions, where appropriate (section 96 of the 2010 Act).
- Co-operate with the scrutiny bodies listed in Schedule 20 of the Act in both planning inspection work and undertaking inspections and to share information relating to inspections where appropriate and in the interests of the Care Inspectorate or the other bodies to do so (Section 114 of the 2010 Act).
- Impose fees for registration, continuation, variation or removal of a condition, issuing a new certificate of registration and cancellation with the Care Inspectorate.

- Comply with the duty of user focus and related guidance issued by Scottish Ministers as set out in sections 112 and 113 of the 2010 Act.

8. The Care Inspectorate's purpose, strategic aims and objectives are set out in its corporate plan which is agreed with Scottish Ministers at least every 3 years.

Relationship between Scottish Government and Care Inspectorate

9. Effective strategic engagement between the SG and the Care Inspectorate is essential in order that they work together as effectively as possible to maintain and improve public services and deliver improved outcomes. Both the SG and the Care Inspectorate will take all necessary steps to ensure that their relationship is developed and supported in line with the jointly agreed principles set out in the statement on ['Strategic Engagement between the Scottish Government and Scotland's NDPBs'](#).

Governance and accountability

Legal origins of powers and duties

10. The Care Inspectorate is established under the 2010 Act. The constitution of the Care Inspectorate is set out in Schedule 11 to the 2010 Act. The Care Inspectorate does not carry out its functions on behalf of the Crown.

Ministerial responsibilities

11. The Scottish Ministers are ultimately accountable to the Scottish Parliament for the activities of the Care Inspectorate and its use of resources. They are not, however, responsible for day to day operational matters. Their responsibilities include:

- agreeing the Care Inspectorate's strategic aims and objectives and key targets as part of the corporate planning process;
- agreeing the budget and the associated grant in aid requirement to be paid to the Care Inspectorate, and securing the necessary Parliamentary approval;
- carrying out responsibilities specified in the Act such as approval of the Care Inspectorate's Inspection Plan, appointments to the Care Inspectorate's Board, approving the terms and conditions of Board members, and approving appointment and terms and conditions of the Chief Executive;
- undertaking other matters such as approving the Care Inspectorate's pay remit and laying the accounts (together with the annual report) before the Scottish Parliament.

Care Inspectorate Board Responsibilities

12. The Care Inspectorate Board, including the Chair, normally comprises non-executive members appointed by the Scottish Ministers. The role of the Board is to provide leadership, direction, support and guidance to ensure the Care Inspectorate delivers and is committed to delivering its functions effectively, efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers. It has corporate responsibility, under the leadership of the Chair, for the following:

- taking forward the strategic aims and objectives for the Care Inspectorate agreed by the Scottish Ministers;

- determining the steps needed to deal with changes which are likely to impact on the strategic aims and objectives of the Care Inspectorate or on the attainability of its operational targets;
- promoting the efficient, economic and effective use of staff and other resources by the Care Inspectorate consistent with the principles of [Best Value](#), including, where appropriate, participation in [shared services](#) arrangements;
- ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control. (The Board must set up an audit committee chaired by a non-executive member to provide independent advice and assurance on the effectiveness of the internal control and risk management systems.);
- taking into account relevant guidance issued by the Scottish Ministers when reaching decisions;
- approving annual accounts and ensuring Scottish Ministers are provided with the annual report and accounts to be laid before the Scottish Parliament. The Chief Executive as the Accountable Officer of the public body is responsible for signing the accounts and ultimately responsible to the Scottish Parliament for their actions;
- ensuring that the Bboard receives and reviews regular financial information concerning the management and performance of the Care Inspectorate and is informed in a timely manner about any concerns regarding the activities of the Care Inspectorate;
- agreeing the remuneration package of the Chief Executive, subject to approval of the Scottish Government;
- appointing, with the approval of the Scottish Ministers, the Chief Executive and, in consultation with the SG, setting appropriate performance objectives and remuneration package in line with the SG Pay Policy for Senior Appointments, linked to these objectives which give due weight to the proper management and use of resources within the stewardship of the Care Inspectorate and the delivery of outcomes; and
- demonstrating high standards of corporate governance at all times, including openness and transparency in its decision making.

Further guidance on how the Board should discharge its duties is provided in appointment letters and in [On Board – A Guide for Members of Statutory Boards](#).

The Chair's Responsibilities

13. The Chair is accountable to the Scottish Ministers and, in common with any individual with responsibility for devolved functions, may also be held to account by the Scottish Parliament. Communications between the Care Inspectorate Board and the Scottish Ministers should normally be through the Chair. He or she is responsible for ensuring that the Care Inspectorate's policies and actions support the Scottish Ministers' wider strategic policies and that its affairs are conducted with probity.

14. In leading the Board the Chair must ensure that:

- the work of the Board is subject to regular self-assessment and that the Board is working effectively;
- the Board has a balance of skills appropriate to directing the Care Inspectorate business, in accordance with recognised good practice in corporate governance;

- the Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- he or she, together with the other Board members, receives appropriate induction training, including on financial management and reporting requirements and, as appropriate, on any differences that may exist between private and public sector practice;
- the Scottish Ministers are advised of the Care Inspectorate's needs when Board vacancies arise;
- there is a [Code of Conduct](#) for Board members in place, approved by the Scottish Ministers.

15. The Chair assesses the performance of individual Board members on a continuous basis and undertakes a formal appraisal at least annually. The Chair, in consultation with the Board as a whole, is also responsible for undertaking an annual appraisal of the performance of the Chief Executive and obtaining approval from SG of any associated increases in pay or the Chief Executive's overall remuneration package.

Individual Board Members' Responsibilities

16. Individual Board members should act in accordance with the responsibilities of the Board as a whole and comply at all times with the code of conduct adopted by the Care Inspectorate and with the rules relating to the use of public funds and to conflicts of interest. (In this context "public funds" means not only any funds provided to the Care Inspectorate by the Scottish Ministers but also any other funds falling within the stewardship of the Care Inspectorate, including trading and investment income, gifts, bequests and donations.) General guidance on Board members' responsibilities is summarised in their appointment letters and is also provided in [On Board: A Guide for Board Members of Public Bodies in Scotland](#).

The Care Inspectorate Chief Executive's responsibilities

17. The Chief Executive of the Care Inspectorate is employed and appointed by the Board with the approval of the Scottish Ministers. He or she is the Board's principal adviser on the discharge of its functions and is accountable to the Board. His or her role is to provide operational leadership to the Care Inspectorate and ensure that the Board's aims and objectives are met and the Care Inspectorate's functions are delivered and targets met through effective and properly controlled executive action. His or her general responsibilities include the performance, management and staffing of the Care Inspectorate. General guidance on the role and responsibilities of the Chief Executive is contained in 'On Board.' Specific responsibilities to the Board include:

- advising the Board on the discharge of its responsibilities - as set out in this document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of the Scottish Ministers - and implementing the decisions of the Board;
- using judgement in advising the SG Sponsor Team and Scottish Ministers of any concerns about emerging practice or failings in the planning or delivery of care, social work and child protection services;
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that appropriate financial

appraisal and evaluation techniques, consistent with the [Appraisal and Evaluation](#) section of the [Scottish Public Finance Manual](#) (SPFM), are followed;

- adhere to all aspects and requirements in relation to staff and Senior Appointment pay as set out in the [Public Sector in Scotland - Public Sector Pay](#)
- ensuring that the Care Inspectorate adheres, where appropriate, to the SG's [Programme and Project Management Principles](#);
- having robust performance and risk management arrangements - consistent with the [Risk Management](#) section of the SPFM - in place that support the achievement of the Care Inspectorate's aims and objectives and that facilitate comprehensive reporting to the Board, the SG and the wider public;
- ensuring that adequate systems of internal control are maintained by the Care Inspectorate, including effective measures against fraud and theft consistent with the [Fraud](#) section of the SPFM;
- establishing appropriate documented internal delegated authority arrangements consistent with the [Delegated Authority](#) section of the SPFM;
- advising the Board on the performance of the Care Inspectorate compared with its aims and objectives;
- preparing the Care Inspectorate's corporate and business plans, in the light of the strategic aims and objectives agreed by the Scottish Ministers;
- ensuring effective relationships with SG officials; and
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the SG; that the SG is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the SG in a timely fashion.
- ensuring staff pay proposals are in line with SG Pay Policy and submitted in time and the necessary approvals obtained prior to implementing any annual award.

