



ANNUAL REPORT and ACCOUNTS 2024/25

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Annual Report and Accounts of
the Care Inspectorate

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Table of contents	Page
Annual report	4
Section A: Performance report	
1. Performance overview	4
1.1 Foreword by Doug Moodie Chair	4
1.2 Statement by Chief Executive on performance in the period 2024/25	6
1.3 Purpose of overview section	9
1.4 Statement of purpose and activities of the organisation	9
1.5 Key issues and risks affecting the organisation	12
1.6 Going concern	13
1.7 Performance summary	13
2. Performance analysis	18
2.1 How do we measure performance	18
2.2 Detailed analysis of development and performance	19
2.3 Sustainability report	32
Section B: Accountability report	
3. Corporate governance report	34
3.1 Directors' report	34
3.2 Statement of Accountable Officer's responsibilities	35
3.3 Governance statement	36
4. Remuneration and staff report	44
4.1 Remuneration report	44
4.2 Staff report	50
4.2.1 Staff numbers by permanent and other	50
4.2.2 Staff breakdown by sex and sickness absence	52
4.2.3 Commitment to equality, diversity and inclusion	54
4.2.4 Expenditure on consultancy	55
4.2.5 Exit packages	56
4.2.6 Trade union activity	56
5. Parliamentary report	58
5.1 Losses and special payments	58
5.2 Fees and charges	58
5.3 Remote contingent liabilities	59
6. Independent auditor's report	60
7. Annual accounts	66
Appendix 1: Accounts direction by the Scottish Ministers	101

Annual report

Section A: Performance report

1. Performance overview

1.1 Foreword by Doug Moodie, Chair

The Care Inspectorate is the scrutiny and improvement support body for social care and social work in Scotland. We register, inspect and support improvement across care services throughout the life journey from early learning and childcare and children and young people to adults and older people, including integrated health and social care, social work and community justice.

The 2024/25 Annual report sets out the work of the organisation during this period. The extensive range of activity undertaken is only possible because of the continuing contribution of our staff, volunteers and those delivering social care across Scotland. The Board and I are incredibly thankful for the vital work they do in improving the lives of those experiencing care across the country.

Of course, we cannot do what we do by working alone, and I am glad to see the many examples of working in partnership throughout this report. The Board and I have been no different, and a particular highlight for us was the joint session bringing together members and executive teams from both the Care Inspectorate and the Scottish Social Services Council (SSSC), as well as Healthcare Improvement Scotland (HIS). The event focused on the working relationship, opportunities, joint challenges, shared services and co-operation between the organisations. It was also interesting to identify opportunities where data and the sharing of core data can help make us both stronger and more agile in serving our respective people and sectors.

Additionally, I attended the NHS Healthcare Improvement Scotland (HIS) Board, as well as Council meetings of the Scottish Social Services Council during the period, which provide an opportunity to share insights and learning.

I was proud to represent the Care Inspectorate at the inaugural meeting of the chairs of respective regulators across the UK, the Home Nation Care Chairs, which provided a good background of current and shared challenges. We have agreed to meet quarterly to find common approaches and to identify areas where we can work collaboratively. It was a very helpful and positive meeting, which I envisage will bring further benefits to the Care Inspectorate in the future.

I regularly met with the Minister for Social Care and Wellbeing, Maree Todd, and our Scottish Government sponsor team during this period to update them on our work

and strategic direction. I am confident they share my enthusiasm for the work carried out by our organisation.

Another highlight over the past 12 months was the Board Development Event held in January where we saw presentations on The Promise, our quality improvement work, and the Care Home Improvement Programme (CHIP). It was fascinating as well as enlightening hearing from staff about their roles and passion for the work they do across the Care Inspectorate to support improvement in services and the rights of those experiencing care. The Board and I fully support the Care Inspectorate's journey towards becoming a trauma-informed and trauma-responsive organisation and recognise the importance of embedding trauma informed and responsive practice into how we work, care for ourselves and support those we engage with.

The Board is also pleased to be involved in the organisation's journey towards digital transformation which has been underway during this past year. It is great to see the progress being made while the organisation continues to deliver its core activity.

This annual report also shows the extent to which the Care Inspectorate remains actively engaged with crucial policy, political and parliamentary developments impacting the services we inspect, regulate, and support. We have continued to contribute to the work of the Scottish Child Abuse Inquiry and the Scottish and UK Covid-19 public inquiries. We consistently contribute to policy discourse through consultation responses on significant legislative and social care matters, including the Care Reform (Scotland) Bill and the upcoming publication of Supporting Meaningful Connection: Good Practice Guidance for Care Homes.

On behalf of the Board, I would like to thank everyone working at the Care Inspectorate and our volunteers for their dedication and hard work as well as those working across the sector to deliver high-quality care and support.

1.2 Statement by Chief executive on performance in the period 2024/25

It gives me great pleasure to present our annual report for 2024/25, showcasing our performance in delivering scrutiny, assurance, and crucial support for quality improvement in social care, social work and early learning and childcare services throughout Scotland.

This past year has seen us continue to navigate both opportunities and challenges with an unwavering dedication to ensuring people experience high-quality care. This report offers a chance to reflect on the work we have accomplished, always striving towards our vision for world class social care and social work in Scotland, where every individual in every community experiences high-quality care and support, that respects their rights and meets their needs.

As ever, our work is firmly aligned with the four strategic outcomes of our Corporate Plan 2022-25: high-quality care for all; improving outcomes for all; everyone's rights are respected and realised; and our people are skilled, confident and well-supported to carry out their roles.

This iteration of the Corporate Plan has served us well over the past four years, but as its end date approaches, we are working collaboratively to create a new plan for 2026 onwards that will set our strategic direction for the next five years.

As ever, our core work continued, seeing us complete 4,407 inspections of registered services in 2024/25, and taking action, including enforcement, where we deemed it necessary based on available evidence.

We have continued to support quality improvement in the sector through the delivery of our Quality Improvement plan 2024/25. We have prioritised targeted quality improvement work, including at enforcement stage, and have also worked to build capacity and capability in the care sector.

We have developed new ways of working and approaches to support the sector to address the complex issues they can often face. We have also designed, led and supported a range of quality improvement programmes and projects that differ in size, scale, and scope, and have specific areas of focus. These are based on data and information from scrutiny activities and national policy drivers. These include our early learning and childcare improvement programme which has continued to support funded settings across Scotland improve the quality of ELC and meet the National Standard.

We worked collaboratively with other bodies to carry out strategic scrutiny, with inspectors leading respectively on a total of 13 strategic inspections of services for children and young people, services for adults, and protection. We also published several thematic reviews, including on social work governance, disabled children and young people's experiences of social work services, and cross-border placements. As well as contributing to the annual programme of prison inspections, we published a thematic review of prison-based social work. We also published a national review

of our self-evaluation and related validation of justice social work performance, quality, and outcomes.

I recognise that the sector has faced a challenging time during this period and we seek to reflect this as part of our scrutiny activity while still fulfilling our duty and responsibility to provide assurance on the quality of care and outcomes people are experiencing.

In early 2025, we launched our inspector recruitment campaign, producing our largest ever response, with more than 300 candidates invited to the stage 1 written assessment, leading to 75 appointable candidates. We look forward to approximately 35 new inspectors starting work with us in 2025/26. We have also been working on our staff survey action plan following our staff survey carried out in 2024 – the action plan is being progressed throughout 2025.

During 2024/25, we engaged extensively on the development of the new quality improvement framework for the early learning and childcare (ELC) sectors with our partners, Education Scotland. We engaged with our expert reference group and held extensive consultation sessions across all ELC sectors. We were delighted to engage with over 1,200 service providers, giving them an opportunity to hear about the framework and ask questions. We will continue to use our existing frameworks and approaches for Inspection while the new approaches are developed ahead of implementation in September 2025.

As part of our quality improvement offer for the care home sector, we expanded our Care Home Improvement Programme (CHIP) to Tayside and Fife, following a successful initial cohort which included Greater Glasgow and Clyde and Forth Valley. This expansion strengthened local connections and peer support networks within these regions and led to recognisable improvements, evidenced through inspection and scrutiny. The programme supports participating care homes in addressing areas that require improvements identified through their inspections, with improvement advisers guiding nominated staff members through improvement projects. The programme includes four in-person events, online follow-up sessions, small group sessions, and individual support sessions.

We have continued to support the Scottish Child Abuse Inquiry in its work by responding to statutory notices requiring the production of information and by giving evidence when required. Similarly, we have continued to engage and cooperate with the ongoing Scottish and UK Covid-19 public inquiries.

At the beginning of the year, we took on a lead role for a Public Protection Scrutiny Working Group comprising partner scrutiny bodies and other key stakeholders. This has been established to support the Scrutiny, Inspection, Assurance and Regulatory Advisory Group to report to the National Public Protection Leadership Group in developing and delivering effective and proportionate scrutiny and assurance that enhances public protection and fosters a culture of learning.

On policy, we monitor and engage with the key policy, political and parliamentary developments affecting the Care Inspectorate and the services we inspect, regulate and support to improve.

We always ensure the Care Inspectorate's views are submitted where consultation opportunities appear to help inform the development of policy and legislation that affect our work and that of the sector. During this period, we have submitted 11 responses to consultations, including on the Education (Scotland) Bill, the National Care Service (Scotland) Bill, the proposed Wellbeing and Sustainable Development (Scotland) Bill, the proposed Learning Disabilities, Autism and Neurodivergence Bill, and the proposed Wellbeing and Sustainable Development (Scotland) Bill.

These bills all contribute to ensuring Scotland keeps The Promise – that the country's children and young people will grow up loved, safe and respected. Our work has continued throughout 2024-25 to ensure we are playing our part to deliver on The Promise by 2030.

We continued to monitor and engage with the National Care Service legislation, which was amended in March 2025 to become the Care Reform (Scotland) Bill. This Bill contains Anne's Law legislation. While the legislation was paused, we continued speaking to families about what matters most to them. We developed the Supporting Meaningful Connection: Good Practice Guidance for Care Homes, which will be published in 2025. The document will address some of the barriers to inclusion, our strategies for facilitating partnerships, including between family members, friends and staff, and involvement in personal planning and decision-making.

We also published the findings of our consultation with family and friends carers of people who live in care homes. What we confirmed from the responses was the incredible extent to which many family, friends and carers are involved in the lives of their loved ones who experience care in care homes. The responses also emphasised the importance of family, friends and carers being able to visit freely, feel welcome, be included, and be able to raise concerns confidently.

This is not the only guidance we have made available. We launched a range of materials to assist parents and carers when choosing a childminder, available in leaflet, webpage and podcast form. As an organisation, we also continue to share our knowledge and expertise at national and international events and conferences and learn from other stakeholders and partners.

This year, we were proud to earn our achievement of Disability Confident Level 3 status, becoming a recognised Disability Confident Leader. This recognition highlights our commitment to creating an inclusive workplace for disabled individuals. Achieving Level 3 shows our dedication to employing and supporting disabled people and actively promoting disability confidence within our business community.

Cohort 4 of the Professional Development Award all graduated in October 2024. I was delighted to attend the celebration event which showcased the range of methods in which the qualification contributes to the quality and development of scrutiny practice within the Care Inspectorate. We are expecting more cohorts to graduate with their PDAs in 2025.

Our Inspection Volunteers, supported by the Participation adviser and a Participation coordinator, also took part in a Personal Development Award (PDA) development day, with more than 30 Inspectors attending.

Our Stage 2 digital transformation work has continued at pace. The project completed its procurement activity to secure a delivery partner for the new digital platform, and the delivery phase of the project began in February and is expected to last for 18 months. Work on mobilisation is also underway, with ongoing engagement with operational leaders and teams across the organisation as well as with external stakeholders.

We continued to hold our Quality Conversation events throughout the year. These events bring together senior professionals from across Scotland's care sector with our own Executive and Senior team for high-level exchange that helps shape a positive future for Scotland's care.

I am confident this annual report shows the breadth of our work that takes place with our staff, volunteers and external partners. It certainly shows our ambition to provide scrutiny and support improvement across social care and social work.

None of what we do would be possible without the dedication and tireless efforts of all Care Inspectorate staff and everyone working in the care sector. Thank you to every one of you.

1.3 Purpose of overview section

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

1.4 Statement of purpose and activities of the organisation

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

We play a key part in improving care for adults and children across Scotland, acting as a catalyst for change, improvement and innovation, and promoting good practice. We want to ensure that people experience high-quality care and support whenever and wherever they need it. We play a key part in improving care for adults and children across Scotland, acting as a catalyst for change, improvement and innovation, and promoting good practice.

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

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

Care Inspectorate vision

The Care Inspectorate's vision is for world-class social care and social work in Scotland, where everyone, in every community, experiences high-quality care, support and learning, tailored to their rights, needs and wishes.

Our mission

We will provide public assurance about the quality of social care, social work and early learning services, promote innovation and drive continuous improvement. We will collaborate and take action where experiences and outcomes are not meeting individual needs.

Our values

- Person-centred: we will put people, compassion and kindness at the heart of everything we do.
- Fair: we will act fairly and consistently, be transparent and treat everyone equally.
- Respectful: we will be respectful in all that we do.
- Integrity: we will be impartial and act to improve care for all those in Scotland.
- Efficient: we will provide the best possible quality and public value from our work.
- Equality: we will promote and advance equality, diversity and inclusion in all our work and interactions.

Strategic outcomes

- High-quality care for all.
- Improving outcomes for all.
- Everyone's rights are realised and respected.
- Our people are skilled, confident and well supported to carry out their roles.

Our current Corporate Plan is available to read [here](#).

We regulate almost 11,000 services. These include daycare of children services, childminders, care homes, care at home and support services, including housing support. We also regulate adoption and fostering services, secure care, school care accommodation, nurse agencies and offender accommodation services. You will find more information about the numbers and types of services we regulate on [our website](#).

Our regulatory work includes registering and inspecting care services, varying registrations, dealing with complaints and carrying out enforcement action where

necessary. As a scrutiny and improvement organisation, we play a critical role in providing independent assurance and supporting quality improvement in care services and local partnerships.

We are committed to providing support to the care sector to build quality improvement capacity and capability, and to grow knowledge and skills. We will support the care sector to identify and share strengths, spread good practice and support staff to feel valued. Using a quality improvement approach, we will test out new ways of working and approaches to addressing complex issues.

Our quality improvement teams are responsible for designing, leading and supporting a range of quality improvement programmes and projects that differ in size, scale, and scope, and have specific areas of focus. These are based on data and information from scrutiny activities and national policy drivers.

How we register care services

Every care service falling within the definitions in Schedule 12 of the Public Services Reform (Scotland) Act 2010 must be registered with the Care Inspectorate. We register all new care services to ensure that they meet legal requirements, demonstrate their ability to provide good-quality care and take into account the Health and Social Care Standards. We may make variations to any conditions of registration.

When a service cancels its registration or is faced with sudden closure, our regulatory approach aims to safeguard the people who are using the service by working with the provider, local authority and others to ensure alternative care arrangements are planned and uncertainty is minimised.

How we inspect care

Our scrutiny, assurance and improvement activity is risk-based and evidence-led to ensure our work is targeted where it is needed most while undertaking our statutory responsibilities.