Care Inspectorate Accountable Officer responsibilities

18. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the SG) will designate the Chief Executive as the Accountable Officer for the Care Inspectorate. Accountable Officers are personally answerable to the Scottish Parliament for the exercise of their functions, as set out in the [Memorandum to Accountable Officers for Other Public Bodies](#). These include:

- ensuring the propriety and regularity of the Care Inspectorate's finances and that there are sound and effective arrangements for internal control and risk management;
- ensuring that the resources of the Care Inspectorate are used economically, efficiently and effectively and that appropriate arrangements are in place to secure Best Value and deliver Value for Money for the public sector as a whole;
- ensuring compliance with relevant guidance issued by the Scottish Ministers, in particular the SPFM and SG Pay Policy;
- signing the annual accounts and associated governance statements; and
- exercising a statutory duty to obtain written authority from the board / chair before taking any action which he/she considered would be inconsistent with the proper performance of the Accountable Officer functions. The Accountable Officer should also notify the relevant Portfolio Accountable Officer.

19. It is incumbent on the Chief Executive to combine their Accountable Officer responsibilities to the Scottish Parliament with their wider responsibilities to the Board.

The Board / Chair should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the Chief Executive, including the statutory duty described above.

Portfolio Accountable Officer responsibilities

20. The Principal Accountable Officer for the Scottish Administration is the Accountable Officer for the SG portfolio budget for the Care Inspectorate. Withdrawal of the Accountable Officer designation would also be a matter for the Principal Accountable Officer. The responsibilities of a Portfolio Accountable Officer are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#). He/she is personally answerable to the Scottish Parliament for ensuring that:

- the financial and other management controls applied by the SG are appropriate and sufficient to safeguard public funds and, more generally that those being applied by the Care Inspectorate conform to the requirements both of propriety and of good financial management;
- the key roles and responsibilities which underpin the relationship between the SG and the Care Inspectorate are set out in a framework document - and that this document is regularly reviewed;
- effective relationships are in place at Director and Deputy-Director level between the SG and the Care Inspectorate in accordance with the strategic engagement principles; and that
- there is effective continuous assessment and appraisal of the performance of the chair of the Care Inspectorate, in line with the requirements of the Code of Practice for Ministerial Public Appointments in Scotland.

Scottish Government Director and Deputy Director

21. The Director for Health and Social Care Integration and Deputy Director for Care, Support and Rights have responsibility for overseeing and ensuring effective relationships between the SG and the Care Inspectorate which support alignment of the Care Inspectorate's business to the SG's Purpose and National Outcomes and high performance by the Care Inspectorate. They will work closely with the Care Inspectorate Chief Executive and be answerable to the Portfolio Accountable Officer for maintaining and developing positive relationships with the Care Inspectorate characterised by openness, trust, respect and mutual support. They will be supported by the Sponsor Team in discharging these functions. The Director for Health and Social Care Integration and Deputy Director for Care, Support and Rights shall be responsible for assessing the performance of the Care Inspectorate Chair, at least annually.

Sponsor unit responsibilities

22. The SG Sponsor Team for the Care Inspectorate is the normal point of contact for the Care Inspectorate in dealing with the SG. The Team, under the direction of the Director/Deputy Director, is the primary source of advice to the Scottish Ministers on the discharge of their responsibilities in respect of the Care Inspectorate and undertakes the responsibilities of the Portfolio Accountable Officer on his/her behalf. Specific responsibilities include:

- discharging sponsorship responsibilities in line with the principles and framework set out in the document 'Strategic Engagement between the Scottish Government and Scotland's NDPBs' and ensuring that sponsorship is suitably flexible, proportionate and responsive to the needs of the Scottish Ministers and the Care Inspectorate;
- ensuring that appointments to the Care Inspectorate Board are made timeously and, where appropriate, in accordance with the Code of Practice for Ministerial Appointments to Public Bodies in Scotland;
- proportionate monitoring of the Care Inspectorate's activities through an adequate and timely flow of appropriate information, agreed with the Care Inspectorate, on performance, budgeting, control and risk management;
- agreeing a protocol, in conjunction with the Care Inspectorate, for reporting and communication between the Care Inspectorate, SG Sponsor Team and relevant SG policy leads, including the notification of incidents; arranging meetings with Scottish Ministers as part of the formal reporting arrangements set out at paragraph 11 of this document, and ensuring that any actions following from these meetings are taken forward
- addressing in a timely manner any significant problems arising in the Care Inspectorate, alerting the Portfolio Accountable Officer and the responsible Minister(s) where considered appropriate;
- ensuring that the objectives of the Care Inspectorate and the risks to them are properly and appropriately taken into account in the SG's risk assessment and management systems; and
- informing the Care Inspectorate of relevant SG policy in a timely manner.

Internal audit

23. The Care Inspectorate shall:

- establish and maintain arrangements for internal audit in accordance with the [Public Sector Internal Audit Standards](#) and the [Internal Audit](#) section of the SPFM
- set up an audit committee of its Board, in accordance with the [Audit Committees](#) section of the SPFM, to advise both the Board and the Chief Executive in his or her capacity as the Care Inspectorate Accountable Officer
- forward timeously to the SG the audit charter, strategy, periodic audit plans and annual audit assurance report, including the NDPB Head of Internal Audit opinion on risk management, control and governance and other relevant reports as requested
- keep records of, and prepare and forward timeously to the SG an annual report on fraud and theft suffered by the Care Inspectorate and notify the SG at the earliest opportunity of any unusual or major incidents.

24. The SG's Internal Audit Directorate has a right of access to all documents held by the Care Inspectorate internal auditor, including where the service is contracted out. The SG has a right of access to all Care Inspectorate records and personnel for any purpose.

External audit

25. The Auditor General for Scotland (AGS) audits, or appoints auditors to audit, the Care Inspectorate's annual accounts and passes them to the Scottish Ministers who shall lay them before the Scottish Parliament, together with the auditor's report and any report prepared by the AGS. For the purpose of audit the auditors have a statutory right of access to documents and information held by relevant persons. The Care Inspectorate shall instruct its auditors to send copies of all management reports (and correspondence relating to those reports) and responses to the SG.

26. The AGS, or examiners appointed by the AGS, may carry out examinations into the economy, efficiency and effectiveness with which the Care Inspectorate has used its resources in discharging its functions. The AGS may also carry out examinations into the arrangements made by the Care Inspectorate to secure Best Value. For the purpose of these examinations the examiners have a statutory right of access to documents and information held by relevant persons. In addition, the Care Inspectorate shall provide, in contracts and any conditions to grants, for the AGS to exercise such access to documents held by contractors and sub-contractors and grant recipients as may be required for these examinations; and shall use its best endeavours to secure access for the AGS to any other documents required by the AGS which are held by other bodies.

Annual report and accounts

27. The Care Inspectorate must publish an annual report of its activities together with its audited accounts after the end of each financial year. The annual report must cover the activities of any corporate, subsidiary or joint ventures under the control of the Care Inspectorate. It should comply with the Government [Financial Reporting Manual](#) (FReM) and outline the Care Inspectorate's main activities and performance against agreed objectives and targets for the previous financial year.

28. The accounts must be prepared in accordance with relevant statutes and the specific accounts direction (including compliance with the FReM) and other relevant guidance issued by the Scottish Ministers. Any financial objectives or targets set by the Scottish Ministers should be reported on in the accounts and will therefore be within the scope of the audit. Any subsidiary or joint venture owned or controlled by the Care Inspectorate shall be consolidated in its accounts in accordance with International Financial Reporting Standards as adapted and interpreted for the public sector context.