Our scrutiny and improvement plan is approved annually by Scottish Ministers. We gather intelligence in the form of pertinent information from a variety of sources across social care in Scotland. This information informs how and when we inspect services. We have a duty to target our resources at those services which need the most support, so our inspections often focus on poorer performing and high-risk services. Inspectors use a variety of methods depending on the type of service they are inspecting to examine experiences and outcomes for people using a care service.

As part of inspection, our inspectors and inspection volunteers will talk to people who experience care services and their carers and families. We talk to staff and managers, examine what quality of care is being provided, look at activities and environments, examine records and files, and ensure people have choices that

reflect their needs and promote their rights. We may make recommendations and requirements or take enforcement action if necessary.

We take account of self-evaluation from the service itself and assess its performance against the Health and Social Care Standards. We grade care services using a six-point scale from unsatisfactory to excellent across four themes: quality of care and support; quality of environment; quality of staffing; and quality of management and leadership.

We also deal with complaints about regulated care services. We deal with concerns and complaints using different pathways to ensure they are resolved quickly, appropriately and effectively. All concerns raised with us are assessed carefully to ensure they are dealt with in the most appropriate and proportionate manner. Concerns and complaints about a service may affect its grades and how frequently we inspect it.

1.5 Key issues and risks affecting the organisation

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

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

In addition, the consideration of risk is a standing item at each meeting of the Board and Audit and Risk Committee as well as the Strategic Management Group.

The achievement of our strategic objectives is dependent on the delivery of an effective programme of scrutiny and quality improvement work. Our strategic risks are therefore focused on how we plan, resource and support this programme including investment in our workforce and the digital systems required to deliver our scrutiny and quality improvement activities.

We have identified strategic risks relating to the areas detailed below:

- our financial sustainability
- having sufficient workforce capacity
- having effective IT data access and cyber security
- our reliance on legacy systems

- impact of capacity diverted to our involvement in public inquiries

Many of the risks are interlinked. For example, if we are not financially sustainable this will impact on our workforce capacity, our ability to manage change, our ability to work effectively with our scrutiny and delivery partners, the investment we can make towards maintaining cyber security and replacing our legacy systems through the digital transformation project.

Our risk management process ensures the key controls in place and any planned further actions we will take to further reduce our risk are documented and progress is regularly monitored.

1.6 Going concern

The Care Inspectorate Board is funded by the Scottish Government and it is therefore appropriate to prepare the accounts on a going-concern basis.

The Statement of Financial Position as at 31 March 2025 shows net assets of £3.189m.

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

The Statement of Changes in Taxpayers' Equity in the Financial Accounts section shows the pension and general reserve position as at 31 March 2025.

A combination of the statutory maximum fees chargeable being unchanged since 2005 and our core grant in aid remaining static in cash terms over several years has meant that it has been important to identify significant efficiencies. We continue to work with our Sponsor Department in Scottish Government to agree a sustainable funding position so we can maintain our ability to deliver services in future years.

1.7 Performance summary

Financial performance

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

The Scottish Government sets the maximum fees the Care Inspectorate may charge. Changes to maximum fee rates require a public consultation exercise. The maximum

fees charged to care service providers have not increased since the 2005/06 financial year.

Our grant funding position for 2024/25 was as follows:

	Budgeted Position £m	Actual Funding £m
Grant in aid 2024/25 (Note 12)	36.212	34.296
Other grant funding	0.160	0.160
Total grant funding	36.372	34.456

Grant in aid includes Scottish Government specific programme funding totalling £2.224m during 2024/25.

The table below shows our revenue budget position for our core expenditure.

	Budget £m	Actual £m	Variance £m
Revenue expenditure	48.181	45.566	(2.615)
Revenue expenditure (stage 2 transformation project)	3.256	2.247	(1.009)
Fee income	(11.900)	(12.350)	(0.450)
Other revenue income	(1.769)	(1.405)	0.364
Net expenditure before grant funding	37.768	34.058	(3.710)
Grant in aid	(29.700)	(29.728)	(0.028)
Stage 2 transformation project	(2.222)	(2.222)	0.000
Specific grant funded projects	(2.425)	(2.384)	0.041
Additional in-year funding *	(2.025)	(0.122)	1.903
Total 2024/25 grant funding	(36.372)	(34.456)	1.916
Net expenditure after grant funding	1.396	(0.398)	(1.794)

* Additional in-year funding is a commitment by our Scottish Government Sponsor to identify funding during 2024/25 that could not be identified as confirmed funding for inclusion in our budget prior to the start of 2024/25.

Budget variances were as follows:

	2024/25
	£m
Expenditure	
Staff costs	(1.381)
Accommodation costs	(0.768)
Administration costs	(0.977)
Transport costs	(0.181)
Supplies and services	(0.317)
Income	
Income from fees	(0.450)
Grant-in-aid - operations	(0.028)
Grant-in-aid - short term programmes	0.041
Scottish Government in-year funding	1.903
Other income	0.364
Total budget variance	1.794

In 2024/25 the Care Inspectorate spent £43.260m delivering core operational objectives, £2.247m on our Stage 2 Digital Transformation Project and an additional £2.306m on short term grant funded programmes. Of this, £13.755m was recovered from fees charged to service providers, shared service income, lease income and other revenue income. £34.456m was funded from Scottish Government grant, leaving a net underspend of £0.398m. This is an underspend of £1.794m on the 2024/25 budget.

Staff costs represent 83% of the Care Inspectorate's total expenditure. A year-end underspend of £1.381m was primarily due to planned delays in recruitment aimed at reducing the need for additional in-year funding.

Other operating expenditure was £2.244m below budget. Of this, £0.900m relates to the Stage 2 Digital Transformation project where project activities will extend into future years, though still within the overall £8.6m funding envelope. The remaining underspend is largely due to delays in public inquiries, an amendment to the treatment of the Dundee accommodation lease under IFRS16 and continued savings on travel and subsistence, reflecting the ongoing benefits of technological investment and updated working practices.

Fee income exceeded budget by £0.450m, driven by a higher volume and mix of registered services and more newly registered services completing the registration process by 31 March 2025.

Other operating income reduced by £0.364m due to the treatment of lease income associated with the Dundee accommodation lease under IFRS16. An additional

£0.028m in grant-in-aid was received to address IFRS 16-related cash timing differences.

These underspends reduced the additional in-year funding required by £1.903m.

Following a re-assessment of the lease arrangements for Compass House and Quadrant House, the prior year financial statements have been restated to reflect that the Care Inspectorate have primary responsibility for the lease of these properties and act as a lessor to other central government bodies. This has resulted in:

- The finance lease liability has increased by £3.630m, from £2.068m to £5.698m.
- An associated lease receivable of £3.096m and non-current trade and other receivable of £0.729m has been recognised.
- Reduction of £0.474m in other income and associated operating expenditure and an increase of £0.139m in interest payable on lease liability and interest receivable on lease receivable.

Reconciliation to Statement of Changes in Taxpayers' Equity (SoCTE)

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

1. For budgeting purposes, we consider grants and grant in aid to be income. The accounting position must present grants and grants in aid as sources of funds and are credited to the general reserve on the Statement of Financial Position.
2. Post-employment benefits (pensions) must be accounted for using International Accounting Standard 19 'Employee Benefits' (IAS 19). IAS 19 requires accounting entries for pensions to be based on actuarial pension expense calculations. Our funding position is based on the cash pension contributions we make as an employer to the pension scheme.

The table below reconciles the deficit shown on the Statement of Comprehensive Net Expenditure (SoCNE) to the deficit recognised for funding and budgeting purposes. The budgeted deficit of £3.421m was to be funded by additional in-year funding of £2.025m from Scottish Government and the balance from our general reserve balance built up in previous years to assist with funding our business and digital transformation programme and invest in ICT modernisation. After drawing down additional grant of £0.122m from the Scottish Government's in-year funding commitment, the actual position is a surplus of £0.398m. This is a variance of £1.794m compared to the budgeted deficit to be funded from our general reserve.

	Ref	£m
Deficit per the SoCNE	SoCNE	34.058
Revenue funding from grants & grant-in-aid	Note 15	(34.456)
Reverse IAS 19 pension accounting adjustments	Note 5b	0
(Surplus)/Deficit on budget basis		<u><u>(0.398)</u></u>

The Scottish Regulators' Strategic Code of Practice

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

2. Performance analysis

2.1 How do we measure performance

We monitor our performance under the organisation's four strategic outcomes set out in our Corporate Plan for 2022-25.

We report publicly using two kinds of measures:

- Key Performance Indicators (KPIs) – which are specific and quantifiable measures against which the Care Inspectorate's performance can be assessed.
- Key Outcome Indicators (KOIs) which are measures the Care Inspectorate aims to influence through its scrutiny, assurance and improvement activities, but over which it has limited direct control.

Regular reports on our performance, structured around our strategic outcomes, priorities and KPIs, provide our Strategic Leadership Team with information to monitor progress and act where necessary. The following section provides a summary of our performance over the year – fuller detail can be found here:

<https://www.careinspectorate.com/images/documents/8243/Monitoring%20our%20performance%202024-25,%20qtr%204%20report.pdf>

2.2 Detailed analysis of development and performance

We have continued to target and prioritise our scrutiny, assurance and improvement support using an intelligence-led and risk-based approach.

End of year KPI performance 2024/25, including 2023/24 performance for comparison:

Strategic outcome: High-quality care for all	Strategic outcome: Improving outcomes for all	Strategic outcome: Our people are skilled, confident and well supported to carry out their roles
KPI-1: % of people telling us that our scrutiny will improve care 95.4% 96% in 2023/24	KPI-4: % of people telling us that our quality improvement support will improve care 91.8% 90.2% in 2023/24	KPI-5: % staff completing core learning 78.1% 51.0% in 2023/24
KPI-2: % scrutiny hours spent in high and medium risk services 76.5% 72.8% in 2023/24		KPI-6: % staff absence 5.3% 5.0% in 2023/24
KPI-3: % of complaints about care that were resolved within the relevant timescales (includes all methods of resolution) 92.1% 87.6% in 2023/24		KPI-7: % staff turnover 5.8% 9.1% in 2023/24
		KPI-8: Days per month that inspection volunteers and care experienced people are involved 33.5 days 33.6 days in 2023/24
Colour code: Target achieved Slightly below target Significantly below target Initial reporting		

Of the eight Key Performance Indicators (KPIs) detailed in the Corporate Plan 2022-25, at the end of Q4 2024/25:

- six met or exceeded target.
- two did not meet the target.

Strategic outcome: High-quality care for all	Strategic outcome: Improving outcomes for all	Strategic outcome: Everyone's rights are respected and realised
KOI-1: % services with good or better grades (across all KQs) 86.9%	KOI-5: % of services with >90% of people telling us they are happy with the quality of care and support they receive 91.2%	KOI-6: % services good or better for 'How well do we support people's wellbeing' 92.8%
KOI-2: % of services with good or better grades at first inspection following registration 71.2%		KOI-7: % of services with >90% of people telling us they make decisions about their own care 83.4%
KOI-3: Average time a service continues to have a grade of less than adequate 11.3 months		
KOI-4: % of services with expected grades or better 98.9%		

Strategic outcome 1: High-quality care for all

Our scrutiny, assurance and quality improvement support activity will drive improvement in the quality of care that infants, children, young people, adults, and older people experience and support their health and wellbeing. We support the delivery of high-quality care, support and learning services through our registration, inspection, and monitoring activity alongside the handling of complaints and gathering feedback from those who experience care and those who care for them. We will champion self-evaluation, continuous quality improvement and the sharing of good practice.

Our scrutiny activity

At 31 March 25 there were 10,793 registered care services operating in Scotland. 86.9% of services had grades of good or better across all Key Questions (KOI-1). For poorer performing services, the average time a service continued to have a grade of less than adequate was 11.3 months (KOI-3). More information about numbers and types of services, and their grades is available on our website at <http://www.careinspectorate.com/index.php/statistics-and-analysis>.

Scrutiny Activity in registered care services

	Number completed Q4 Year to Date 2024/25	Number completed Q4 Year to Date 2023/24	2024/25 vs 2023/24 year to date % change
Inspections completed	4,407	4,583	-4%
Serious concern letters issued	26	48	-46%
Improvement notice enforcements	33	32	+3%
Notice to cancel enforcements	2	4	*
Condition notice (incl emergency condition notice)	3	0	*
Total complaints resolved (not inc. concerns logged as intelligence)	2,194	2,184	+0.5%
New registrations completed	522	452	+16%
Number of variations completed (not incl typographical changes)	1,602	1,593	+0.6%

Note: Percentages based on small numbers (<20) are highlighted and should be interpreted with caution. Percentages based on fewer than 5 events in either time period are excluded and marked with a *.

Further detail on our scrutiny activities can be found here:

<https://www.careinspectorate.com/index.php/publications-statistics/182-statistics-and-data/statistics/quarterly-statistical-reports>

We undertook 4,407 inspections (down 4% compared to the previous year) and completed 522 registrations (up 16% compared to the previous year). Following these activities, we ask people whether they are confident our scrutiny will improve care (KPI-1). 95.4% of respondents agreed that our scrutiny will improve care in 2024/25 above the target of 90%.

We follow a flexible risk and intelligence-led approach to ensure our scrutiny, assurance and quality improvement activity is risk-based, proportionate and intelligence-led. In 2024/25 we spent 76.5% of our scrutiny hours in high and medium risk services which is within our target range of 60-80% (KPI-2). 98.9% of services (KOI-4) that were previously graded good or better and low risk or newly registered continued to receive good or better grades, supporting our flexible risk and intelligence-led approach. We expect that newly registered services should be delivering good or better care following our thorough registration process. In 2024/25

71.2% of newly registered services received a grade of good or better on their first inspection (KOI-2).

We enable the voices of those experiencing care to be listened to and heard and support them to do this across all sectors. We have a statutory duty to deal with complaints made to us about registered care services. It is important that each concern is dealt with through the most appropriate route to ensure that concerns are resolved as quickly and effectively as possible. 92.1% of complaints about care were resolved within relevant timescales, above the target of 80% (KPI-3).

For more information on our complaints procedure please visit the link below
<http://www.careinspectorate.com/index.php/complaints>

Complaints about the Care Inspectorate

The Care Inspectorate has a well-established policy and procedure for managing complaints about the organisation. Approximately 100 complaints about the Care Inspectorate are received each year, with the vast majority relating to scrutiny and assurance activity.

We have worked closely with the Scottish Public Services Ombudsman (SPSO) to ensure that our policy and practice is fully aligned with their national model complaints handling procedure.

Complaints	2024/25	2023/24	2022/23
Withdrawn by complainant, lack of information, out with scope or out with timescales	13	26	27
Complaints satisfactorily resolved at Stage 1	27	24	25
Complaints not upheld	28	29	28
Complaints upheld	23	4	8
Complaints not yet complete	2	0	3
Total complaints recorded	93	83	91
Complaints referred the SPSO by complainants after Care Inspectorate investigation	10	7	5
Number of complaints taken forward by SPSO	0	0	0

Complaints by type	2024/25	2023/24	2022/23
Inspection OP/Adults	29	22	16
Inspection ELC	35	23	19
Inspection CYP	7	4	5
Inspection Strategic	0	0	0
Complaints (care services)	11	11	24
Registration /Variations	5	16	15
Improvement activity	0	0	0
Information governance	0	0	0
ICT / digital issues	0	1	0
Contact centre – customer services	1	0	2
Other (including multiple areas of CI work)	5	0	1

Complaints by type	2024/25	2023/24	2022/23
Data/confidentiality	0	0	4
Insufficient data received from complainant to categorise	0	6	5

Complainant by type	2024/25	2023/24	2022/23
Registered service provider/staff member/ex-staff member	28	31	31
Family member/representative/member of public	56	43	52
Anonymous/unknown	9	9	8

Strategic inspection activity

Strategic inspections scrutinise and support quality improvement in the work of multi-agency partnerships such as community planning partnerships, child, adult and public protection committees, and drug and alcohol partnerships. We work collaboratively with other scrutiny bodies to carry out strategic scrutiny activity, usually leading or co-leading inspection programmes, and also contributing as guest inspectors to programmes or one-off pieces of work led by another organisation, such as Her Majesty's Inspectorate of Prisons in Scotland. Several reports from across our strategic scrutiny programmes based on inspections were published for joint inspections of services for children and young people, joint inspections of adult support and protection services, joint inspections for adults and inspection of justice social work services.

We completed 15 inspections across our strategic scrutiny programmes and published reports on them. These included joint inspections of services for children and young people, joint inspections of adult support and protection services, joint inspections of services for adults and inspection of justice social work services.

	Number during Q4 Year to Date 2024/25
Inspections completed (published)	15
Total staff survey responses received	5,950
Total people experiencing care engaged with	366
Total number of case files read	491
Number of serious incident reviews received	76
Learning reviews received (those that have proceeded to a learning review)	27
Learning review notifications received (notifications we have received that have not proceeded to a learning review)	52
Other review reports received	8

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

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

Strategic outcome 2: Improving outcomes for all

Our activity supports services and partnerships to improve experiences and outcomes for infants, children, young people, adults, and older people and ensures that improvement is sustained. We will champion high-quality self-evaluation, shared learning, and innovation. Our activity will be focused on providing quality improvement across the changing health, social care and social work systems and influencing the policy landscape. Ultimately, the focus is to improve outcomes for those experiencing care, support, and early learning opportunities.

Our quality improvement teams design and deliver national and local quality improvement programmes across Scotland, working closely with our improvement partners. In 2024/25 we delivered 73 external quality improvement events engaging 88 services. Over the last 18 months, we have worked with inspection colleagues and heavily invested in large scale national targeted quality improvement programmes, such as the Care Home Improvement Programme, Stress and Distress programme and reducing the misuse of psychoactive medication in care homes. In the same timeframe, we have also developed intensive quality improvement interventions at enforcement stage and are working directly with large providers where serious issues are identified. Consequently, the number of individuals and services connected to our work will appear lower than in previous years

91.8% of people (of 1,092 responses) told us that they believed the quality improvement support they received will improve care (KPI-4).

We will ensure that the Health and Social Care Standards, ambitions of The Promise, equality and human rights are central to improving outcomes by listening to and supporting those experiencing care to influence their care and individual outcomes. 91.2% of services had 90% or more respondents telling us they were happy with the quality of care and support they received (KOI-5).

We also sent out provider updates to support services with guidance, advice, and best practice examples.

From 1 April 2024 to 31 March 2025 we sent a total of 165 newsletters. Of these we sent:

- 22 provider updates to adult and older people services
- 23 provider updates to children and young people services
- 20 provider updates to childminders
- 19 provider updates to early learning and childcare services (we started sending these in May 2024)

The provider updates are sent once every three weeks.

Additional updates sent:

- 7 provider updates to all services on the annual returns
- 1 provider update to all services on bogus callers
- 8 provider updates to ELC/childminders on the shared framework

We continued to inform local and national policy as well as the public with our statistical publications. All our publications are available in the publications section of our website: <http://www.careinspectorate.com/index.php/publications-statistics>. Examples include:

- Fostering and Adoption 2023-24 statistical bulletin
- Early Learning and Childcare Statistics 2023
- Staff vacancies in care services 2023
- Complaints about care services in Scotland 2019/20 to 2023/24
- Restrictive practice 2023 – a statistical bulletin

Strategic outcome 3: Everyone's rights are respected and realised

Infants, children, young people, adults, and older people experience tailored, outcome-focused care and support that reflects their rights, needs, and wishes, in line with the Health and Social Care Standards. Those experiencing care are listened to and able to influence their individual care and support.

83.4% of services had 90% or more respondents telling us they make decisions about their own care (KOI-7) and 92.8% of services had a grade of good or better for how well do we support people's wellbeing (KOI-6). We promote and share an understanding of what those experiencing care have a right to expect according to their rights, needs and wishes and to enable this we make all our information and resources easily available to services and the public through our website and The Hub.

We received and responded to a total of 117 FOISA requests (down by 18 last year), of which 105 were sent out within the statutory 20 working day deadline.

We received and responded to a total of 43 data subject access requests (up by 6 from last year), of which all were sent out within the statutory one month deadline.

Case study: Disabled children and young people's experiences of social work services

In August 2024 we published the **Disabled children and young people's experiences of social work services: a thematic review**ⁱ.

Our aim in carrying out this review was to learn and understand more about disabled children and young people's views and experiences of the support they received from social work services. We focused on social work's contribution to getting it right for every disabled child and considered how well disabled children's rights were being respected and upheld.

The report sets out the key messages of our review and includes reflections and actions for social work services and Scottish Government to consider in order to improve outcomes for disabled children and young people.

We published the report in full and in Easy Readⁱⁱ format to ensure it was accessible to as wide an audience as possible. We also created an animationⁱⁱⁱ to improve accessibility to the report's findings. Braille and other formats were also available on request.

Policy and legislative context

The policy and legislative context that impacts on the lives of disabled children and young people is varied and complex. We used the national policy and legislative framework to inform the scope and areas of focus for our thematic review.



We considered children's experiences alongside their rights as enshrined in both the United Nations Convention on the Rights of the Child (UNCRC) and the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD).

We considered the role of social work services within a Getting it Right for Every Child (GIRFEC) framework, including partnership working with other services.

Our report aligned to many of the recommendations and aspirations of The Promise Scotland's commitment to ensuring that its children and young people grow up loved, safe and respected so that they realise their full potential, and that care experienced adults and families have the support they need to thrive.



Keeping The Promise at the heart of what we do

What our review found

Our review found that respectful relationships were key to building a culture of listening to and respecting children and young people's views. This ensured they were engaged in decisions about their care and support.

It reported that too many disabled children and young people's views, feelings and wishes were not being heard.

However when children and young people received the right support at the right time from social work services, this helped them to grow and develop.

The increasing complexity of need and high demand for services was outweighing the availability of supports. Furthermore, the experience of transitioning into life as a young adult continues to be characterised by unpredictability and uncertainty for too many disabled young people.

It also noted that children and young people were not always provided with meaningful choices about the support they received.

The report recognised that parents and carers routinely provide a significant level of care and support, and that their wellbeing must be promoted and protected.

Importantly, it also noted that compassionate and dedicated social work staff were helping to improve the lives of children and young people. However high workloads and recruitment and retention of staff created significant challenges for staff teams.

Recommended actions

The responsibility for improvement sits with us all. The report made a series of recommended actions which require a shared approach across Scottish Government, local authorities, national and local organisations and public bodies, including the Care inspectorate.

The actions include:

- the views of disabled children and their families must be considered as part of service mapping, understanding unmet need and service planning
- a robust approach to gathering and analysing data on disabled children and young people must be implemented, both in social work services and wider. This must be used effectively to inform service planning and improvement
- we must take action in response to the views of disabled children and their families to ensure gaps in service provision are addressed
- the role of social work services in providing care and support to disabled children must be clearly defined and understood across agencies. Clear and accessible information should be available and communicated to children and their families. This should include eligibility criteria
- opportunities for effective early intervention should be strengthened
- opportunities for play and friendships, along with other areas that are important to children, should be maximised. This will need a collective and holistic response.
- Adequate resourcing must be made available to enable services to develop and improve.

Find out more:

by scanning the QR code.



- i) [Disabled children and young people's experiences of social work services: a thematic review - full report](#)
- ii) [Easy Read version of the report](#)
- iii) [Animation to support the report](#)

Strategic outcome 4: Our people are skilled, confident and well supported to carry out their roles

All colleagues and volunteers often work in complex circumstances and are committed to making a difference and championing high quality care that meets the needs, rights, and choices of people across Scotland. We will ensure they are effectively led, developed, and supported to deliver our vision and respond to the challenges and opportunities ahead.

Recent years has seen the considerable expansion and acceleration of the use and uptake of technology to support our hybrid working approach at the Care Inspectorate, including collaboration and reporting tools. To support colleagues working in a hybrid way, online core learning courses have been offered to all staff covering topics such as data protection, equalities, health & safety and cyber security.

Our Learning and Development policy was reviewed and updated in early 2025 to ensure that it continues to meet the evolving needs of our organisation and staff. A comprehensive annual learning needs analysis considers development needs and solutions at organisational, team and individual levels. This informs our dynamic and responsive annual learning and development programme. The 70:20:10 learning model continues to underpin our development offer, highlighting the value of experiential, social and formal learning. A skills matrix is in place for regulated care inspectors, enabling them to maintain the currency of their expertise through targeted development.

Staff absence has been slightly above target limits in 2024/25. The average staff absence was 5.3%; which is out with our target range of 2.6% to 5.2% (KPI-6). Staff turnover (5.9%; KPI-7) remained within our target of less than 10%, in line with other comparable public sector organisations.

We recognise the importance and numerous benefits that involving people who have experienced care and support has for the work we do in the Care Inspectorate.

During 2024/25, our inspection volunteers spent an average of 33.5 days per month on a range of involvement activity (KPI-8).

The Participation and Equalities team continued to involve volunteers in multiple projects and work across the Care Inspectorate, and recruitment campaigns are underway to further increase the number of volunteers who support our work.

Spotlight: Our journey towards becoming a trauma informed and trauma responsive organisation

As an organisation, we recognise that most of us will experience degrees of trauma at some point in our lives, yet we may not know what others have been through.

Trauma describes an individual event, series of events or circumstances, which have lasting adverse effects on mental health, physical health, emotional health, social well-being and/or spiritual well-being (Substance Abuse and Mental Health Services Administration (SAMHSA), 2024).

What is a trauma-informed approach?

A trauma-informed approach means anticipating, understanding and responding to the impact of an individual's experience of trauma. In working in a trauma informed way, we aim to create the conditions to anticipate what might be difficult or retraumatising for someone to cause least harm and support their recovery.

We are working to embed five universal principles into our behaviours and actions. These principles - choice, empowerment, safety, trust, and collaboration - help us to recognise how trauma may be affecting ourselves and those we work with, and to respond in ways that support recovery whilst doing no further harm.

Working in a trauma-informed way is an opportunity for us to shift our focus - not just on what we do, but on how we do it. It involves embedding these principles into our organisational culture, daily practices, and the design and delivery of our public services.

The Care Inspectorate's journey

In 2022, the Care Inspectorate committed to Scotland's Trauma Charter by signing the 'Leadership Pledge'¹ of support.

We established a Trauma Champions' Group of senior colleagues to lead our commitment to the pledge and work with others to put trauma-informed and responsive practice in place across our workforce and in all our activity.

Since then, the group has developed a cross-organisational membership and meets regularly. We are



strengthening our understanding of what being truly trauma informed and trauma responsive means in all our work. To guide us, we are following the compass of the National Roadmap for Creating Trauma Informed and Responsive Change (2023)ⁱⁱ. It reminds us that this is a journey of exploration, compassionate listening and thoughtful, evidence-based, incremental action.

Where are we now?

In the group's work during the last year, we have reached step two of the roadmap, 'enabling readiness'.

We recognise that colleagues in the Care Inspectorate bring a wealth of specialist knowledge and career experience. Within this, there is a range of understanding and confidence in what it means to be trauma informed.

Our current focus is to raise awareness of what a trauma informed approach means for all roles across the organisation. Our teams are involved in the design, development and delivery of our policies, processes and practices. It is important that the trauma informed approach is central when these are reviewed and updated. We are also working to implement strategic and operational change initiatives through a trauma informed lens. Examples include our refreshed values and cultural aspirations, and our professional impact initiatives.

We are embracing the practical resources available from the National Trauma Transformation Programme (NTTP) and sharing and learning alongside other stakeholders via the Collaborative Peer Learning Network led by the Improvement Service.

A 'Talking about Trauma' staff intranet page was launched in January 2025 to highlight progress and stories from our journey, signpost resources, and link our work with other national developments.

At the heart of our trauma pledge is recognising and valuing individual humanity. Success will be measured by how everyone we engage with – from those experiencing care and their families and carers, to staff working in the sector, and our own colleagues – experiences the Care Inspectorate.

We look forward to our journey continuing in 2025/26 and hope that this work will help us support each other and those that we engage with in our all our activity.



“The Trauma Champions' Group is essential to ensuring that our organisation is authentically aligned with trauma-informed practices. The Care Inspectorate's Strategic Management Group is dedicated to embedding this work into our organisational culture and the Trauma Champions' group shares learning and support across the organisation.”

Gareth Adam-Hammond, Trauma Champion
for the Strategic Management Group

- i) [Scotland's Trauma Charter Leadership Pledge](#)
- ii) [National Roadmap for Creating Trauma Informed and Responsive Change](#)

2.3 Sustainability report

Sustainability report 2024/25

A Carbon Management Plan covering the period 2018–2023 was launched in 2018. This plan identified a target reduction of 28% from the 2015/16 baseline data to 956 tCO₂e. The objectives of the plan are considered annually alongside the sustainability report. A new Sustainability Plan is being developed for 2025–2030.

As a scrutiny body, our core business is to regulate care and social work services throughout Scotland, leading to high travel related CO₂ emissions. During the year we had a presence in 11 locations from as far north as Stornoway to as far south as Dumfries. These properties range in size, from 30m² to 2,819m² and operate under various lease terms, which adds complexity to managing CO₂ emissions.

We developed our data gathering tools during the year, reporting on emissions from homeworking, commuting and hotel stays for the first time. The impact of this is an increase in emissions reported for 2024/25. Excluding these newly reported emissions, we have achieved a 64% reduction in emissions compared to our 2015/16 baseline.

We continue to aggregate our direct energy consumption across all our estate.

Waste/recycling

Waste volumes are estimated based on bin size and collection frequency as refuse is not directly weighed. With a continued shift towards hybrid working and reduced occupancy at our Dundee office, overall waste generation has decreased resulting in emissions of less than 0.1 tCO₂e. The temporary increase in paper waste last year was attributed to an office refurbishment which involved the disposal of archived documents no longer required. This year's emissions level of 0.1 tCO₂e is likely to remain as the base level going forward as we continue to use Sharepoint to store and share documents and discourage the use of paper across the organisation.