29. The draft Annual Report and Accounts should be submitted to the SG for comment by 30 June. The final version should be made available by Audit Scotland for laying before the Scottish Parliament by the Scottish Ministers by 1 December. Whilst the statutory date for laying and publishing accounts audited by the AGS is by 31 December, following the close of the previous financial year, there is an expectation on the part of the Scottish Ministers that accounts will be laid and published as early as possible. The accounts must not be laid before they have been formally sent by the AGS to the Scottish Ministers and must not be published before they have been laid. The Care Inspectorate shall be responsible for the publication of the annual report and accounts.

Management responsibilities

Corporate and business plans

30. The Care Inspectorate must ensure that a corporate plan, agreed with the Scottish Ministers, is in place and published on its website.

31. The Care Inspectorate shall agree with the SG the issues to be addressed in the plan and the timetable for its preparation and review. The finalised plan shall reflect the Care Inspectorate's strategic aims and objectives as agreed by the Scottish Ministers, indicative budgets and any priorities set by the Scottish Ministers. It shall demonstrate how the Care Inspectorate contributes to the achievement of the SG's primary purpose of increasing sustainable economic growth and alignment with the SG's [National Performance Framework](#) (NPF). The corporate plan for the Care Inspectorate should include:

- the purpose and principal aims of the Care Inspectorate;
- an analysis of the environment in which the Care Inspectorate operates;
- outcomes and associated Quality and Key Performance Indicators for the period of the plan, the strategy for achieving those outcomes and how these will contribute towards the achievement of the SG's primary purpose and alignment with the NPF;
- details of planned efficiencies, describing how the Care Inspectorate proposes to achieve better value for money, including through collaboration and shared services; and
- other matters as agreed between SG and the Care Inspectorate.

32. The corporate plan should inform the development of a separate business plan for each financial year. The business plan for the Care Inspectorate should include key targets and milestones for the year immediately ahead, aligned to the NPF, and be linked to budgeting information so that, where possible, resources allocated to achieve specific objectives can be identified. A copy of the Care Inspectorate's business plan should normally be provided to the Sponsor Team prior to the start of the relevant financial year for approval by the Scottish Ministers.

Budget management

33. Each year, in the light of decisions by the Scottish Ministers on the allocation of budgets for the forthcoming financial year, the SG will send to the Care Inspectorate a formal statement of its budgetary provision, and a note of any related matters and details of the budget monitoring information required by the SG. The terms of that letter, referred to as the Budget Allocation and Monitoring letter, should be viewed as complementing the content of this document. The monthly monitoring is the primary means of in-year budgetary control across the SG. As such bodies must comply with the format and timing of the monitoring together with any requests for further information. The statement of budgetary provision will set out the budget within the classifications of Fiscal Resource (previously known as RDEL), Direct Capital (previously known as CDEL) and Ring-fenced (non-cash) (previously known as RfDEL). The Care Inspectorate will inform the sponsor unit at the earliest opportunity if a requirement for Annually Managed Expenditure (AME) budget is identified. The SG should also be advised in the event that estimated net expenditure is forecast to

be lower than budget provision. Transfers of budgetary provision between the different classifications require the prior approval of the SG Finance Directorate. Any proposals for such transfers should therefore be submitted to the sponsor unit. Transfers of provision within the classifications may be undertaken without reference to the SG, subject to any constraints on specific areas of expenditure e.g. the approved pay remit.

34. If the trading and other resource income realised (including profit or loss on disposal of non-current assets) – scored as negative Fiscal Resource, or the net book value of disposals of non-current assets – scored as negative Direct Capital is less than included in the agreed budget the Care Inspectorate shall, unless otherwise agreed with the SG, ensure a corresponding reduction in its gross expenditure. (The extent to which the Care Inspectorate exceeds agreed budgets shall normally be met by a corresponding reduction in the budgets for the following financial year). If income realised is more than included in the agreed budgets the Care Inspectorate must consult and obtain the prior approval of the SG before using any excess to fund additional expenditure or to meet existing pressures. Failure to obtain prior approval for the use of excess income to fund additional expenditure may result in corresponding reductions in budgets for the following financial year. The only exception is where the income is from gifts, bequests and donations but this must be spent within the same financial year as the receipt, otherwise additional budget allocation will be required. In any event, income from all sources and all planned expenditure should be reflected in the monthly budget monitoring statement.

Cash management

35. Any [grant in aid](#) (i.e. the cash provided to the Care Inspectorate by the SG to support the allocated budget) for the year in question must be authorised by the Scottish Parliament in the annual Budget Act. Grant in aid will normally be paid in monthly instalments on the basis of updated profiles and information on unrestricted cash reserves. Payment will not be made in advance of need, as determined by the level of unrestricted cash reserves and planned expenditure. Unrestricted cash reserves held during the course of the year should be kept to the minimum level consistent with the efficient operation of the Care Inspectorate and the level of funds required to meet any relevant liabilities at the year-end. Grant in aid not drawn down by the end of the financial year shall lapse. Grant in aid shall not be paid into any restricted reserve held by the Care Inspectorate.

36. The banking arrangements adopted by the Care Inspectorate must comply with the [Banking](#) section of the SPFM.

Risk management

37. The Care Inspectorate shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of generally recognised best practice in corporate governance, and develop an approach to risk management consistent with the [Risk Management](#) section of the SPFM. Reporting arrangements should ensure that the sponsor unit is made aware of relevant risks and how they are being managed. The Care Inspectorate audit committee is also required, at the earliest opportunity, to notify the relevant SG Audit and Risk Committee if it considers that it has identified a significant problem which may have wider implications.

Organisational security and resilience

38. As part of risk management arrangements, the Care Inspectorate shall ensure that it has a clear understanding at Board level of the key risks, threats and hazards it may face in the personnel, physical and cyber domains, and take action to ensure appropriate organisational resilience to those risks/threats/hazards. It should have particular regard to the following key sources of information to help guide its approach:

- [Having and Promoting Business Resilience \(part of the Preparing Scotland suite of guidance\)](#)
- [The Scottish Public Sector Action Plan on Cyber Resilience and associated guidance](#)

Counter fraud arrangements

39. The Care Inspectorate should adopt and implement policies and practices to safeguard itself against fraud and theft, in accordance with the [Fraud](#) section of the SPFM. Application of these processes must be monitored actively, supported by a fraud action plan and robust reporting arrangements. This includes the establishment of avenues to report any suspicions of fraud.

Performance management

40. The Care Inspectorate shall operate management information and accounting systems that enable it to review, in a timely and effective manner, its financial and non-financial performance against the strategic aims, objectives, targets and milestones set out in the corporate and business plans. The results of such reviews should be reported on a regular basis to the Care Inspectorate Board and copied to the SG. The SG shall assess the Care Inspectorate's performance on a continuous basis and undertake a formal internal review at least twice a year. The responsible Scottish Minister shall meet the Care Inspectorate Chair at least once a year to set out the SG's policy expectations.

Care Inspectorate staff management

Broad responsibilities for Care Inspectorate staff

41. The Care Inspectorate will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- personnel policies, practices and systems comply with employment and equalities legislation, and standards expected of public sector employers;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to the SG Pay Policy for Staff Pay Remits);
- the performance of its staff at all levels is satisfactorily appraised and the Care Inspectorate's performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the Care Inspectorate's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act 1998 are in place; and that

- a code of conduct for staff is in place based on the Model Code for Staff of Executive NDPBs

Pay and conditions of service

42. The Care Inspectorate will comply with SG Pay Policy in relation to staff. The Care Inspectorate shall submit to the SG for approval (normally annually unless in the circumstances where a multi-year deal has been agreed) a pay remit in line with the SG Pay Policy for Staff Pay Remits and negotiate a pay settlement within the terms of the approved remit. Proposals on non-salary rewards must comply with the guidance in the [Non-Salary Rewards](#) section of the SPFM. The Care Inspectorate shall comply with employment and equalities legislation.

43. Where applicable, the Care Inspectorate will also seek appropriate approval under the SG [Pay Policy for Senior Appointments](#) for the Chief Executive's remuneration package prior to appointment, annually or when a new appointment or change to the remuneration package is being proposed.

44. Remuneration (daily fees), allowances and expenses paid to Board members [and any pension arrangements] must comply with the SG [Pay Policy for Senior Appointments](#) and any specific guidance on such matters issued by the Scottish Ministers.

Pensions, redundancy and compensation

45. Superannuation arrangements for the Care Inspectorate staff are subject to the approval of the SG. Care Inspectorate staff shall normally be eligible for a pension provided by the Tayside Superannuation Fund (a local government pension scheme administered by Dundee City Council). Staff may opt out of the occupational pension scheme provided by the Care Inspectorate, but the Care Inspectorate will not make any employers' contributions to any alternative pension arrangement.

46. Any proposal by the Care Inspectorate to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the SG. Proposals on compensation payments must comply with the [Settlement Agreements, Severance, Early Retirement and Redundancy Terms](#) section of the SPFM. This includes referral to the SG of any proposed severance scheme (for example, a scheme for voluntary exit), business case for a settlement agreement being considered for an individual, or proposal to make any other compensation payment. In all instances, a body should engage with the SG prior to proceeding with proposed severance options, and prior to making any offer either orally or in writing.

Asset and property management

47. The Care Inspectorate shall maintain an accurate and up-to-date record of its current and non-current assets consistent with the [Property: Acquisition, Disposal & Management](#) section of the SPFM. 'Non-current' assets should be disposed of in accordance with the SPFM. The SG's Property Division should be consulted about relevant proposed disposals of property that the Care Inspectorate holds for operational purposes (rather than investment) at the earliest opportunity so it may be advertised internally. An [Internal Advertisement](#) form must be completed and submitted at least one month prior to property being advertised on the open market.

Any proposal to acquire land, buildings or other rights in property for accommodation / operational purposes should comply with the SPFM. The Care Inspectorate is also subject to the [SG Asset Management Policy](#), including the requirement for acquisition of a new lease, continuation of an existing lease, decision not to exercise a break option in a lease or purchase of property for accommodation / operational purposes, to be approved in advance by Scottish Ministers. The Property Controls Team should be consulted as early as possible in this process. All assets (property, plant and equipment) are to be properly recorded and updated as necessary by the NDPB on the Cabinet Office [electronic Property Information Mapping System](#) (e-PIMS).

Specific financial provisions

Delegated authorities

48. The Care Inspectorate's specific delegated financial authorities - as agreed in consultation between the Care Inspectorate and the SG - are set out in the attached Appendix. The Care Inspectorate shall obtain the SG's prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations. The Care Inspectorate shall also comply with any requirements for prior SG approval included in the SPFM and/or this document. Prior SG approval must always be obtained before incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive or which has or could have significant future cost implications.

Income generation

49. The Care Inspectorate shall seek to optimise income - grant in aid does not qualify as income - from all sources, including from the [European Union](#), and ensure that the SG is kept informed. Novel or contentious proposals for new sources of income or methods of fundraising must be approved by the SG. Fees or charges for any services supplied by the Care Inspectorate shall be determined in accordance with the [Fees & Charges](#) section of the SPFM. Registration Fees charged by the Care Inspectorate are subject to Section 76 of the 2010 Act.

50. Gifts, bequests or donations received by the Care Inspectorate score as income and should be provided for in the agreed resource and capital budgets, updated as necessary in consultation with the SG. However, the Care Inspectorate should be able to demonstrate that expenditure funded by gifts, etc., is additional to expenditure normally supported by grant in aid (i.e. SG core funding) or by trading and other income. Before accepting such gifts etc. the Care Inspectorate shall consider if there are any associated costs in doing so or any conflicts of interests arising. The Care Inspectorate shall keep a written record of any such gifts, etc., and what happened to them.

Financial investments

51. Unless covered by a specific delegated authority the Care Inspectorate shall not make any financial investments without the prior approval of the SG. That would include equity shares in ventures which further the objectives of the Care Inspectorate. The Care Inspectorate shall not invest in any venture of a speculative nature.

Borrowing

52. Borrowing cannot be used to increase the Care Inspectorate's spending power. All borrowing by the Care Inspectorate - excluding agreed overdrafts - shall be from the Scottish Ministers in accordance with guidance in the [Borrowing, Lending & Investment](#) section of the SPFM.

Lease arrangements

53. Unless covered by a specific delegated authority, the Care Inspectorate shall not enter into any finance, property or accommodation-related lease arrangement – including the extension of an existing lease or the non-exercise of a tenant's lease break - without the SG's prior approval. Before entering / continuing such arrangements the Care Inspectorate must be able to demonstrate that the lease offers better value for money than purchase and that all options of sharing existing public sector space have been explored. Non-property / accommodation-related operating leases are subject to a specific delegated authority. The Care Inspectorate must have Direct capital provision for finance leases and other transactions which are in substance borrowing.

Tax arrangements

54. Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the SG. Relevant guidance is provided in the [Tax Planning and Tax Avoidance](#) section of the SPFM. The Care Inspectorate must comply with all relevant rules on taxation, including VAT. All individuals who would qualify as employees for tax purposes should be paid through the payroll system with tax deducted at source. It is the responsibility of the Care Inspectorate to observe VAT legislation and recover input tax where it is entitled to do so. The Care Inspectorate must also ensure that it accounts properly for any output tax on sales or disposals.

Lending and guarantees

55. Any lending by the Care Inspectorate must adhere to the guidance in the [Borrowing, Lending & Investment](#) section of the SPFM on undertaking due diligence and seeking to establish a security. Unless covered by a specific delegated limit the Care Inspectorate shall not, without the SG's prior approval, lend money, charge any asset, give any guarantee or indemnity or letter of comfort, or incur any other contingent liability (as defined in the [Contingent Liabilities](#) section of the SPFM or in International Financial Reporting Standards), whether or not in a legally binding form. Guarantees, indemnities and letters of comfort of a standard type given in the normal course of business are excluded from this requirement.

Third party grants

56. Unless covered by a specific delegated authority the Care Inspectorate shall not, without the SG's prior agreement, provide grant funding to a third party. Such funding would be subject to the guidance in the [State Aid](#) section of the SPFM. Guidance on a framework for the control of third party grants is provided as an [annex](#) to the Grant & Grant in Aid section of the SPFM.

Impairments, provisions and write-offs

57. Assets should be recorded on the balance sheet at the appropriate valuation basis in accordance with the Financial Reporting Manual (FRM). Where an asset - and that includes investments - suffers impairment it is important that the prospective impairment and background is communicated to the SG at the earliest possible point in the financial year to determine the implications for the Care Inspectorate's budget. Similarly any significant movement in existing provisions or the creation of new provisions should be discussed in advance with the SG. Write-off of bad debt and/or losses scores against the Care Inspectorate's Fiscal resource budget classification and is subject to a specific delegated limit.

Insurance

58. The Care Inspectorate is subject to the SG policy of self-insurance. Commercial insurance must however be taken out where there is a legal requirement to do so and may also be taken out in the circumstances described in the [Insurance](#) section of the SPFM - where required, with the prior approval of the SG. In the event of uninsured losses being incurred the SG shall consider, on a case by case basis, whether or not it should make any additional resources available to the Care Inspectorate. The SG will provide the Care Inspectorate with a Certificate of Exemption for Employer's Liability Insurance.

Procurement and payment

59. The Care Inspectorate's procurement policies shall reflect relevant guidance in the [Procurement](#) section of the SPFM and relevant guidance issued by the SG's Procurement and Commercial Directorate. Procurement should be undertaken by appropriately trained and authorised staff and treated as a key component of achieving the Care Inspectorate's objectives consistent with the principles of [Value for Money](#), the highest professional standards and any legal requirements. Unless covered by specific delegated authority, any proposal to award a contract without a contract with competition (non-competitive action) must be approved in advance by SG.. All external consultancy contracts over the value of £100,000 must be endorsed in advance by the Chief Executive.

60. Any major investment programmes or projects undertaken by the Care Inspectorate shall be subject to the guidance in the [Major Investment Projects](#) section of the SPFM [and is also subject to a specific delegated authority]. The sponsor unit must be kept informed of progress on such programmes and projects and Ministers must be alerted to any developments that could undermine their viability. ICT investment plans must be reported to the SG's Office of the Chief Information Officer.