Year	Paper tCO ₂	Refuse tCO ₂	Total	Percentage saving from baseline
2015-16	1.4	0.2	1.6	
2016-17	1.5	0.5	1.9	0.20
2017-18	0.6	0.7	1.3	-0.17
2018-19	0.4	0.5	0.9	-0.41
2019-20	0.4	0.5	0.9	-0.41
2020-21	0.1	0.1	0.1	-0.92
2021-22	0.0	0.1	0.1	-0.94
2022-23	0.1	0.1	0.2	-0.88
2023-24	0.3	0.0	0.3	-0.79
2024-25	0.1	0.0	0.1	-0.96

Summary of performance

Area	Performance 2024-25 Against 2015-16 Baseline	Status
Total CO ₂ e	Carbon emissions have decreased by 20%	●
Travel	Carbon emissions have increased by 4%	●
Gas, Water and Electricity	Carbon emissions have decreased by 77%	●
Waste and Recycling	Carbon emissions have decreased by 94%	●

Area	Actual Performance	2015/16 Baseline
Total CO ₂ Emissions	1,067.6 tCO ₂ e	1,328 tCO ₂ e
Travel Related CO ₂	783 tCO ₂ e	756 tCO ₂ e
Total Travel Cost	£882,098	£960,873
Total Energy CO ₂	128 tCO ₂ e	569 tCO ₂ e
Energy Consumption (gas and electricity)	645,524 kWh	1.68 MWh
Energy Expenditure (gas and electricity)	£137,734	£145,509
Total Waste CO ₂	0.1 tCO ₂ e	1.6 tCO ₂ e
Waste	9.9 tonnes	87.4 tonnes
Waste Expenditure	£1,849	£21,279
Total Water CO ₂	0.5 tCO ₂ e	1.3 tCO ₂ e
Water consumption	1,501 m ³	3,830 m ³
Water expenditure	£10,595	£36,267
Homeworking	156 tCO ₂ e	N/A



Gas, water and electricity

There has been considerable rationalisation of our estate over recent years. The benefit of the decrease in space occupied is now being realised, with an overall reduction of 77% on the baseline. Water consumption remains at a similar level to last year and is reflective of the current occupancy levels of the offices.

Year	Electricity tCO2	Gas tCO2	Water tCO2	Total tCO2	Percentage saving from baseline
2015-16	410.6	158.5	1.3	570.4	
2016-17	329.7	156.0	1.5	487.2	-15%
2017-18	225.3	94.5	1.2	321.0	-44%
2018-19	142.0	96.2	0.9	239.1	-58%
2019-20	130.5	99.6	1.0	231.1	-59%
2020-21	75.1	72.3	0.2	147.6	-74%
2021-22	70.4	84.6	0.1	155.0	-73%
2022-23	93.8	129.7	0.4	223.9	-61%
2023-24	66.1	87.0	0.4	153.5	-73%
2024-25	52.6	75.3	0.5	128.5	-77%

Travel

Grey Fleet is employees use of private cars for business journeys. The carbon emissions from grey fleet shows only a small increase on previous years, indicating that we may have returned to business as usual. Lease car emissions have reduced as the number of leased vehicles we have has reduced. With increasing leasing costs and insurance costs, combined with the HMRC contribution per business mile rate of 13p not having increased since the scheme's introduction on 2002, fewer people have opted to either renew their lease or take on a lease. Domestic air travel totalled 6,370km.

The use of technologies such as Microsoft Teams and Sharepoint are helping to reduce the requirement to meet in person and attend offices. Our hybrid working policy allows staff to work 60% of their time at home, therefore it is expected that commuting emissions may increase. We undertook a commuting survey during 2024/25 which allowed us to capture emissions from commuting. Our data gathering improvements also captured emissions from hotel stays. These developments in reporting have significantly increased travel emissions which may further increase as our data information improves. Excluding these, we have reduced our emissions by 53% from the 2015/16 baseline.

Year	Grey Fleet tCO2	Lease Car tCO2	Other except Air tCO2	Air Travel tCO2	Hotel stays	Commuting	Total Travel tCO2
2015-16	498.7	65.0	147.3	44.6			755.6
2016-17	485.5	71.3	37.4	43.4			637.6
2017-18	504.0	70.4	60.9	34.7			670.0
2018-19	502.6	83.4	46.9	40.3			673.2
2019-20	462.0	63.7	42.1	39.4			607.2
2020-21	29.2	5.0	0.6	3.1			37.9
2021-22	98.9	7.4	4.9	6.2			117.4
2022-23	265.6	7.4	12.3	16.7			302.0
2023-24	283.1	29.1	14.5	26.5			353.2
2024-25	292.6	15.6	18.8	25.1	28.1	403.1	783.2

Sustainable procurement

Sustainable procurement means considering social, economic and environmental considerations as part of the procurement process. Our procurement strategy details our priorities, which includes sustainable procurement. Our procurement activity will seek to build sustainability into contracts from the very start of the process. This includes seeking opportunities for carbon emission reduction, recycle and reuse, environmental protection and enhancement of biodiversity, equality and fair work practices, community benefits and providing opportunities for small to medium enterprises, supported businesses, third sector, not for profit organisations and subcontracting. Our annual procurement report shows progress against our strategy and is available on our website.

Jackie Irvine
Chief Executive
24 November 2025

Section B: Accountability report

In this section of the report we set out:

- our Corporate governance report, including the:
 - Directors' report
 - Statement of Accountable Officer's responsibilities
 - Governance statement.
- Remuneration and staff report
- Parliamentary accountability report

Independent auditor's report

3. Corporate governance report

3.1 Directors' report

The executive directors of the Care Inspectorate and the Board members details are set out in the governance statement (Section 3.3) and the remuneration report (Section 4.1).

This report provides information on where to find details of interests held by members of the Board and Executive Team (ET) which may conflict with their management responsibilities. Also disclosed within this report is information on personal data related incidents, disclosure of information to auditors and auditor fees.

Register of interests

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

Personal data related incidents

The Care Inspectorate had no data breaches reported to the Information Commissioner's Office (ICO) (2023/24: none).

Disclosure of information to auditors

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

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

Non-audit fees

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

3.2 Statement of Accountable Officer's responsibilities

Introduction

The Care Inspectorate's Framework Document agreed with its sponsoring Scottish Government Directorate, sets out the roles and responsibilities of Scottish Ministers, the sponsoring team in the Directorate, the Care Inspectorate Board, the Chair and Accountable Officer of the Care Inspectorate. This statement provides detail on the Accountable Officer's responsibilities.

Statement:

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

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

- observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements
- prepare the financial statements on a 'going concern' basis, unless it is inappropriate to presume that the Care Inspectorate will continue in operation.

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

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

The responsibilities of the Accountable Officer (including the propriety and regularity of the public finances) for keeping proper records and for safeguarding assets are set out in the Memorandum to Accountable Officers for Other Public Bodies.

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

3.3 Governance statement

Introduction

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

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

Governance framework

Organisation

Organisational structure

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

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

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

The Board oversees how the Care Inspectorate conducts its business to ensure operation in accordance with the principles of Better Regulation and Best Value.

The Board comprises the Chair and 13 members. The Chair and 11 of the members are appointed by Scottish Ministers through the public sector appointment process. The Convener of the Scottish Social Services Council and the Chair of Healthcare Improvement Scotland also sit on the Board. It is a statutory requirement that appointments to the Board must have at least one member who uses or has used a

care service and at least one member who cares or has cared for a person using care services. The Board remains ultimately responsible and accountable for all the decisions taken in its name, whether directly or through its committees. The Board meets in public at least four times per year.

Board committees

The Board has two standing committees.

Audit and risk committee

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

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

Finance and resources committee

This committee consists of a Convener along with a minimum of three up to a maximum of five Board members. At least one member of the Finance and Resources Committee must also be a member of the Audit committee. Executive officers can be in attendance but are not members of the committee. The committee meets at least four times per year.

The Committee is responsible for advising the Board on a wide range of strategic issues. This includes governance and structure, financial oversight, human resources and workforce, sustainability and environmental impact, estates, health and safety and partnership working with the trade unions.

Board members and attendance

Board members are subject to the Ethical Standards in Public Life (Scotland) Act 2000 and the Care Inspectorate Code of Conduct.

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

Board meetings are held in public and the minutes of each meeting are available on [our website](#).

Board member attendance at meetings and events 1 April 2024 to 31 March 2025

Board Member	Board meetings	Board Development Events	Audit and Risk Committee		Finance and Resource Committee		Total Board & Committee meetings Actual attendance / expected attendance
Number of meetings and events	5	8	5	2			20
	Attended	Attended	Member	Attended	Member	Attended	Actual Attendance/Expected Attendance
Doug Moodie, Chair	5	8	No	1	No	0	14/14
Naghat Ahmed	5	8	No	1	Yes	2	16/16
Charlotte Armitage	4	3	No	1	Yes	2	10/16
Sandra Campbell (to 30/09/24)	1	1	No	0	No	0	2/6
Audrey Cowie	4	8	No	1	Yes	2	15/16
Rona Fraser	5	6	Yes	5	No	0	16/18
Paul Gray	3	5	Yes	4	No	0	12/18
Rognvald Johnson	5	8	Yes	5	Yes	2	20/20
Bill Maxwell	4	8	Yes	4	No	0	16/18
Maria McGill	5	7	Yes	5	No	0	17/18

Board Member	Board meetings	Board Development Events	Audit and Risk Committee		Finance and Resource Committee		Total Board & Committee meetings Actual attendance / expected attendance
Ed McGrachan	5	8	No	1	Yes	2	16/16
Rosie Moore	4	6	No	1	No	0	11/14
Jenny Marshall	5	8	No	1	Yes	1	15/16
Peter Murray (from 01/10/24)	3	3	No	0	No	0	6/7
Carole Wilkinson	4	5	No	0	No	0	9/13

Accountable Officer

The Care Inspectorate's Chief Executive, Jackie Irvine, is the designated Accountable Officer taking up this responsibility with effect from 19 September 2022. The Accountable Officer is personally responsible to the Scottish Parliament for securing propriety and regularity in the management of public funds and for the day-to-day operations and management of the Care Inspectorate.

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

Executive directors

The Executive Directors provide strategic support to the Chief Executive in her role as Accountable Officer, in accordance with the Care Inspectorate's formal Scheme of Delegation. During the financial year 2024/25, a revised operational model was introduced, resulting in changes to the executive structure as noted below:

- Edith Macintosh was the Executive Director of Strategy and Improvement and the Deputy Chief Executive to 15/12/2024 and became the Executive Director of Assurance and Improvement (Adults, Registration, Complaints and Quality Improvement) from 16/12/2024.
- Kevin Mitchell was the Executive Director of Scrutiny and Assurance to 15/12/2024 and became the Executive Director of Assurance and Improvement (Children's Regulated Care and Strategic Scrutiny) from 16/12/2024
- Jacqueline Mackenzie was the Executive Director of Corporate and Customer Services to 15/12/2024 and became the Executive Director of Corporate Services from 16/12/2024
- Gordon Mackie was the Executive Director of IT, Transformation and Digital to 15/12/2024 and became the Executive Director of Digital and Data from 16/12/2024.

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

All subsequent references to Executive Directors in this document will reflect their revised titles and responsibilities.

External audit appointment

The Auditor General appoints our independent auditors under the Public Finance and Accountability (Scotland) Act 2000. Audit Scotland appointed Deloitte as our independent external auditors for a five-year period from 1 April 2022.

Internal audit

The Care Inspectorate's internal audit function was contracted out to Henderson Loggie for a three-year period to 31 March 2023 with the option to extend for two further years. We extended the contract to 31 March 2025. Internal audit forms an integral part of the Care Inspectorate's internal control and governance arrangements. The internal audit service operates in accordance with public sector internal audit standards and undertakes an annual programme of work approved by the audit and risk committee. The audit and risk committee reviews and approves the three-year Strategic Internal Audit Plan on an annual basis.

Each year our internal auditors provide the audit and risk committee with assurance on the whole system of internal control. In assessing the level of assurance to be given for 2024/25, our internal auditors consider:

- all reviews undertaken as part of the 2024/25 internal audit plan
- matters arising from previous reviews and the extent of follow-up action taken
- the effect of any significant changes in the Care Inspectorate's objectives or systems
- the proportion of the Care Inspectorate's review needs covered to date.

The internal auditor's overall opinion for 2024/25 was as follows.

"In our opinion, with the exception of issues identified in our Workforce and Operational Planning audit (recommendations made and accepted by management), the Care Inspectorate has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. From the internal audit work conducted during 2024/25 we have not identified any downward trends in relation to risk management, control, or governance." This opinion has been arrived at taking into consideration the work we have undertaken during 2024/25 and also from our collective knowledge of the organisation obtained since our initial appointment.

Whistleblowing

Our employee Staff Code of Conduct Policy and associated Whistleblowing Guidance inform and encourage staff to raise serious concerns about wrongdoing or alleged impropriety. The policy is consistent with, and makes explicit references to, the Public Interest Disclosure Act 1998. Naghat Ahmed, one of our Board members is our whistleblowing champion. Our whistleblowing champion is responsible for overseeing the integrity, independence and effectiveness of our policies and procedures on whistleblowing including those policies and procedures intended to protect whistleblowers from being victimised because they have disclosed reportable concerns.

Risk and risk management

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

Risks identified are maintained on the Strategic Risk Register and addressed in the preparation of the Corporate Plan. The Corporate Plan has been developed to show clear links between risks identified on the Strategic Risk Register and the Care Inspectorate's strategic outcomes. As a result, the risks identified become embedded in managers' work plans for the year. The Board has agreed a risk appetite statement to underpin the Care Inspectorate's approach to risk management and control.

System of internal financial control

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

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

- financial regulations
- comprehensive budgeting systems
- regular reviews of periodic and annual financial reports that indicate financial performance against forecasts
- setting targets to measure financial and other performance
- the preparation of regular financial reports which indicate actual expenditure against the forecasts
- clearly defined capital expenditure guidelines
- scheme of delegation.

Information security

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

We have information governance policies and procedures in place to ensure we handle data responsibly and comply with data protection and freedom of information laws.

Counter fraud, bribery and corruption

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

Review

Our Board review the effectiveness of our governance framework annually as part of the preparation of this governance statement. Individual policies and procedures that contribute towards the overall governance framework are also subject to periodic review.

This review is informed by:

- the views of the audit and risk committee on the assurance arrangements
- the opinions of internal and external auditors on the quality of the systems of governance, management and risk control
- 'certificates of assurance' supplied by executive directors following a review of the governance arrangements within their specific areas of responsibility
- regular formal monitoring of progress against corporate plan, business plan and budget
- feedback from managers and staff within the Care Inspectorate on our performance, use of resources, responses to risks, and the extent to which in-year budgets and other performance targets have been met

- integrated formal reviews of the effectiveness of the Board and its committees
- periodic staff surveys.

Developing the governance framework

The following developments were identified for 2025/26:

- Ensuring the assurance map is kept up-to-date and used to identify assurance gaps.
- Close monitoring of the Stage 2 Transformation project.
- Consideration of the effectiveness of financial planning and budget monitoring as we seek to increase our scrutiny capacity.
- Monitoring our progress in strengthening our cyber security.
- Monitor our progress on introducing and safely and effectively using AI.