61. The Care Inspectorate shall pay all matured and properly authorised invoices relating to transactions with suppliers in accordance with the [Expenditure and Payments](#) section of the SPFM and in doing so shall seek wherever possible and appropriate to meet the SG's target for the payment of invoices within 10 working days of their receipt.

Gifts made, special payments and losses

62. Unless covered by a specific delegated authority the Care Inspectorate shall not, without the SG's prior approval, make gifts or special payments or write-off of losses. Special payments and losses are subject to the guidance in the [Losses and Special Payments](#) section of the SPFM. Gifts by management to staff are subject to the guidance in the [Non-Salary Rewards](#) section of the SPFM.

Clawback

63. Where the Care Inspectorate has financed expenditure on assets by a third party, it shall make appropriate arrangements to ensure that any such assets above an agreed value are not disposed of by the third party without its prior consent. The Care Inspectorate shall put in place arrangements sufficient to secure the repayment of its due share of the proceeds - or an appropriate proportion of them if it contributed less than the whole cost of acquisition or improvement. The Care Inspectorate shall also ensure that if assets financed by it cease to be used by the third party for the intended purpose an appropriate proportion of the value of the asset shall be repaid to the Care Inspectorate.

State aid

64. State aid is a European Commission term which refers to forms of public assistance, given to undertakings on a discretionary basis, which has the potential to distort competition and affect trade between Member States of the European Union. Any activity that the Care Inspectorate undertakes itself, or funds other bodies to undertake, that can be offered on a commercial market for goods and services is subject to state aid rules. A state aid assessment is therefore required prior to disbursing any funding and would be subject to the guidance in the state aid section of the SPFM.

Board expenses

65. Remuneration (daily fees), allowances and expenses paid to Board members [and any pension arrangements] must comply with the SG [Pay Policy for Senior Appointments](#) and any specific guidance on such matters issued by the Scottish Ministers.

EXECUTIVE NDPB MODEL FRAMEWORK DOCUMENT: APPENDIX

SPECIFIC DELEGATED FINANCIAL AUTHORITIES

	Delegated Limit (all delegated limits exclude VAT)
External business and management consultancies	£100,000
Non-competitive action	Lower of £30,000 total contract value or £10,000 per annum
Acquisition of Property Plant & Equipment and intangible assets – capital expenditure	£25,000
Operating leases – other than property/ accommodation related leases	Lower of £50,000 over lease period or £10,000 per annum
Gifts	£200
Special payments:	£10,000
Compensation payments (made under legal obligation, i.e. following a pronouncement by a recognised court or tribunal)	£200
Ex-gratia payments	
Extra-statutory and extra-regulatory payments	£0
Claims waived or abandoned	£2,500
Write-off of bad debt and/or losses:	
Loss of cash due to theft, fraud, overpayment of salaries, wages, fees, allowances, other causes	£3,000
Loss of equipment and property, due to theft, fraud, arson, fire, flood, motor vehicle accidents or damage to vehicles	£3,000
Irrecoverable debt (limit refers to accumulated irrecoverable debt for a legal entity)	£10,000

Social Care and Social Work Improvement Scotland (Care Inspectorate) - Scotland

Enforcement Power	Description	Statutory Instrument
Requirement (informal enforcement)	A requirement is a statement which sets out what a care service must do to improve outcomes for people who use services and must be linked to a breach in the Act, Regulations or orders made under the Act, or a condition of registration.	The Social Care and Social Work Improvement Scotland (Requirements for Care Services) Regulations 2011 The Social Care and Social Work Improvement Scotland(Requirements for Care Services) Amendment Regulations 2013 Regulation 19 to 24 of The Regulation of Care (Requirements as to Care Services) (Scotland) Regulations 2002
Condition Notices	The service provider may be served with a section 66 notice of proposal to impose an additional condition or to vary an existing condition of registration. Conditions provide a way to set parameters around the operation of the care service. Conditions imposed on the registration of a service will be designed to ensure that the service is safe or to ensure the service complies with the Act and relevant Regulations.	Section 66 Public Services Reform (Scotland) Act 2010
Improvement Notices	Where there is a serious breach of Regulation(s) or conditions of registration, which is leading to poor outcomes for service users, such as to justify cancellation of registration, the service provider may be served with an improvement notice, under section 62 of the Act. This will detail the nature of the improvement required, the legal basis for this action, and the timescale for implementation.	Section 62 Public Services Reform (Scotland) Act 2010
Cancellation Notices	Where the timescale for meeting the terms of the Section 62 improvement notice has expired without compliance, the Care Inspectorate may move to giving notice of proposal to cancel registration under section 64 of the Act. The service provider will be informed of the legal basis of the action and details of the service provider's right to make written representations against cancellation will be included.	Section 64 Public Services Reform (Scotland) Act 2010
Emergency Condition Notices	The Care Inspectorate may impose an emergency condition notice at any time if it believes not to do so would pose a serious risk to the life, health or wellbeing of people. In issuing such a notice, the Care Inspectorate must be in a position to	Section 67 Public Services Reform (Scotland) Act 2010

	<p>evidence that the absence of the condition would result in continued serious risk to life, health or wellbeing of persons.</p> <p>An emergency condition comes into effect immediately on receipt of the notice by the service provider. The notice must give the reason for it and explain the rights of the provider to make written representations concerning any matter which it wishes to dispute and the provider's right of appeal.</p>	
Emergency Cancellation of Registration	The Care Inspectorate may apply to the sheriff at any time seeking an order to cancel a care service's registration where it believes there is a serious risk to the life, health or wellbeing of people. The sheriff may grant such an order where it appears to him or her that unless the registration is cancelled there would be such a serious risk to people.	Section 65 Public Services Reform (Scotland) Act 2010

Care Quality Commission (CQC) – England

Enforcement Power	Description	Statutory Instrument
Requirement Notices	Where a registered person is in breach of a regulation or has poor ability to maintain compliance with regulations, but people using the service are not at immediate risk of harm, the CQC may use their power to require a report from the provider. They will do this by serving a Requirement Notice on the provider.	Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 and Care Quality Commission (Registration) Regulations 2009
Warning Notices	Warning Notices notify a registered person that the CQC consider they are not meeting a condition of registration, a requirement in the Health and Social Care Act 2008, a regulation, or any other legal requirement that they think is relevant	Section 29 Health and Social Care Act 2008
Section 29A Warning Notices	There is additional provision in section 29A of the Act for a Warning Notice that is addressed to NHS trusts or foundation trusts. The CQC may issue such a notice where they judge an NHS trust requires significant improvement. Significant improvement is not necessarily restricted to breaches of legislation but could be broader	Section 29A Health and Social Care Act 2008
Imposing, varying or removing conditions of registration	Imposing, varying or removing conditions of registration is a flexible enforcement process that the CQC can use in a variety of different ways to ensure that providers comply with their legal obligations and hence ensure that people who use regulated services are kept safe and receive an acceptable standard of care. The CQC may also impose conditions that require a registered person to take further action where they consider that some specific improvement is necessary	Section 26 Health and Social Care Act 2008

Suspending registration	The CQC can suspend the registration of a registered person for a specified period. They also have the power to extend any period of suspension. The CQC may use this power where there is a very serious concern that they believe can be addressed within a fixed period.	Section 18 Health and Social Care Act 2008
Cancelling registration	One of the CQC's most powerful sanctions is to cancel a registration. As with suspension, this will affect all the locations where the registered person carries on or manages the relevant regulated activity but it is possible to use the cancellation process without first having followed other processes if felt appropriate in the circumstances.	Section 17 Health and Social Care Act 2008
Urgent procedures	The CQC have the right to exercise the power to impose conditions, suspend a registration or cancel a service on an urgent basis. Where they exercise these powers, their decisions have immediate effect. Providers are entitled to appeal against the use of these urgent powers but this does not prevent the condition or suspension taking effect. An urgent cancellation requires an Order from a Justice of the Peace under Section 30.	Section 30 and 31 Health and Social Care Act 2008
Simple Caution (Criminal)	A simple caution ensures that there is a formal record of an offence when a provider has admitted to it, but is not prosecuted. There is no obligation on a provider to accept a caution and, where the offer of a caution is refused, the CQC will consider prosecution.	Health and Social Care Act 2008 (Regulated Activities) Regulations 2014
Penalty Notices (Criminal)	Paying a fixed penalty enables a registered person to avoid a potential prosecution for an offence. It is only appropriate to issue a penalty notice where the CQC would have been entitled to prosecute. The CQC has discretion over whether to serve a fixed penalty notice as an alternative to a prosecution. There is no obligation on a registered person to pay the sum under a penalty notice and, if a registered person decides not to pay the penalty, the CQC will consider using other enforcement powers. Failure to pay sums under a penalty notice will normally lead to a prosecution.	Section 24 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014
Prosecutions (Criminal)	Prosecution can be used to: <ul style="list-style-type: none"> • Hold a registered person to account for breaches of prosecutable fundamental standards, or for failing to comply with conditions of registration. • Enforce the offence of carrying on a service without registration, in which case the CQC may prosecute the person who appears to be carrying it on. • Ensure accountability for any person who obstructs the CQC in the course of an inspection or any person who makes a false or misleading statement in an application to be registered with them. 	Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 and The Health and Social Care Act 2008 (Regulated Activities) (Amendment) Regulations 2015

Enforcement Against Individuals	The CQC can use its enforcement powers to hold certain individuals who work for providers to account. Those individuals can be directors, managers or the secretary of a corporate body (or a person purporting to act in that capacity), or an officer of an unincorporated association or member of its governing body.	Section 19 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014
Enforcement Against Unregistered Providers	It is an offence to provide regulated activities in England without registering with the CQC. It is a provider's responsibility to register. Unless people are at immediate risk of harm, the CQC will usually advise an unregistered provider of the need to register in the first instance. However, there are instances where the CQC will rapidly take enforcement action against all appropriate persons.	Health and Social Care Act 2008 (Regulated Activities) Regulations 2014

The Regulation and Quality Improvement Authority (RQIA)– Northern Ireland

Enforcement Power	Description	Statutory Instrument
Serious Concerns Meeting (informal)	The purpose of a serious concerns meeting is to discuss with the Registered Person/Trust's Responsible Individual/s RQIA's concerns about the precise nature of the areas of potential noncompliance; agree the required action/s that must be taken to ensure compliance/quality improvement; agree the timescale within which any remedial action must be taken; and advise the Registered Person/Trust's Responsible Individual/s of RQIA's stepped approach to enforcement should compliance not be achieved	Several relevant regulations
Improvement Notice	RQIA may serve an IN, if the Registered Person/s, Regional Health and Social Care Board (RHSCB), Health and Social Care Trust (HSC trust) or special agency is failing to comply with any statement of DHSSPS minimum standards.	Article 39 of the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003
Failure to Comply Notice	The Registered Person/s is required to comply fully with legislative requirements. Article 25 of the 2003 Order states that contravention or failure to comply with specified regulations will be an offence. A FTC notice may be issued in respect of relevant regulations where an establishment or agency is in breach of regulations, including noncompliance with conditions of registration, an establishment or agency is considered to place the health and/or welfare of service users at significant risk or where there is repeated failure to adequately address identified breaches in regulation within prior QIPs	Article 25 of the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003

Notice of Proposal	A NOP may be issued by RQIA under Article 18 of the 2003 Order at any time to give notice* of any decision it intends to take to: <ul style="list-style-type: none">• grant an application subject to any conditions not agreed in writing between RQIA and the applicant	Article 18 of the Health and Personal Social Services (Quality, Improvement and Regulation)
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	<ul style="list-style-type: none"> • refuse an application to register an establishment or agency under Article 14 of the 2003 Order • cancel registration of a person in respect of an establishment or agency under Article 15 of the 2003 Order • vary or remove any condition in force in relation to the registration of the establishment or agency • impose any additional condition in relation to the registration of an establishment or agency • refuse an application of a Registered Person/applicant under Article 16 of the 2003 Order for the variation or removal of a condition relating to registration 	(Northern Ireland) Order 2003
Notice of Decision	If RQIA decides to adopt a proposal under Article 18, it shall serve a Notice of Decision (NOD) (in accordance with Article 20) to the same person/s to whom the NOP was served.	Article 18 of the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003
Removal or Variation of Imposed Conditions	Where condition/s have been imposed and are in force in relation to the registration of an establishment or agency, if RQIA determines that the condition/s is no longer required and intends to remove a condition/s or determines that the condition should be varied, RQIA will issue a NOP	Article 18 of the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003
Urgent Procedure	Under Article 21 of the 2003 Order, RQIA can apply to a Lay Magistrate for an order to cancel the registration of a person in respect of an establishment or agency, vary or remove any condition of registration or impose an additional condition.	Article 21 of the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003

Care Inspectorate Wales - Wales

Enforcement Power	Description	Statutory Instrument
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Improvement notice / notice of decision	<p>An improvement notice is issued where CIW proposes to take any of the following actions:</p> <ul style="list-style-type: none"> • To cancel the registration of the provider. This will include all regulated services associated with that provider's conditions of registration. • To impose a variation on the provider's registration and remove a regulated service or services from that provider's conditions of registration 	Section 16 of the Regulation and Inspection of Social Care (Wales) Act 2016
	<ul style="list-style-type: none"> • To remove a place at, from or in relation to which the provider is providing a regulated service • To cancel the designation of the responsible individual 	
Notice of proposal / notice of decision	<p>The CIW must issue a notice of proposal to take enforcement action that:</p> <ul style="list-style-type: none"> • for services regulated under the 2016 Act: varies the conditions of a provider's registration (other than those variations listed in paragraph 4.2); or • for services regulated under the 2000 Act: cancels the registration, suspends the registration or extends the period of suspension; or to vary, remove or impose any condition on the provider's registration. <p>The notice of proposal specifies the enforcement action the CIW are proposing to take, the reasons and the proposed date it will take effect (of no less than 28 days from the date when the notice is given). Under the 2016 Act the notice of proposal may also set out the actions the provider needs to take, in order to avoid enforcement action being taken forward.</p>	Sections 18,19 and 20 of the Regulation and Inspection of Social Care (Wales) Act 2016

<p>Notice of intention / notice of decision</p>	<p>The CIW issue a notice of intention if they decide to take any of the following enforcement action:</p> <ul style="list-style-type: none"> • Impose, vary or remove a condition of registration • Cancel a registration <p>The notice of intention specifies the enforcement action the CIW are proposing to take, the reasons and a time limit (of no less than 28 days from the date when the notice is given). The provider can make representations to the CIW within the specified time limit and this will be taken into account before any final decision is made. Where representations are not upheld, a notice of decision is issued setting out the CIW's intention to proceed with the proposed enforcement action, the reasons and any right of appeal.</p>	<p>Section 36 of the Children's and Families (Wales) Measure 2010</p>
<p>Enforcement Notice</p>	<p>The CIW issue a notice on any person they believe is acting as a child minder without being registered to do so. The notice has effect for a period of a year from the date it is served. The notice informs the person concerned that if during that period of time, and without reasonable excuse, they act as a child minder without being registered they will commit an offence for which they will risk prosecution.</p>	<p>Section 21 of the Children's and Families (Wales) Measure 2010</p>
<p>Urgent Action</p>	<p>The CIW consider taking urgent enforcement action when:</p> <ul style="list-style-type: none"> • for services regulated under the 2016 Act 	<p>Section 20 of The Care Standards Act 2000, Section 31 of</p>
	<ul style="list-style-type: none"> • a serious risk to a person's life, physical or mental health is identified and/or where a person is suffering from abuse or neglect. • for services regulated under the 2000 Act: a serious risk to a person's life, health or wellbeing is identified; or • for services regulated under the 2010 Measure: a child is likely to suffer significant harm. In these circumstances we may decide to undertake immediate enforcement action. The procedure is slightly different under each of the three Acts. 	<p>the Children and Families (Wales) Measure 2010 and Sections 23,24 and 25 of the Regulation and Inspection of Social Care (Wales) Act 2016</p>
<p>Penalty notice (Criminal)</p>	<p>A penalty notice may be issued instead of bringing proceedings for a prosecution. Paying a penalty enables a registered provider and/or designated responsible individual to avoid a potential prosecution for an offence. There is no obligation on the registered provider or the designated responsible individual to pay the sum under the penalty notice. However, in those cases the CIW may make a recommendation to the Welsh Government for prosecution.</p>	<p>Section 52 of the Inspection of Social Care (Wales) Act 2016</p>