Certification

The Care Inspectorate's governance framework has been in place for the year ended 31 March 2025 and up to the date of signing of the accounts.

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

4. Remuneration and staff report

4.1 Remuneration report

This report provides information on the remuneration of Care Inspectorate Board members, the Chief Executive and executive directors.

The sections marked (Audited) in this remuneration and staff report are subject to audit by Deloitte. The other sections of the remuneration and staff report are reviewed by Deloitte to ensure they were consistent with the financial statements.

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

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

- Chief Executive
- Executive Director of Corporate Services

Remuneration policy

Members

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

Chief Executive

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

Executive directors

Executive directors were on a fixed salary point during the year and received an incremental pay award meaning their salary for the year was £102,477 throughout the year. There is no incremental progression or performance related pay adjustments applied to executive directors' pay.

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

Notice periods

Members

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

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

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

Chief Executive

Jackie Irvine was appointed as the Care Inspectorate's Chief Executive on 19 September 2022. Termination of the contract requires a notice period of six months by either party. There is no compensation payment specified in the contract in the event of early termination of the contract.

Executive directors

The Care Inspectorate has four executive director posts (2023/24: four):

- Executive Director of Assurance and Improvement (Adults, Registration, Complaints and Quality Improvement).
- Executive Director of Assurance and Improvement (Children's Regulated Care and Strategic Scrutiny).
- Executive Director of Corporate Services.
- Executive Director of Digital and Data.

All executive directors have permanent contracts. Termination of the contract requires a notice period of three months by either party. There are no compensation payments specified in the contract in the event of early termination of the contract.

Retirement policy

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

This policy allows additional years of pensionable service to be awarded to those members of the pension scheme who have more than five years' pensionable service and meet an age-related criteria. The award of additional pensionable service is limited in order to ensure employees will not receive an enhancement that will take their service beyond that which would be earned up to normal retirement age, nor would take them beyond 40 years' service.

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

The number of years added, or the amount of compensation paid, if any, is determined on the basis of individual circumstances and the employee's age and length of service. All awards of additional service and compensation for early termination are subject to the Scottish Government £95,000 payment cap and a two year pay-back period. Compensation payments must be approved by the Board.

Care Inspectorate Board members' remuneration (Audited)

Name	Salary 2024/25 £000	Salary 2023/24 £000
Doug Moodie (Chair)	45-50	40-45
Naghat Ahmed	0-5	0-5
Charlotte Armitage	0-5	0-5
Sandra Campbell (to 30/09/2024)	0-5	0-5
Audrey Cowie	5-10	0-5
Rona Fraser	0-5	0-5
Paul Gray	0-5	0-5
Rognvald Johnson	5-10	0-5
Dr Bill Maxwell	0-5	0-5
Maria McGill	0-5	0-5
Edward McGrachan	0-5	0-5
Rosie Moore	0-5	0-5
Jenny Marshall	0-5	0-5
Peter Murray (from 01/10/2024)	0-5	n/a
Carole Wilkinson	0-5	0-5

Carole Wilkinson, Sandra Campbell (to 30/09/2024) and Peter Murray (from 01/10/2024) are Board members through reciprocal membership arrangements with Healthcare Improvement Scotland and Scottish Social Services Council. No remuneration is paid by the Care Inspectorate for these Board members.

Board members are not eligible to join the pension scheme available to employees of the Care Inspectorate and receive no benefits or performance related pay.

Chief Executive and executive directors' remuneration (Audited)

The salaries and pension entitlements of the Chief Executive and executive directors are disclosed in the table below. Please note the chief executive and executive directors did not receive any benefits in kind in 2024/25 or 2023/24.

	Single total figure of remuneration					
	Salary		Pension benefits ¹		Total	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£000	£000	£000	£000	£000	£000
Jackie Irvine ² Chief Executive	130-135	120-125	80	963	210-215	1,085-1,090
Edith Macintosh ³ Executive Director of Assurance and Improvement (Adults Regulated Care, Complaints, Registration and Quality Improvement)	100-105	75-80	4	67	105-110	140-145
Jaqueline Mackenzie, Executive Director of Corporate Services	100-105	95-100	47	52	145-150	150-155
Kevin Mitchell ⁴ Executive Director of Assurance and Improvement (Children's Regulated Care and Strategic Scrutiny)	110-115	105-110	50	59	160-165	165-170
Gordon Mackie, Executive Director of Digital and Data	100-105	95-100	40	40	140-145	135-140

Salary

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

¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to transfer of pension rights.

² The pension benefits for the Chief Executive are inflated in 2023/24 due to the pension transferring from a previous provider during the year.

³ The full-time equivalent salary is in the band £105,000 to £110,000 (2023/24; £100,000 to £105,000).

⁴ The Executive Director of Assurance and Improvement (Children's Regulated Care and Strategic Scrutiny) receives an additional non pensionable payment to compensate for him having to move from the Civil Service Pension Scheme to the Local Government Pension Scheme when his employment transferred at the commencement of the Care Inspectorate.

Benefits in kind

The Chief Executive and Executive Directors did not receive any benefits in kind.

Fair pay disclosure (Audited)

We are required to disclose the relationship between the remuneration of the highest paid director and the remuneration of our workforce. Total remuneration includes salary, additional hours, allowances and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The Chief Executive was the highest paid director in the financial year 2024/25. Their full-time annual salary was in the salary band £130,000 to £135,000. The mid-point of this band is £132,500 (an increase of 8.2% from 2023/24 where the mid-point was £122,500) which is 2.43 times greater than the median remuneration of the workforce (2023/24: 2.33).

The average percentage change from the previous financial year in respect of the employees of the entity taken as a whole (excluding highest paid director) was an increase of 3.3% (2023/24: 6.8%). This increase is consistent with our pay reward and progression policies.

The following shows the pay ratios using the mid point of the highest paid director.

	<u>25th percentile pay ratio</u>	<u>Median pay ratio</u>	<u>75th percentile pay ratio</u>
2024/25			
Pay ratios	3.05	2.43	2.39
Total pay and benefits	£43,384	£54,575	£55,391
Related salary component of total pay and benefits	£42,701	£54,575	£54,575
2023/24			
Pay ratios	2.75	2.33	2.31
Total pay and benefits	£44,576	£52,626	£53,121
Related salary component of total pay and benefits	£44,352	£52,626	£52,626
Increase in 2024/25 pay ratios compared to 2023/24	0.31	0.11	0.09

The median pay ratio for 2024/25 is consistent with the pay reward and progression policies for the Care Inspectorate's employees.

	2024/25	2023/24
Staff minimum full-time equivalent remuneration	£23,511	£22,739
Staff maximum full-time equivalent remuneration	£131,070	£108,750

Local Government Pension Scheme (LGPS)

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

(Audited)

	As at 31 March 2025				Cash equivalent transfer values (CETV)		
	Accrued pension at age 65 £000	Related lump sum at age 65 £000	Real increase in pension at age 65 £000	Real increase in related lump sum at age 65 £000	As at 31 March 2025 £000	As at 31 March 2024 £000	Real increase £000
Jackie Irvine ⁵ Chief Executive	70-75	40-45	0-5	0-5	1,009	896	88
Edith Macintosh ⁶ Executive Director of Assurance and Improvement (Adults, Registration, Complaints and Quality Improvement)	20-25	0-5	0-5	0-5	315	257	51
Jacqueline Mackenzie, Executive Director of Corporate Services	20-25	0-5	0-5	0-5	404	336	58
Kevin Mitchell Executive Director of Assurance and Improvement (Children's Regulated Care and Strategic Scrutiny)	30-35	0-5	0-5	0-5	567	493	59
Gordon Mackie, Executive Director of Digital and Data	35-40	0-5	0-5	0-5	161	121	37

Cash equivalent transfer values

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable

⁵ The Chief Executive's pension from previous employment transferred during 2023/24

⁶ The Executive Director of Assurance and Improvement (Adults, Registration, Complaints and Quality Improvement) opted out in 2022/23 and opted back in so now has a deferred and active record

from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

Real increase in CETV

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

Payment of compensation for loss of office

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

4.2 Staff report

4.2.1 Staff numbers by permanent and other (Audited)

The table below provides analysis of permanent and non-permanent staff engaged to work for the Care Inspectorate during 2024/25. Staff numbers are expressed as the average full-time equivalents (FTE) employed during the year.

	2024/25		
	Permanently Employed	Others	Total
Executive Team	5	0	5
Senior Managers	32	1	33
Other employees	558	13	571
Agency Workers	0	3	3
Secondments Inward	0	1	1
Total staff engaged	595	18	613
Secondments Outwards	(1)	0	(1)
Net staff engaged on Care Inspectorate activity	594	18	612

	£000	£000	£000
Salaries	30,813	538	31,351
Social security costs	3,583	52	3,635
Pension service costs	6,290	71	6,361
Total cost directly employed staff	40,686	661	41,347
Board members ⁷	0	92	92
Agency Workers	0	119	119
Secondments Inward	0	89	89
Total cost of staff engaged on Care Inspectorate activity	40,686	961	41,647
Voluntary early severance/retirement costs	0	0	0
Other staff costs	449	0	449
Staff costs (SCNE)	41,135	961	42,096
Secondments Outwards	(55)	0	(55)
Net Staff Costs	41,080	961	42,041

	2023/24		
	Permanently Employed	Others	Total
Executive Team	5	0	5
Senior Managers	31	0	31
Other employees	554	13	567
Agency Workers	0	2	2
Secondments Inward	0	2	2
Total staff engaged	590	17	607
Secondments Outwards	(2)	0	(2)
Net staff engaged on Care Inspectorate activity	588	17	605

⁷ There were 13 Board members and a Chair contributing during the year. The Chair of HIS and the Convener of the SSSC are not remunerated by the Care Inspectorate. The Chair and 11 remunerated Board members are office holders and are not included in the staff numbers.

	£000	£000	£000
Salaries	29,542	479	30,021
Social security costs	3,401	47	3,448
Pension service costs	6,010	73	6,083
Total cost directly employed staff	38,953	599	39,552
Board members ⁸	0	81	81
Agency Workers	0	271	271
Secondments Inward	0	162	162
Total cost of staff engaged on Care Inspectorate activity	38,953	1,113	40,066
Voluntary early severance/retirement costs	0	0	0
Other staff costs	263	0	263
Staff costs (SCNE)	39,216	1,113	40,329
Secondments Outwards	(104)	0	(104)
Net Staff Costs	39,112	1,113	40,225

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

4.2.2 Staff breakdown by sex and sickness absence

The gender breakdown as at 31 March 2025 and sickness absence information for the year to 31 March 2025 is shown below. Staff numbers are provided on a headcount basis.

In a change from the position noted in the 2023/24 Annual Report and Accounts, the figures for the gender balance of our Board now include the Chair of HIS and the Convener of the SSSC where there is a reciprocal arrangement in place. Neither are remunerated by the Care Inspectorate.

⁸ There were 13 Board members and a Chair contributing during the year. The Chair of HIS and the Convener of the SSSC are not remunerated by the Care Inspectorate. The Chair and 11 remunerated Board members are office holders and are not included in the staff numbers.

The balance of men and women in our organisation

2024/25



OUR PERMANENT WORKFORCE



OUR TEMPORARY WORKFORCE



OUR WORKFORCE



OUR BOARD

2023/24



OUR PERMANENT WORKFORCE



OUR TEMPORARY WORKFORCE



OUR WORKFORCE



OUR BOARD

Sickness absence



SICKNESS ABSENCE 2024/25

SICKNESS ABSENCE 2023/24

Through our new Equality, diversity and inclusion strategy 2021-25 and the subsequent action plan, we will be taking steps to increase the diversity of our people to achieve a more balanced representative of men and women in our organisation

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

4.2.3 Commitment to equality, diversity and inclusion

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

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

As a public body, we are also covered by The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. This helps us to support better performance of the General Equality Duty. Details of how we continued to meet these obligations can be found in the following links:

- [Equalities Mainstreaming Report April 2023- March 2025](#)
- [Appendix 1: Looking forward, new equality outcomes April 2025- March 2029](#)
- [Appendix 2: Equality information by protected characteristic](#)
- [Equality, diversity and inclusion strategy 2021-25.](#)
- [Impact assessments](#)
- [Equality and diversity](#)

We are committed to creating an accessible, inclusive, and respectful culture. Our commitment takes into consideration all nine protected characteristics in the Equality Act 2010. It is our aim that everyone who comes into contact with the Care Inspectorate is treated with fairness, dignity, and respect regardless of age, disability, sex, gender reassignment, marital status, maternity and pregnancy, race, religion or belief and sexual orientation.

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

- Adoption, fostering, maternity, paternity, and parental leave, along with family friendly policies so that regardless of sex or sexual orientation there is a leave option available
- A generous annual leave entitlement
- Carers leave that provides access to paid time off for employees with caring responsibilities
- Flexible working/flexi time, hybrid working and special leave to help employees balance their personal life with their working life.

Equality and diversity policy

We treat everyone who works with us with dignity and respect, recognising the value of each individual and embracing the values of diversity. This is clearly articulated in our equality and diversity policy. Our policy also aims to provide clear advice on how to promote

equality, diversity and inclusion when using our key employment processes. We have specific guidance for managers and provide appropriate training.

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

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

We also have a range of internal employee networks and working groups to enable colleagues to participate in our policy review process and suggest improvements.

In 2025, we're proud to have achieved Disability Confident Level 3: The Employer Award, recognising our commitment to inclusive practices that support disabled colleagues to thrive at work. We also continue our journey as a Carer Positive Employer (Established Level), ensuring carers in our workforce are valued, supported, and empowered to balance work and caring responsibilities. Additionally, we're delighted to be part of the Equally Safe at Work accredited employer programme, an important step in advancing gender equality and actively working to prevent violence against women in the workplace. These achievements reflect our ongoing dedication to fostering an inclusive, respectful, and supportive workplace for all.

We are committed to enhancing the diversity of our workforce by actively implementing strategies that support the recruitment, retention, and development of individuals from underrepresented minority ethnic groups and individuals living with disabilities, in alignment with our equality outcomes.

4.2.4 Expenditure on consultancy

Consultancy expenditure of £113,200 was incurred in 2024/25 as follows:

- Digital Transformation project assurance (£30,000)
- Business strategy and change management services (75,000)
- Property professional services (£8,200)

Consultancy expenditure of £53,500 was incurred in 2023/24 as follows.

- Digital transformation project assurance services (£15,000)
- Staffing tool options appraisal (£37,500)
- Tax advisory services (£1,000)

4.2.5 Exit packages (Audited)

No compensatory payments were made during the financial year 2024/25 (2023/24: Nil).

Exit package costs include:

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

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

4.2.6 Trade union activity

The Trade Union (Facility time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations require public sector employers to publish specific information related to facility time provided to trade union officials. The information for 2024/25 follows.

Table 1 Relevant union officials

The table below details number of employees who were relevant union officials during 2024/25.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
8	1.34

Table 2 Percentage of time spent on facility time⁹

The table below provides details of the facility time spent by employees who were relevant union officials during 2024/25.

Percentage of time	Number of employees
0%	0
1%-50%	7
51%-99%	0
100%	1

⁹ Facility time activities typically relate to management of the trade union branch.

Table 3 Percentage of pay bill spent on facility time¹⁰

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

Total cost of facility time	£91,400
Total pay bill	£31,197,000
Facility time as a percentage of total pay bill	0.29%

Table 4 Paid trade union activities

The table below provides hours spent by employees who were relevant union officials during the 2024/25 financial year as a percentage of total paid facility time hours.

Time spent on paid trade union activities as a percentage of total paid facility time hours.	13.12%
--	--------

¹⁰Paid trade union activities include negotiation, consultation and employee representation and TU training

5. Parliamentary report

5.1 Losses and special payments

There were no losses and special payments incurred by the Care Inspectorate in the year to 31 March 2025 (nil for the year to 31 March 2024).

5.2 Fees and charges

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

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

The Care Inspectorate has authority to charge care service providers for new certificates, variations to conditions of service and for the cancellation of a service. Currently no charge is made for these activities. Our budget is funded mainly by a mixture of grant in aid from the Scottish Government and fees paid by service providers.

The 2024/25 budget was based on funding of 71% from grants and grant in aid, 23% from fees charged to service providers, 3% other revenue income and general reserve funding of 3%. (2023/24; 69% grants and grant in aid; 25% fees, 4% other revenue income and general reserve funding of 2%).

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

	2024/25			2023/24		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
Application to register	500	633	133	500	530	30
Continuation of registration	11,400	11,717	317	11,400	11,549	149
Total	11,900	12,350	450	11,900	12,079	179

Charges

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

Income from shared services and property sharing charges was £1.8m (2023/24: £1.5m).

5.3 Remote contingent liabilities
--

Contingent liabilities are disclosed in note 17 of the annual accounts (page 96)

Jackie Irvine

Chief Executive

24 November 2025

6. Independent auditor's report

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

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Care Inspectorate for the year ended 31 March 2025 under the Public Services Reform (Scotland) Act 2010. The financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2025 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM; and
- have been prepared in accordance with the requirements of the Public Services Reform (Scotland) Act 2010 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the central government sector to identify that the Public Services Reform (Scotland) Act 2010 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;

- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This includes the Public Services Reform (Scotland) Act 2010.
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operating within the expenditure resource limit set by the Scottish Government, as part of the Budget (Scotland) Act. The risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we obtained confirmation of the resource limit allocated by the Scottish Government and tested a sample of accruals, prepayments and invoices received around the year-end to assess whether they have been recorded in the correct period.

In common with audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Services Reform (Scotland) Act 2010 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to

determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Services Reform (Scotland) Act 2010 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Services Reform (Scotland) Act 2010 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with

paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Sarah McGavin, CA, for and on behalf of Deloitte LLP

8th Floor

The Silver Fin Building

455 Union Street

Aberdeen

AB11 6DB

24 November 2025

7. Annual accounts**Social Care and Social Work Improvement Scotland (Care Inspectorate)
Financial Accounts for the Year Ended 31 March 2025**

Statement of comprehensive net expenditure	67
Statement of financial position	68
Statement of cashflows	69
Statement of changes in taxpayers' equity	70
Notes to the accounts	71
Appendix 1 - Accounts direction by the Scottish Ministers	101

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2025**

<u>Income</u>	Notes	2024/25 £000	2023/24 Restated (Note 19) £000
Fees charged to service providers	2	(12,350)	(12,079)
Other operating income	2	(1,405)	(1,256)
		(13,755)	(13,335)
<u>Expenditure</u>			
Staff costs	3a	42,096	40,329
Operating expenditure	6	7,348	7,390
		49,444	47,719
<i>Net operating expenditure on ordinary activities before interest and (return)/cost on pension scheme assets and liabilities</i>		35,689	34,384
Bank charges (net of interest)		12	13
Interest payable on lease liability		193	206
Interest receivable on lease liability		(127)	(139)
Net interest on defined pension liability/(asset)	5b	(113)	(2,828)
<i>Net operating expenditure on ordinary activities after interest and net interest on pension scheme net liabilities</i>		35,654	31,636
Total actuarial re-measurements on defined pensions liability	5b	(1,596)	58,104
Total comprehensive net expenditure / (surplus) before Scottish Government funding¹¹		34,058	89,740

All operations are continuing.

The notes on pages 71 to 100 form an integral part of these accounts.

¹¹ The table on page 17 provides a reconciliation between the SOCNE and our budgeted position.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

2023/24
Restated
(Note 19)
£000

	Notes	2024/25 £000	2023/24 Restated (Note 19) £000
Non-current assets			
Property, plant and equipment	7	0	0
Right of use assets	14	1,414	1,790
Trade and other receivables	9	760	750
Finance lease receivables	14	2,872	3,257
Total non-current assets		5,046	5,797
Current assets			
Trade and other receivables	9	5,908	6,083
Finance lease receivables	14	385	(161)
Cash and cash equivalents	10	2,033	3,305
Total current assets		8,326	9,227
Total assets		13,372	15,024
Current liabilities			
Trade and other payables	11	(4,090)	(5,311)
Lease liabilities	14	(781)	(812)
Other provisions	16	(129)	(64)
Total current liabilities		(5,000)	(6,187)
Non current assets plus/less net current assets/liabilities		8,372	8,837
Non-current liabilities			
Lease liabilities	14	(4,139)	(4,886)
Other provisions	16	(1,044)	(1,160)
Total non-current liabilities		(5,183)	(6,046)
Assets less liabilities		3,189	2,791
Taxpayers' equity			
General reserve	15	3,189	2,791
		3,189	2,791

Jackie Irvine

Chief Executive

The Accountable Officer authorised these financial statements for issue on 24 November 2025.

The notes on pages 71 to 100 form an integral part of these accounts.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2024/25 £000	2023/24 Restated (Note 19) £000
Cash flows from operating activities			
Net operating expenditure	SCNE	(34,058)	(89,740)
Adjustments for non-cash items:			
Pension actuarial adjustments	5b (table 2)	0	56,536
Depreciation right of use assets	14	597	628
Decrease/(increase) in trade and other receivables	9	165	(499)
Increase/(decrease) in trade and other payables	11	(1,221)	(15)
(Decrease)/increase in provisions	16	(51)	(236)
Net cash outflow from operating activities		(34,568)	(33,326)
Cash flows from investing activities			
Receipts from lease receivables	14	(161)	335
Net investment		(161)	335
Cash flows from financing activities			
Payments of lease liabilities	14	(999)	(966)
Lease incentive		0	729
Grants from Scottish Government	12	34,456	31,924
Net financing		33,457	31,687
Net decrease in cash and cash equivalents in the period	10	(1,272)	(1,304)
Cash and cash equivalents at the beginning of the period	10	3,305	4,609
Cash and cash equivalents at the end of the period	10	2,033	3,305

The notes on pages 71 to 100 form an integral part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Pension Reserve £'000	General Reserve £'000	Total Reserves £'000
Balance at 31 March 2023		56,536	4,071	60,607
Changes in taxpayers equity for 2023/24				
Adjustment between accounting basis and funding basis for actuarial pension valuation adjustments	5b (table 2)	(56,536)	56,536	0
Total comprehensive Net Expenditure		0	(89,740)	(89,740)
Total recognised income and expense for 2023/24		(56,536)	(33,204)	(89,740)
Grant from Scottish Government	12	0	31,924	31,924
Balance at 31 March 2024		0	2,791	2,791
Changes in taxpayers equity for 2024/25				
Total Comprehensive Net Expenditure		0	(34,058)	(34,058)
Total recognised income and expense for 2024/25		0	(34,058)	(34,058)
Grant from Scottish Government	12	0	34,456	34,456
Balance at 31 March 2025		0	3,189	3,189

The notes on pages 71 to 100 form an integral part of these accounts.

Notes to the accounts

1. Statement of accounting policies

1.1 Basis of accounting

The accounts have been prepared in accordance with the Accounts Direction issued by the Scottish Ministers. The Accounts Direction (reproduced at Appendix 1) requires compliance with the Government's Financial Reporting Manual (FReM) which follows International Financial Reporting Standards (IFRS) as adopted by the United Kingdom, International Financial Reporting Interpretation Committee (IFRIC) Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

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

1.2 Accounting convention

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

1.3 Going concern

The accounts have been prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

1.4 Accounting standards effective during the year

There are no standards, amendments and interpretations effective in 2024/25 that will have an impact on the annual reports and accounts.

1.5 New accounting standards issued not yet effective

In accordance with IAS 8, changes to IFRS that have been issued but not yet effective have been reviewed for impact on the financial statements in the period of initial application. There is one standard not yet effective, IFRS 17 (Insurance Contracts) that will have no impact on the Care Inspectorate's accounts.

IFRS 17 (Insurance Contracts) was issued in May 2017, replacing IFRS 4 Insurance Contracts, with the effective date of the standard in the public sector being 1 April 2025. IFRS 17 requires that insurance liabilities be measured at the present value of future cash flows, resulting in more uniform measurements and presentation for all insurance contracts.

1.6 Property, plant and equipment

1.6.1 Capitalisation

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

1.6.2 Valuation

Property, plant and equipment assets are carried at cost, less accumulated depreciation and any recognised impairment value.

Depreciated historic cost has been used as a proxy for the current value due to the low value and short life of the assets held. All property occupied by the Care Inspectorate is leasehold.

1.6.3 Depreciation

Depreciation is provided on a straight-line basis using the expected economic life of the asset. Leasehold improvements are depreciated at the lower of expected useful economic life and lease term. A full year's depreciation is charged in the year the asset is first brought into use and no depreciation is charged in the year of disposal. The economic life of an asset is determined on an individual asset basis. Assets in the course of construction are not depreciated until the asset is brought into use.

1.6.4 Amortisation of lease incentives

Lease incentives are included in the initial recognition of the carrying amounts of the right of use asset and lease liability.

1.7 Intangible assets

Acquired intangible assets are measured initially at cost and are amortised on a straight-line basis over their estimated useful lives. Acquired intangible assets tend to be software and the useful lives are determined on an individual basis.

1.8 Leases

IFRS 16 leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration.

Contracts, or parts of a contract that are leases in substance, are determined by evaluating whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use.

Recognition exemptions have been applied for short-term and low-value leases.

1.8.1 Lease recognition

The lease liability is measured at the present value of the payments for the remaining lease term, net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year. We have used the HM Treasury rate at the year of recognition. The liability includes payments that are fixed or in-substance fixed, excluding, for example, changes arising from future rent reviews or changes in an index. The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the

commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease.

1.8.2 Subsequent remeasurement

The asset is subsequently measured using the fair value model. The cost model is considered to be a reasonable proxy except for leases of property without regular rent reviews. For these leases, the asset is carried at a revalued amount.

1.8.3 Lease expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability.

1.8.4 Impairment of leased assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential.

1.9 The Care Inspectorate as a lessor

Leases for which the Care Inspectorate is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Care Inspectorate's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Care Inspectorate's net investment outstanding in respect of the leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease

1.10 Government grants receivable

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

1.11 Cash and cash equivalents

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

1.12 Pensions

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

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

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

Where the defined benefit liability is negative, ie an asset, a limit is applied to the amount that may be recognised as an asset on the balance sheet, this limit is termed the asset ceiling; if an adjustment is required to reduce the total asset to the amount of the asset ceiling, this adjustment is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

1.13 Short-term employee benefits

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

1.14 Shared services

The Care Inspectorate provides finance, procurement, payroll and workforce data analytics services to SSSC and finance services to OSCR. These arrangements are akin to a lease and are accounted for as an operating lease.

1.15 Value added tax (VAT)

The Care Inspectorate recovers VAT using a partial exemption method where only a very small proportion of VAT is recovered. Irrecoverable VAT being charged to the statement of comprehensive net expenditure.

1.16 Revenue and capital transactions

Revenue transactions are recognised in accordance with IFRS 15, so they are recorded in the accounts on an income and expenditure basis, meaning they are recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the Care Inspectorate as at 31 March 2025 have been brought into account. Similarly, capital transactions are recognised as they are agreed or incurred, not as money is received or paid.

1.17 Financial instruments

The Care Inspectorate does not hold any complex financial instruments. As the cash requirements of the Care Inspectorate are met through grant in aid provided by the Health and Social Care Integration Directorate, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. Most financial instruments relate to contracts to buy non-financial items in line with our expected purchase and usage requirements, and the Care Inspectorate is therefore exposed to little credit, liquidity or market risk.

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

The Care Inspectorate's financial instruments comprise trade and other receivables, trade and other payables, and cash and liquid resources.

1.18.1 Trade receivables

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

1.18.2 Trade payables

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

1.18.3 Provisions

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

1.19 Changes in accounting policy

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

1.20 Contingent assets and liabilities

Contingent assets and liabilities are disclosed in accordance with IAS 37.

1.21 Key sources of judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements that have a risk of adjustment to the carrying amount of the assets and liabilities within the financial statements within the next financial year are as follows.

Estimates

Estimation of the net pension liability or asset is based on a number of complex judgements including the discount rate, salary increase rate, retirement ages, mortality

rates and expected returns on pension fund assets, following work carried out by our actuaries. Note 5 provides more detail on the movement in the net pension position.

Judgements

Management have made no judgements in the preparation of these accounts.

2. Operating income

	2024/25	2023/24
	£000	£000
Fees charged to service providers		
Continuation of registration	(11,717)	(11,549)
Application to register	(633)	(530)
	(12,350)	(12,079)

	2024/25	2023/24
	£000	Restated (Note 19) £000
Other operating income		
Lease and shared accommodation income ¹²	(987)	(767)
Recharges for services provided to other organisations	(326)	(296)
Secondee recharges	(55)	(104)
Other income	(37)	(89)
	(1,405)	(1,256)

3. Staff numbers and costs

3.a Analysis of staff costs

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

Staff cost summary	2024/25	2023/24
	£000	£000
Directly employed staff	41,347	39,552
Indirectly employed staff	300	514
Other staff costs	449	263
Total staff costs	42,096	40,329

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

The table below provides details of the difference between the employers' contributions we actually paid to the pension scheme administrator and the service cost disclosed in the

¹² Income from our shared offices in Dundee was presented in recharges for services provided to other organisations in 2023/24 annual report and accounts

Annual Report and Accounts. Our budget is based on employer contributions payable. Service cost is a figure derived from actuarial analysis in accordance with IAS 19.

	2024/25			2023/24		
	Local Government Scheme	NHS Scheme	Total	Local Government Scheme	NHS Scheme	Total
	£000	£000	£000	£000	£000	£000
Employer pension contributions actually paid	4,721	40	4,761	4,923	34	4,957
Accounting entries (IAS19 note 5)						
Service cost (actuarial basis)	6,343	40	6,383	6,115	34	6,149
Pension costs included in staff costs (SCNE)	6,343	40	6,383	6,115	34	6,149
Variance between actual cost and accounting basis	1,622	0	1,622	1,192	0	1,192

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

There were no exit packages in 2024/25 (2023/24: nil).