<p>Prosecution (Criminal)</p>	<p>The CIW is responsible for making a recommendation to Welsh Government to consider prosecution. The decision to proceed with a prosecution is made by the Counsel General on behalf of the Welsh Government. This decision is made in accordance with the Welsh Government's Prosecution Code.</p> <p>The outcome of the Counsel General's consideration may be to:</p> <ul style="list-style-type: none"> • issue a simple caution to ensure there is a formal record of an offence when a registered provider and/or designated responsible individual has admitted to it, but is not prosecuted; • issue a penalty notice under the 2016 Act (see section above); or • proceed with the prosecution for some or all of the offences; or • not to pursue criminal proceedings but consider an alternative approach, i.e. our civil enforcement actions. 	<p>Inspection of Social Care (Wales) Act 2016, Welsh Government Prosecution Code</p>
<p>Service Operating Without Registration (Possibly Criminal)</p>	<p>It is an offence to provide a regulated service or services in Wales without being registered with the CIW. It is a provider's responsibility to apply and register with them. Where there is reasonable cause for concern that a provider is operating illegally, the CIW will consider their enforcement approach. This could include, but not be limited to, advising the provider to register (in the cases of non-intentional operation) or undertaking criminal enforcement action.</p>	<p>Section 5 of the Inspection of Social Care (Wales) Act 2016</p>

T: [Redacted]
E: [\[Redacted\]](#)

Maree Allison
Interim Chief Executive
Scottish Social Services Council
Compass House
11 Riverside Drive
Dundee

DD1 4NY

December 2024

Dear Maree,

BUDGET ALLOCATION AND MONITORING 2024-25 Revised

Purpose

Following the transfers that were made at the 2024-25 Autumn Budget Revision, I am writing on behalf of the Scottish Ministers, to confirm the budget and associated grant-in-aid allocated to the Scottish Social Services Council (SSSC) for 2024-25 and to provide guidance on related matter. This letter should be considered in conjunction with the initial 2024-25 BAM letter provided on 28 March 2024.

The use of resources must be in accordance with the corporate plan, the SSSC's Framework Document and any relevant guidance issued by the Scottish Ministers, in particular the Scottish Public Finance Manual. Relevant guidance may also include the setting out, from time to time, of expectations for the way that the SSSC operates in support of Ministers' policy aims and objectives for the public sector as a whole.

Ministerial Priorities

Grant in aid is paid to enable the SSSC to fulfil its statutory functions and to deliver Scottish Ministers' strategic objectives which underpin their core purpose:

- To publish the national codes of practice for people working in social services and their employers.
- To register people working in social services and make sure they adhere to the SSSC codes of practice.
- To promote and regulate the learning and development of the social service workforce.
- To be the national lead for workforce development and planning for social services in Scotland.

The allocation of these resources will allow SSSC to address and deliver the objectives, priorities and contributions to National Outcomes, which have been agreed and articulated in SSSC's Strategic Plan 2023/26. It will also allow SSSC to make contributions (in line with its functions) and to provide advice on implications to workforce development and regulation in relation to Scottish Government policy objectives such as the National Care Service and The Promise; as well as enabling SSSC to provide continued support both to the sector and to the Scottish Government on issues relating to ongoing staffing shortages within the sector and other issues as they arise.

The Scottish Government places a high value on SSSC's main policy objective; to enhance the quality of services and outcomes for service users through the regulation, registration and development on the social services workforce in Scotland. We recognise SSSC's continually increasing workload in light of the phased approach to registration; the ongoing requirement of maintaining the register and the registration of new workers joining the sector. We are also aware that this increase is likely to continue as the sector evolves to meet the needs of Scotland's aging population. We welcome the work that SSSC continues to do to contribute to our consideration of approaches to ensure sustainable funding for the organisation in the coming years.

Budget

The Autumn Budget Revision transfers have been included when arriving at the figures recorded in the table below.

	£000s	Notes
Resource	21,035,000	①
Capital	0	②
Financial Transactions	Nil	③
Total		
Non-Cash	755,000	④
UK Funded AME		⑤
Total budget		

- ① Resource spend scores most current expenditure. It comprises wages and salaries and operating costs offset by trading and other resource income.
- ② Capital spend comprises both Indirect Capital (capital grants to the public and private sector) and Direct Capital (additions to non-current assets and intangibles, offset by the net book value of expected disposals).
- ③ Financial Transactions comprises loans given which must go "beyond the public sector boundary" to individuals or entities in the private sector.
- ④ Non-cash comprises Ringfenced funding (mainly depreciation). Non-cash elements of funding cannot be used for general expenditure.
- ⑤ UK Funded AME is only provided for specifically agreed items. The main examples are provisions, impairments, capitalised interest, some pension liabilities and Corporation Tax.

Transfers of budgetary provision **between** the classifications in the table above would require the prior approval of Scottish Government Finance. Any proposals for such transfers should therefore be submitted to the sponsor team. Transfers of budgetary provision **within** the classifications in

the table above may be undertaken without reference to the Scottish Government, subject to any constraints on specific areas of expenditure e.g. the approved pay remit.

Overview of Budget Transfers

The following budget transfers were processed during the Autumn Budget Revisions:

- £2.4m – Transfer into SSSC budget line to alleviate spending pressure.
- £2.593m – Transfer into SSSC budget line due to SSSC no longer receiving registration fee income from local authority workers.

Specified Expenditure

Included in the total Resource budget is the sum of **£2,655,000** in respect of Post Graduate Bursaries and a sum of **£2,352,000** in respect of Practice Learning Fees.

These amounts have been taken into account in arriving at the budget shown above. If the amounts realised or expected to be realised in-year are **less** than estimated, you shall, unless otherwise agreed with the sponsor team, ensure a corresponding reduction in your gross expenditure so that the agreed budget is not exceeded. Excluding income resulting from gifts, bequests or donations, if the amounts realised or expected to be realised in-year are **more** than estimated, you must seek approval and discuss the financial impact with the sponsor team before using any excess to support additional expenditure.

Budget changes

The Scottish Government is responsible for ensuring that the overall Scottish budget is managed effectively and within the limits set by the Scottish Parliament and HM Treasury. Core Scottish Government Directorates and sponsored / arms-length bodies, such as NDPB's, must therefore comply with the Scottish Public Finance Manual. This includes completion of the Accountable Officer template in support of robust decision making, including assessment of value for money and affordability, including ensuring adequate audit trails and evidence are available to support transparency and public scrutiny for spending decisions.

Budget Revisions

Ministers have to manage the Scottish budget in the light of pressures and savings that may arise during the financial year and SSSC may itself experience pressures and savings. Such factors may make it necessary for Ministers to make changes (upwards or downwards) to the budget and associated grant in aid for your organisation. Where, exceptionally, any changes have to be made I shall keep you informed of Ministers' intentions and give you the opportunity to comment.

Any agreed budget revisions will be processed through the Autumn and Spring Budget Revisions which are presented to Parliament during the financial year.

Budget Monitoring

Forecast outturn and spend to date for the financial year should be reported to the sponsor team by completing and submitting the Budget Forecast/Actual Expenditure HMT monitoring spreadsheet, as provided by Sponsor, by the 8th working day of each month. A completed

spreadsheet providing the position at the end of the financial year 2024-25 should be submitted to the sponsor team in April 2024, in line with year-end deadlines set by Scottish Government Finance.

It is essential that this exercise is completed each month and submitted to the sponsor team by the dates advised to allow the sponsor team and SG Finance to fully evaluate returns. This information is required for submission to SG DG Assurance Boards and SG Corporate Board for their considerations of the overall SG financial position and also for required reporting to HM Treasury.

Grant in Aid

As a result of current legislative provisions, Scottish Government funding for its sponsored bodies is shown in the annual Budget Act in terms of grant in aid i.e. the net cash figure required to support agreed budgets.

The revised authorised cash grant in aid for the SSSC for 2024-25 is **£21,035,000**.

Grant in aid should be (re)profiled and drawn down as necessary. A profile has been provided and you should thereafter submit an updated profile to the sponsor team as part of the grant claim providing details of grant in aid already drawn down, a profile of monthly grant in aid requirements for the remainder of the financial year and a note of the unrestricted cash reserves held at the end of the previous month (setting aside historic reserves).

The sponsor team will normally aim to make payments of grant in on receipt of a formal claim by the SSSC each month. **Grant in aid should not be drawn down in advance of need.** Unrestricted cash reserves held during the course of the year should be kept to the minimum level consistent with the efficient operation of the body and the level of funds required to meet any liabilities at the year-end, unless otherwise agreed with the sponsor team. At the end of the financial year, the sponsor team and the SSSC will formally agree the total grant in aid attributable to that particular period.

Budget Scoring and IFRS 16

IFRS 16 Leases was implemented from 1 April 2022. This changed the accounting treatment of leases held by public bodies, both as a lessee and a lessor. The budget position in the table above includes transition to IFRS 16 and these changes have been processed through the Spring Budget Revision.

Cash drawdowns will be required for the regular lease payments, therefore the following table shows a reconciliation of budget position to working capital requirements.

	£000s
Total Budget	21,089,000
Less Non-Cash budget	(755,000)
Less UK Funded AME budget	(0)
Less Capital for new leases	(0)
Less Resource Interest on leases	(62)
Add contracted lease payments	763,000
Total cash requirement (GIA Budget)	21,035,000

Issues Arising

If you have any questions arising from this letter, or if you foresee any financial issues developing in the course of the year, please do not hesitate to contact my colleague [Redacted] within the sponsor team on [\[Redacted\]](#). The sponsor team will, where necessary, consult relevant Scottish Government Finance colleagues.

Yours sincerely

Iona Colvin
Chief Social Work Adviser

E: [\[Redacted\]](#)

T: [Redacted]

For and on behalf of Scottish Ministers ANNEX A

DETAILED BUDGET ALLOCATION 2024-25

	<i>Budget on HMT database</i>	<i>HMT Classification*</i>
	<i>£000s</i>	
Wages and salaries	15,953,000	Resource
(Gross) Operating costs	8,085,000	Resource
Trading and other resource income (negative)	(3,766,000)	Resource
Property Interest – IFRS 16	62,000	Resource
Depreciation	41,000	Non-Cash Ringfenced
Depreciation (IFRS 16)	714,000	Non-Cash Ringfenced
Amortisation		Non-Cash Ringfenced
Impairment		Non-Cash Ringfenced
Provisions		AME Non-Cash
Accruing pension liability		Non-Cash (UK Funded AME)
Capital grants		Capital
Capital additions for new leases		Capital
Capital additions to non-current assets (including investments)		Capital
Net book value of disposals of non-current assets (including investments) (negative)		Capital

Loans to the private sector		Financial Transactions
Total net expenditure (as recognised by HMT)	£21,089,000	

* For a full explanation of HM Treasury’s budgeting rules see the current version of [Consolidated budgeting guidance](#).

Any accruals for staff benefits will score as DEL, in line with the latest guidance from Treasury with their PES Paper (2023) 08.

Non cash budgets are ring fenced which means that (for example) any underspend on depreciation cannot be used to fund actual cash expenditure. “AME” stands for Annually Managed Expenditure, which covers expenditure which HMT accepts is volatile and is therefore subject to different controls.

ANNEX B

Guidance for 2024/25

This annex focuses on the strategic priorities for the Scottish Government and its expectations of the SSSC in respect of its contribution to the development of a confident, competent and valued social services workforce in Scotland. In doing so it is recognised that it is for the SSSC to develop systems for the delivery of the outcomes being sought from the strategic priorities outlined below.

Learning and Development

The SSSC should continue to work collaboratively with partners across Government and the sector to deliver the improvement and professional development of the workforce with a particular focus on:

- Identifying the professional learning needs of the workforce and develop appropriate resources to support practice improvement, with a particular focus on the social work workforce.
- Work with partners to consider the workforce implications of national policy developments such as The National Social Work Agency, The Promise and a National Care Service, and support the workforce to deliver on the commitments made, including for example the development of trauma informed practice.
- Publish a learning and development plan for the sector based on a 3-year cycle, with annual reporting of progress.
- Work with OCSWA and SG partners to develop and regularly report management information for the social work workforce, to include students.

- Support a successful launch and implementation of the revised common core for the children's workforce.
- As a delivery partner for the Social Work Education Partnership ensure the provision of regular and timely data on student placements and support the partnership to develop and deliver a coherent workplan to fulfil SWEP objectives, leading actions and tasks as agreed.
- Work with OCSWA and SWEP to launch the national roll out of, and continued implementation support to employers and employees; for the mandatory supported year for Newly Qualified Social Workers.
- Promote improvements in recruitment, retention and careers pathways particularly focused on routes into Social Work including support for the development of a Graduate Apprenticeship programme.
- Work with OCSWA to deliver improvements to social work student financial support systems, including practice learning finance.
- Continue to provide a rolling programme of quality assurance and scrutiny to approved learning programmes and work with SWEP partners to consider ways to support QA for practice learning placements.
- In partnership with key social work stakeholders and OCSWA, support the development and early implementation of the Advanced Practice Framework for social work, aligning with the updated CPL requirements and national priority to deliver Trauma Responsive Social Work Services.
- In partnership with OCSWA, maintain a collaborative approach to communications with social work education stakeholders, identifying and promoting opportunities for shared messaging.

Workforce Planning

Workforce planning is a key enabler in identifying supply and demand issues in the sector and planning for a sustainable workforce. Working with partners SSSC has a key role in modelling workforce supply, the publication of data to support policy implementation and supporting employers with workforce planning. Workforce planning activity should continue to:

- Publish official statistics, workforce skills and data reports, which support workforce planning activity across the social services sector ensuring that it supports employers to understand the current profile of the sector.
- Provide workforce data to support the implementation of key policies such as the Promise and support the Scottish Government and Cosla with the implementation of the Fair Work programme.
- Work with partners and OCSWA to improve workforce planning data for the social work workforce and develop workforce planning tools to help plan future social work workforce demand and MHO workforce demand and supply.

Registration and Regulation

Regulation of the workforce remains a key priority for the Government, and Scottish Ministers recognise its essential role in ensuring that the workforce is sufficiently skilled to carry out their role in a way which protects individuals using social services. Throughout this year, registration and fitness to practise activity should continue to:

- Maintain standards of practice throughout Scotland with a focus on strengthening and improving all aspects of investigation into Fitness to Practise.

- Work with the Scottish Government to progress the registration of any new groups to the register within agreed timescales.
- Review the Codes of Practice to reflect the requirements of the Promise and support employers and workers in delivering their responsibilities in line with the revised Employers Codes of Practice.
- Work with the sector and our partners to ensure qualifications, standards and the SSSC Codes of Practice continue to meet the current and future needs of employers, the workforce and public sector reform.
- Launch a public consultation on registration fee proposals.
- Work closely with the sector to implement a registration process that is fit for the future by ensuring that processes are simple and effective and that they appropriately address the needs of the workforce and employers.
- Ensure the workforce has the skills and qualifications required for registration.
- Work in partnership with stakeholders to support employability and promote career opportunities in social work, social care and children and young people services to address national recruitment and retention issues.
- Implement the series of outputs from the Future Proofing Programme, alongside ongoing monitoring to ensure progress reflects the aims of the programme.

Public Service Reform

- Engaging proactively with the Scottish Government's ongoing programme of Public Service Reform to ensure that delivery and value for money remains at the heart of the work of the organisation. SSSC will work with partners to continue to strive towards ensuring delivery of more efficient, person-centred services with Fair Work principles embedded.