5. Post employment benefits: pension

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

NHS pension scheme

As at 31 March 2025, the Care Inspectorate employed three people who were members of the NHS Superannuation Scheme (Scotland). The scheme is an unfunded multi-employer defined benefit scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary.

The Care Inspectorate is unable to identify its share of underlying assets and liabilities, therefore is treated for accounting purposes as a defined contribution scheme.

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

During the year ended 31 March 2025, the Care Inspectorate paid an employer's contribution of £40k (2023/24 £34k) into the NHS scheme at a rate of 22.5% of pensionable pay (2023/24 20.9%). The employer contribution rate for the year to 31 March 2026 will remain at 22.5%. Employer contributions for 2025/26 are expected to be £42k.

Tayside Superannuation Fund

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

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

Employer contributions are set every three years as a result of an actuarial valuation of the Fund required by the Regulations. The employer pension fund contributions are based on the evaluation of the Fund as at 31 March 2023. This sets the contribution rate at 15.7% for the years 2024/25 to 2026/27. There are no minimum funding requirements in the LGPS, but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The actual contributions for the year to 31 March 2025 were £4,721k (2023/24 £4,923k) representing 15.7% (2023/24: 17.0%) of pensionable pay. Employee contribution rates for the LGPS were in the range 5.5% to 10.5% based on earnings bands.

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

Risk	Comment
Investment risk	The Fund may hold investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long term, the short-term volatility can cause additional funding to be required if a deficit emerges.
Interest rate risk	The Fund's liabilities are assessed using market yields on high-quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
Inflation risk	All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.

Risk	Comment
Longevity risk	In the event that the members live longer than assumed, a deficit will emerge in the Fund. This may be mitigated by a longevity insurance contract if held by the Fund. There are also other demographic risks.
Climate risk	Climate risk can be grouped into two categories: physical and transitional risks. Physical risks are direct risks associated with an increased global temperature such as heatwaves and rising sea levels. Transitional risks are the costs of transitioning to a low-carbon economy. These risks will manifest themselves in many of the other risks detailed above that the Fund is exposed to, for example investment returns may be affected.
Regulatory risk	Regulatory uncertainties could result in benefit changes to past or future benefits which could result in additional costs.
Orphan risk	As many unrelated employers participate in the Fund, there is an orphan liability risk where employers leave but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers in the Fund.

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

In the event that an organisation ceases to be an employer in the fund, the fund actuary will carry out a cessation valuation in accordance with the terms set out in the Funding Strategy Statement. Based on this valuation the exiting employer is responsible for payment of any deficiency. In the event this is not possible, the remaining employers are required to pay revised contributions to meet a shortfall. A surplus will be subject to a maximum of actual employer contributions paid into the fund.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

The Scheme continues to consider the potential impact of the High Court & Court of Appeal judgments in the Virgin Media (VM) litigation. The VM litigation relates to amendments made to private sector and not public service schemes and as a result it does not expressly deal with whether s 37 confirmations are required for relevant amendments made to public service schemes.

Public service scheme amendments during the relevant period would have been made by legislation (ie by primary legislation or regulations) . The general position in public law is that legislation remains valid law until it is revoked or repealed by subsequent legislation or in the case of regulations specifically declared void by a court. The Scheme therefore continues to administer benefits and recognise liabilities in accordance with the relevant scheme regulations currently in force.

5.a Employee benefits – statement of financial position recognition

	Year to 31 March 2025	Year to 31 March 2024
	£000	£000
Present value of funded obligation	(190,284)	(206,042)
Fair value of scheme assets (bid value)	290,149	280,651
Impact of asset ceiling	(99,865)	(74,609)
Net asset / (liability) in statement of financial position	0	0

5.b Statement of comprehensive net expenditure (SoCNE) costs for the year to 31 March 2025

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

	Year to 31 March 2025		Year to 31 March 2024	
	£000	£000	£000	£000
Service cost		6,343		6,115
Administration expenses		87		68
Net interest on the defined liability/(asset)		(113)		(2,828)
Difference between actual employer's contributions and actuarial employer's contributions	0		80	
Return on fund assets in excess interest	4,432		(21,605)	
Change in financial assumptions	(26,670)		(1,538)	
Change in demographic assumptions	(544)		(4,503)	
Experience gain/(loss) on defined benefit obligation	(451)		20,518	
Other actuarial gains/(losses) on assets	0		(9,457)	

	Year to 31 March 2025		Year to 31 March 2024	
Changes in effect of asset ceiling ¹³	21,637		74,609	
Total remeasurements		(1,596)		58,104
Total		4,721		61,459
Total return on scheme assets		9,189		32,993

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

Table 2

Actuarial Adjustments for:	Note	2024/25	2023/24
		£000	£000
Staff Costs	3b	1,622	1,192
Administration charges	5b Table 1	87	68
Net interest on defined liability	5b Table 1	(113)	(2,828)
Remeasurements	5b Table 1	(1,596)	58,104
Total actuarial adjustment		0	56,536

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

The asset ceiling is the present value of any economic benefit available to the Care Inspectorate in the form of refunds or reduced future employer contributions. The value of the asset ceiling has been calculated as nil based on our interpretation of IFRIC14."

¹³ The asset ceiling is the present value of any economic benefit available to the Care Inspectorate in the form of refunds or reduced future employer contributions. The value of the asset ceiling has been calculated as nil based on our interpretation of IFRIC14.

5.c Benefit obligation reconciliation for the year to 31 March 2025

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

	Year to 31 March 2025		Year to 31 March 2024	
	£000	£000	£000	£000
Opening defined benefit obligation		206,042		179,731
Current service cost		6,343		6,115
Interest cost		9,889		8,560
Estimated benefits paid net of transfers in	(6,560)		(4,850)	
Contributions by scheme participants	2,235		2,009	
Total scheme transactions		(4,325)		(2,841)
Changes in financial assumptions	(26,670)		(1,538)	
Changes in demographic assumptions	(544)		(4,503)	
Experience gain/(loss) on defined benefit obligation	(451)		20,518	
Total actuarial gains/(losses)		(27,665)		14,477
Closing defined benefit obligation		190,284		206,042

The experience (loss)gain on the defined benefit obligation includes (£451,000) in respect of the allowance for actual CPI inflation over the accounting period.

5.d Fair value of scheme assets reconciliation for the year to 31 March 2025

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

	Year to 31 March 2025		Year to 31 March 2024	
	£000	£000	£000	£000
Opening fair value of scheme assets		280,651		236,267
Interest on assets		13,621		11,388
Estimated benefits paid net of transfers in	(6,560)		(4,850)	
Employer contributions	4,721		4,843	
Contributions by scheme participants	2,235		2,009	
Total scheme transactions		396		2,002

	Year to 31 March 2025		Year to 31 March 2024	
	£000	£000	£000	£000
Return on assets less interest		(4,432)		21,605
Other actuarial gains		0		9,457
Administration expenses		(87)		(68)
Closing fair value scheme assets		290,149		280,651

5.e Projected pension expense for the year to 31 March 2026

	Year to 31 March 2026
	£000
Service cost	4,889
Net interest on the defined liability	(137)
Administration expenses	88
Total	4,840
Employer contributions	4,834

These projections are based on the assumptions as at 31 March 2025. The figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2025.

5.f Care Inspectorate fund assets

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

Asset class	Assets as at 31 March 2025		Assets as at 31 March 2024	
	£000	%	£000	%
Equities	192,707	67	202,386	72
Gilts	18,506	6	17,708	6
Other bonds	19,106	7	18,439	7
Property	44,026	15	24,877	9
Cash	15,727	5	17,173	6

Asset class	Assets as at 31 March 2025		Assets as at 31 March 2024	
Alternatives	77	0	68	0
Total	290,149	100	280,651	100

Based on the above, the Care Inspectorate's share of the assets of the fund is approximately 5.22%.

5.g Financial assumptions as at 31 March 2025

The financial assumptions used for IAS19 calculations are below. These assumptions are set with reference to market conditions at 31 January 2025.

The standard approach taken to derive the appropriate discount rate is known as the Single Equivalent Discount Rate (SEDR) methodology. Sample cashflows at each duration year (years 1 to 30) are used to derive the single discount rate, which results in the same liability value as that which would be determined using a full yield curve valuation (essentially each year's cashflows has a different discount rate). In carrying out this derivation, the annualised Merrill Lynch AA rated corporate bond yield curve is used and assumes the curve is flat beyond the 30-year point. This is consistent with the approach used at the last accounting date.

Retail Prices Index (RPI) assumption

Similar to the approach used to derive the discount rate, the Retail Prices Index (RPI) assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the estimated cashflows described above. The SEIR derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. The BoE implied inflation spot curve is assumed to be flat beyond the 40-year point and flat beyond the 40 year point, and flat over the initial short-end period up to the 3 year point. This is consistent with the approach used at the previous accounting date.

While the actuary recognises that post-2030, implied inflation will represent CPIH (i.e. including housing costs), and historically CPIH has (on average) been around 0.1% pa above the rate of CPI, that since 2003 CPI has actually been slightly higher than CPIH, rather than lower. Based on the composition of the two indices before the ONS announcement in December 2023, they do not believe there was a compelling argument for the two indices to differ (on average) in the long term. The actuary therefore took the post-2030 market implied inflation as our CPI assumption directly, making no allowance for any potential CPI-CPIH difference.

Consumer Prices Index (CPI) assumption

Using a similar approach described above to calculate the SEIR for the RPI assumption, a single equivalent rate of CPI has been used to calculate the increase that results in the same liability value as would be calculated by applying the implied CPI curve.

Assumptions as at	31 March 2025	31 March 2024	31 March 2023
	% p.a.	% p.a.	% p.a.
Discount rate	5.75	4.85	4.80
Pension increases	2.90	2.90	2.90
RPI inflation	3.20	3.30	3.30
Salary increases	3.90	3.90	3.90

Overall impact of changes to financial assumptions

The effect of the changes in the financial assumptions on an employer's liabilities are dependent on the assumptions adopted as well as the specific duration of the employer's liabilities. Typically, employers with greater liability durations are more sensitive to changes in financial assumptions as benefits will be paid over a longer term. The table below describes the estimated effects for employers based on assumptions derived as at 31 March 2025 under the three maturity scenarios:

Maturity	Estimated effect of change in financial assumptions on employer's liabilities
Very mature	Decrease of 1% to 4%
Mature	Decrease of 4% to 9 1%
Immature	Decrease of 9% to over 14%

Based on market conditions at 31 January 2025, employers will see the value of their defined benefit obligation decrease due to a significant increase to corporate bond yields since 31 March 2024. However, the extent of this will depend on each employer's membership profile, cashflows over the year, experience and any bespoke assumptions or approaches. The Care Inspectorate is considered to be "mature".

5.h Demographic/statistical assumptions

Mortality assumptions are based on a model prepared by the Continuous Mortality Investigation Bureau (CMI). The CMI update their model on an annual basis, incorporating the latest mortality data in the national population.

The actuary has adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2023, except for an update of the CMI projection model.

The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)		31 March 2025	31 March 2024
Retiring today	Males	18.8	18.9
	Females	21.7	21.6
Retiring in 20 years	Males	20.2	20.2
	Females	23.2	23.1

5.i Sensitivity analysis

The following table sets out the impact of a change of a +/- 0.1% change to key assumptions and a +/- one-year age rating adjustment to the mortality assumption.

	£000	£000	£000	£000	£000
Adjustment to discount rate	0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	178,039	187,730	190,284	192,893	203,916
Projected service cost	4,232	4,750	4,889	5,031	5,641
Adjustment to long-term salary increase	0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	191,523	190,529	190,284	190,040	189,078
Projected service cost	4,889	4,889	4,889	4,889	4,889
Adjustment to pension increases and deferred revaluation	0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	203,005	192,719	190,284	187,901	178,866
Projected service cost	5,673	5,037	4,889	4,744	4,202

Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	196,531	190,284	184,250
Projected service cost	5,069	4,889	4,713

6. Analysis of operating costs

Operating expenditure	2024/25 £000	2023/24 Restated (Note 19) £000
Property costs	1,672	2,231
Administration costs ¹⁴	2,133	1,411
Supplies & services	1,954	2,283
Transport costs	968	878
Pension administration costs (IAS 19)	87	68
Provisions	(51)	(168)
Depreciation right of use assets	597	628
Changes in debt impairment allowance	(12)	59
	7,348	7,390

7. Property, plant and equipment

	2024/25			
	Furniture and fittings £000	Plant and equipment £000	Information technology £000	Total £000
Cost or Valuation:				
At 1 April 2024	372	126	137	635
Disposals	0	(115)	(137)	(252)
At 31 March 2025	372	11	0	383
Depreciation:				
At 1 April 2024	(372)	(126)	(137)	(635)
Disposals	0	115	137	252
At 31 March 2025	(372)	(11)	0	(383)
Net book value:				
At 31 March 2025	0	0	0	0
At 31 March 2024	0	0	0	0

Asset Financing: All assets are owned.

¹⁴ Administration costs include £48.6k for external auditor's remuneration (2023/24 £45.6k). External audit provided no services in relation to non-audit work.

	2023/24			
	Furniture and fittings £000	Plant and equipment £000	Information technology £000	Total £000
Cost or valuation:				
At 1 April 2023	542	143	281	966
Disposals	(170)	(17)	(144)	(331)
At 31 March 2024	<u>372</u>	<u>126</u>	<u>137</u>	<u>635</u>
Depreciation:				
At 1 April 2023	(542)	(143)	(281)	(966)
Disposals	170	17	144	331
At 31 March 2024	<u>(372)</u>	<u>(126)</u>	<u>(137)</u>	<u>(635)</u>
Net book value:				
At 31 March 2024	0	0	0	0
At 31 March 2023	0	0	0	0

Asset Financing: All assets are owned.

8. Intangible assets

All intangible assets were disposed of in 2023/24 therefore there were no Intangible assets in 2024/25.

	2023/24	
	Information technology £000	Total £000
Cost or valuation:		
At 1 April 2023	121	121
Disposals	(121)	(121)
At 31 March 2024	<u>0</u>	<u>0</u>
Depreciation:		
At 1 April 2023	(121)	(121)
Disposals	121	121
At 31 March 2024	<u>0</u>	<u>0</u>
Net book value:		
At 31 March 2024	0	0
At 31 March 2023	0	0

9. Trade and other receivables

Trade and other receivables

	2024/25		2023/24 Restated (Note 19)	
	£000	£000	£000	£000
Amounts falling due within one year:				
Prepayments and accrued income		1,465		1,388
Trade receivables	4,439		4,693	
Other receivables	4		2	
		<u>4,443</u>	<u>4,695</u>	
		5,908	6,083	
Amounts falling due after more than one year:				
Prepayments and accrued income		760		750
		<u>760</u>	<u>750</u>	
Total trade and other receivables		<u>6,668</u>	<u>6,833</u>	

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

Provision for impairment of receivables:	2024/25	2023/24
	£000	£000
As at 1 April	(103)	(45)
Charge for the year	(43)	(90)
Unused amounts reversed	3	3
Uncollectable amounts written off	51	29
As at 31 March	<u>(92)</u>	<u>(103)</u>

As at 31 March 2025, trade and other receivables of £92k (2023/24 £103k) were past due and impaired. The amount provided is £92k (2023/24 £103k). The aging analysis of these receivables is as follows:

	2024/25	2023/24
	£000	£000
Up to 3 months past due	2	3
3 to 6 months past due	0	3
Over 6 months past due	14	19
Over 12 months past due	76	78
	<u>92</u>	<u>103</u>

As at 31 March 2025, trade and other receivables of £4,443k (2023/24: £4,695k) were due but not impaired. The aging analysis of these receivables is as follows:

	2024/25	2023/24
	£000	£000
Not yet due	1,817	2,930
Up to 3 months past due	944	652
3 to 6 months past due	6	29
Over 6 months past due	674	416
Over 12 months past due	1,002	668
	4,443	4,695

	2024/25	2023/24
	£000	Restated (Note 19) £000
Amounts falling due within one year:		
Bodies external to government	3,909	3,602
Other central government bodies	585	1,461
Local authorities	1,392	971
NHS bodies	22	49
	5,908	6,083

Amounts falling due after more than one year:

	£000	£000
Bodies external to government	31	21
Other central government bodies	729	729
	760	750
Total trade and other receivables	6,668	6,833

10. Cash and cash equivalents

	2024/25	2023/24
	£000	£000
Balance as at 1 April	3,305	4,609
Net change in cash and cash equivalent balance	(1,272)	(1,304)
Balance as at 31 March	2,033	3,305
The following balances as at 31 March were held at:		
Government Banking Service	1,474	2,967
Commercial banks and cash in hand	559	338
Balance as at 31 March	2,033	3,305

11. Trade and other payables

	2024/25	2023/24
	£000	Restated (Note 19) £000
Amounts falling due within one year:		
Trade payables	434	625
Accruals and deferred income	1,604	1,324
Other taxation and social security	903	1,521
Other payables	1,149	1,841
Total trade and other payables	4,090	5,311

Analysis of trade and other payables:

	2024/25	2023/24
	£000	£000
Due within one year:		
Bodies external to government	2,428	2,671
Other central government bodies	1,168	1,863
Local authorities	469	769
NHS bodies	25	8
	4,090	5,311

12. Grants from Scottish Government

	2024/25	2023/24
	£000	£000
Approved 2024/25 grant in aid for operating expenditure	35,046	32,748
Grant in aid drawn down during the year	34,296	31,924
Balance of grant in aid not required ¹⁵	750	824
	2024/25	2023/24
	£000	£000
Grant in aid operating costs	31,747	28,883
Scrutiny approach for Community Justice	325	325
Support to early learning and childcare expansion	813	774
Adult support and protection inspection programme	546	567
Early learning and childcare improvement programme	253	252
Safe staffing	356	618
Anne's law / care home connections	66	90
Care about physical activity	0	152
Scottish study of early learning and childcare	48	96
Space to grow	0	24

¹⁵ The balance of grant-in-aid was not required in full as we did not need to draw down the full £2.050m in the letter of comfort. Additionally, we did not need to draw down the full funding for short term grant funded programmes.

	2024/25	2023/24
	£000	£000
Neurological framework / clinical priorities	20	15
National child death review hub ¹⁶	0	128
School aged childcare	122	0
Total grant in aid funding	34,296	31,924
Technology enabled care funding	160	0
Total Government grant funding	34,456	31,924

13. Capital commitments

There were no contracted capital commitments not otherwise included in these financial statements as at 31 March 2025 (2023/24: nil).

14. Leases

The Care Inspectorate recognises a right of use asset upon lease commencement. The right of use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made before the commencement date, less incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date over the term (which is equal to or shorter than the asset's useful life). The right of use asset will be periodically reviewed for impairment losses and adjustments on remeasurement of the lease liability.

	2024/25		
	Property	Vehicles	Total
	£000	£000	£000
Cost:			
At 1 April 2024	2,561	204	2,765
Additions	181	40	221
Disposals	(216)	(17)	(233)
At 31 March 2025	2,526	227	2,753
Depreciation:			
At 1 April 2024	(868)	(107)	(975)
Charge for the year	(533)	(64)	(597)
Depreciation on disposals	216	17	233
At 31 March 2025	(1,185)	(154)	(1,339)
Net book value:			
At 31 March 2025	1,341	73	1,414
At 31 March 2024	1,693	97	1,790

¹⁶ This was transferred to grant in aid for operating costs in 2024/25.

	2023/24		
	Property £000	Vehicles £000	Total £000
Cost:			
At 1 April 2023	1,783	129	1,912
Additions	1,247	95	1,342
Disposals	(469)	(20)	(489)
At 31 March 2024	<u>2,561</u>	<u>204</u>	<u>2,765</u>
Depreciation:			
At 1 April 2023	(779)	(57)	(836)
Charge for the year	(558)	(70)	(628)
Depreciation on disposals	469	20	489
At 31 March 2024	<u>(868)</u>	<u>(107)</u>	<u>(975)</u>
Net book value:			
At 31 March 2024	1,693	97	1,790
At 31 March 2023	1,004	72	1,076

Commitments under leases

On transition to IFRS 16, lease liabilities were measured at cost of the remaining lease payments at 1 April 2022. Upon commencement of new leases, the liability is measured at cost of unpaid lease payments.

	2024/25 £000	2023/24 Restated (Note 19) £000
Property		
Not later than 1 year	878	926
Later than 1 year but not later than 5 years	2,643	2,842
Later than 5 years	2,050	2,721
Less interest element	(744)	(921)
Present value of obligations	<u>4,827</u>	<u>5,568</u>
Vehicles		
Not later than 1 year	68	70
Later than 1 year but not later than 5 years	30	67
Less interest element	(5)	(7)
Present value of obligations	<u>93</u>	<u>130</u>

	2024/25	2023/24
	£000	Restated (Note 19)
		£000
Current portion	781	812
Non-current portion	4,139	4,886

Quantitative disclosures around cash outflow for leases

Reduction of lease liability	999	966
Interest on lease liability	193	206
Total cash outflow for lease liabilities	1,192	1,172

The Care Inspectorate does not face a significant liquidity risk with regard to its lease liabilities.

Operating lease receivables

The Care Inspectorate provides shared services to a number of public sector bodies and those services relate to the provision of administration services and facilities services. Sub lease arrangements are in place with Scottish Government for the provision of facilities services.

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

Commitments under operating leases comprise:	2024/25	2023/24
	£000	Restated (Note 19)
		£000
Buildings:		
Not later than 1 year	99	101
Later than one year but not later than 5 years	91	198
Later than 5 years	0	8
	190	307
Other:		
Not later than 1 year	3	2
Later than 1 year but not later than 5 years	12	7
Later than 5 years	9	8
	24	17

Finance Lease Receivables

The Care Inspectorate leased accommodation to other government bodies within its Dundee Offices under arrangements that meet the definition of finance leases in accordance with IFRS 16. These arrangements are accounted for as finance leases, with lease receivables representing the present value of future lease payments due from these bodies.

Finance income is recognised over the lease term using the HM Treasury discount rate to reflect a constant periodic rate of return on the net investment. The carrying amount of lease receivables is reviewed at each reporting date for impairment in line with IFRS 9 requirements.

Maturity profile of net investment in leases	2024/25	2023/24
	£000	Restated (Note 19) £000
Not later than 1 year	500	(34)
Later than 1 year but not later than 5 years	1,775	1,775
Later than 5 years	1,525	2,025
Less interest element	(542)	(670)
Total	3,258	3,096
Current portion	385	(161)
Non-current portion	2,873	3,257

Quantitative disclosures around cash inflow for leases

Reduction of lease receivable	(161)	335
Interest on lease receivable	127	139
Total cash outflow for leases receivables	(34)	474

Including in the lease cashflows in the current year is the repayment of £534,000 of lease incentive.

At the end of the reporting period, the loss allowance on finance lease receivables has been estimated at an amount equal to lifetime expected credit losses (ECL). None of the finance lease receivables are past due. Based on historical default experience, future industry prospects, and the collateral held over these receivables, management considers that no finance lease receivable is impaired.

15. Sources of financing

General Reserves		Revenue Transactions	Capital Transactions	General Reserve
2023/24		2024/25		
£000		£000	£000	£000
4,071	Opening Balance	2,791	0	2,791
(89,740)	Surplus/(Deficit) for the year	(34,058)	0	(34,058)
56,536	pension actuarial adjustments	0	0	0
(29,133)	Total before grants	(31,267)	0	(31,267)
31,924	Grant-in-aid funding	34,296	0	34,296
0	Other Scottish Government grants	160	0	160
31,924	Total Grants	34,456	0	34,456
2,791	Total	3,189	0	3,189

16. Provisions

Other provisions in 2024/25 (and 2023/24) comprise property dilapidations in respect of lease obligations. As at 31 March 2025 the Care Inspectorate leases 10 properties across Scotland. 9 of these leases contain provisions in respect of obligations for property dilapidations, reinstatement and decoration. Estimates of likely costs in respect of obligations under our property leases for dilapidations, restatement and property decorations are charged in accordance with IFRS 16 Leases.

	2024/25	2023/24
	£000	Restated (Note 19)
		£000
Balance at 1 April	1,224	759
Provisions not required written back	(17)	(165)
Released during the year	(34)	(99)
Additional provisions recognised during the year	0	729
	<u>1,173</u>	<u>1,224</u>
Payable within one year	129	64
Payable after one year	1,044	1,160

17. Contingent liabilities

Contingent liabilities existing at 31 March 2025 for which no provision has been made:

	2024/25	2023/24
	£000	£000
Contingent liabilities arising from legal actions	1,479	1,479
Total Contingent Liabilities	1,479	1,479

The Care Inspectorate has successfully defended two claims from individuals related to the closure of a care service. It's possible the decision will be appealed, however, the Care Inspectorate is of the opinion that the court ruling will stand. The amount disclosed is the total sum sued for in the writs served.

18. Related-party transactions

The Care Inspectorate is a non-departmental public body sponsored by the Scottish Government Health and Social Care Integration Directorate, which is considered a related party.

The majority of the transactions between the Care Inspectorate and its related parties are in respect of shared accommodation. The Care Inspectorate is the lead tenant for our Dundee hub, with MOTUs in place with the seven other tenants in the buildings. In addition, the Care Inspectorate sublets accommodation in Aberdeen to the Scottish Government and Education Scotland. In terms of the Care Inspectorate as lessee, there are lease arrangements in place with other public bodies for our Edinburgh, Oban, Inverness, Stornoway, Paisley and Dumfries offices.

We also provide shared services to both the Scottish Social Services Council (SSSC) and the Office of the Scottish Charities Regulator (OSCR) and receive some shared services from SSSC.

Organisation / Relationship	2024/25	2024/25	2023/24	2023/24
	Income	Expenditure	Income	Expenditure
	£000	£000	£000	£000
Scottish Social Services Council:				
Dundee office MOTU	374	0	349	0
Shared services	299	162	296	254
	<u>673</u>	<u>162</u>	<u>645</u>	<u>254</u>
Office of the Scottish Charities Regulator:				
Dundee office MOTU	280	0	260	0
Shared services	28	0	0	0
	<u>308</u>	<u>0</u>	<u>260</u>	<u>0</u>
Scottish Government:				
Dundee office MOTU	94	0	86	0
Aberdeen office sub lease	63	0	63	0
Edinburgh office MOTO	0	110	0	0
Oban office MOTO	0	6	0	0
Procurement managed service	0	3	0	2
	<u>157</u>	<u>119</u>	<u>149</u>	<u>2</u>

Organisation / Relationship	2024/25 Income £000	2024/25 Expenditure £000	2023/24 Income £000	2023/24 Expenditure £000
Education Scotland:				
Dundee office MOTU	94	0	86	0
Aberdeen office sub lease	33	0	33	0
	<u>127</u>	<u>0</u>	<u>119</u>	<u>0</u>
Crown Office & Procurator Fiscal:				
Dundee office MOTU	276	0	116	0
Scottish Courts & Tribunal Service:				
Dundee office MOTU	273	0	249	0
Nature Scot:				
Inverness office lease	0	40	0	0
Scottish Children's Reporter Administration:				
Stornoway office lease	0	14	0	0
Renfrewshire Council:				
Paisley office lease	0	149	0	0
Dumfries & Galloway Health Board:				
Dumfries office lease	0	10	0	0
Total Related Party Transactions	<u>1,814</u>	<u>494</u>	<u>1,538</u>	<u>256</u>

There are no other bodies or organisations that are regarded as related parties with which the Care Inspectorate has had material transactions during the year.

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

19. Prior Year Restatement

Following a re-assessment of the lease arrangements for Compass House and Quadrant House, the prior year financial statements have been restated to reflect that the Care Inspectorate have primary responsibility for the lease of these properties and act as a lessor to other central government bodies. This has resulted in:

- The finance lease liability has increased by £3.630m, from £2.068m to £5.698m.
- An associated lease receivable of £3.096m and non-current trade and other receivable of £0.729m has been recognised.

- Reduction of £0.474m in other income and associated operating expenditure and an increase of £0.139m in interest payable on lease liability and interest receivable on lease receivable.

The following adjustments have been made to the primary statements on pages 67 to 69:

	2023/24 As Previously Reported £000	Restatement £000	2023/24 Restated £000
<u>Statement of Comprehensive Net Expenditure (extract)</u>			
Income			
Other operating income	(1,730)	474	(1,256)
Expenditure			
Operating expenditure	7,864	(474)	7,390
Interest payable on lease liability	67	139	206
Interest receivable on lease liability	0	(139)	(139)
<u>Statement of Financial Position (extract)</u>			
Non-current assets			
Trade and other receivables	21	729	750
Finance lease receivables	0	3,257	3,257
Total non-current assets	1,811	3,986	5,797
Current assets			
Finance lease receivables	0	(161)	(161)
Total current assets	9,388	(161)	9,227
Total assets	11,199	3,825	15,024
Current liabilities			
Trade and other payables	(5,845)	534	(5,311)
Lease liabilities	(440)	(372)	(812)
Total current liabilities	(6,349)	162	(6,187)
Total current assets plus/less net current assets/liabilities	4,850	3,987	8,837
Non-current liabilities			
Lease liabilities	(1,628)	(3,258)	(4,886)
Other provisions	(431)	(729)	(1,160)
Total non-current liabilities	(2,059)	(3,987)	(6,046)

	2023/24 As Previously Reported £000	Restatement £000	2023/24 Restated £000
<u>Statement of Cash Flows (extract)</u>			
Increase / (decrease) in trade and other payables	519	(534)	(15)
Net cash outflow from operating activities	(32,792)	(534)	(33,326)
Cash flows from investing activities			
Receipts from lease receivables	0	335	335
Net investment	0	335	335
Cash flows from financing activities			
Payments of lease liabilities	(631)	(335)	(966)
Lease incentive	195	534	729
Net financing	31,488	199	31,687

20. Post statement of financial position events

There have been no significant events after 31 March 2025 that require adjustment to, or disclosure in, the financial statements.

Appendix One: Accounts Direction by the Scottish Ministers



SOCIAL CARE AND SOCIAL WORK IMPROVEMENT SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

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

Signed by the authority of the Scottish Ministers

Dated 1 June 2012