



The Care Commission
annual report and **accounts**
2007/08



HAPPY TO TRANSLATE

About this publication

Author	The Care Commission
Publication date	April 2008
Audience	Care service users Carers Service providers and commissioners Government Local authorities and health boards Public bodies Other regulators Advocacy organisations The general public Care Commission Board, committees and groups
Reference	SD/077/0308
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Annual Report and Accounts
of the Care Commission
1 April 2007 to 31 March 2008

SI number SG/2008/159

This report is laid before the
Scottish Parliament under Schedule
1 Section 10(1) of the Regulation of
Care (Scotland) Act 2001.

Authorised for issue as at 22 October 2008.

To help us achieve our objective of improving care in Scotland, we embrace the following purpose, aim, vision and values:

purpose

to regulate for improvement.

aim

to raise standards of care by involving people who are cared for, their carers and families, and working with people who provide care.

principles


keeping people safe
promoting dignity and choice
supporting independence.

vision

Care services should:
improve people's lives
be easy to reach and there when needed
be innovative
support independence
offer choice
be staffed by competent, reliable and trustworthy people.

values

We aim to be:
focused on people
open and accessible
rigorous and fair
levering change
encouraging active involvement.

A decorative wavy line in the bottom right corner, composed of two overlapping curved shapes. The top shape is light blue and the bottom shape is a vibrant lime green, both curving upwards from left to right.

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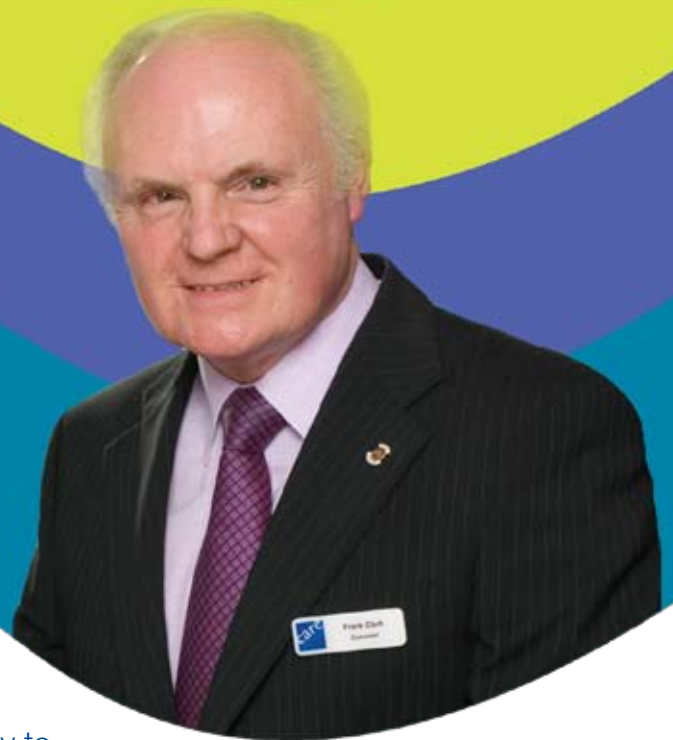
Foreword from the convener

As I reflect on my first full year as Convener of the Care Commission, uppermost in my mind is that it has been a year of significant change.

We have changed the way we regulate care in Scotland by developing and testing a grading system that will apply to all care services. This was a major undertaking, necessary because our inspections need to be more targeted and to focus more on improvement for the benefit of people who use care services and their carers.

When we consulted on the need for change, people said very clearly that grades would help them to make informed choices about and between care services.

To achieve the better grades under the new system, care service providers must show that they actively involve people who use their service and their carers. I strongly support this approach and make no apology for it being impossible to get higher grades without it. Good quality services will get the recognition they deserve and those that need to improve will have to do better. Grading started on 1 April 2008 and over time we expect it to have a very positive impact on the quality of care available in Scotland.



We also know that the way public sector organisations are scrutinised in Scotland is likely to change. The Scottish Government set up action groups to take forward many of the recommendations in the Crerar Report, the independent review of the scrutiny of public services. We are actively involved in these developments and welcome the opportunities and challenges it presents.

Change can be demanding and challenging for everyone. Our dedicated workforce continues to respond extremely well and I wish to record the thanks of our Board for their hard work, enthusiasm and commitment.

I am also grateful to my fellow Board Members, the Executive Management Team and to staff throughout the organisation for their continuing support. It is a privilege to lead the Board of an organisation that can make such a difference to the quality of life for people in Scotland. I will continue to use my experience to ensure that the Care Commission continues to influence the development of Scotland's health and social care agenda.

Professor Frank Clark, CBE
Convener

section one: management commentary



1.1 Chief Executive's introduction

In a year of so much change, I am delighted to be able to report that we have met the majority of our very challenging targets. It is not an exaggeration to say that the Care Commission is at the forefront of developing a new and modern approach to the regulation of care.

By introducing grading based on risk assessment and self-assessment, we have embraced the principles of better regulation - managing a tricky balancing act between making inspections proportionate, whilst still safeguarding the often vulnerable adults and children who use care services.

We have refocused our performance objectives to better capture the impact of regulation and how it leads to improvement in services. Increasingly, in our reports on the quality of care, we use case studies and examples to show how best practice and investment in the recruitment and training of good staff can greatly improve the quality of the care delivered. This work is influencing change on several fronts and has become an important source of reference for care professionals and policy makers.

We have also made good inroads into reducing bureaucracy by sharing information more with other regulators, streamlining our own practices and making more use of technology.

The preparation for grading this year has required a great deal of effort from everyone at the Care Commission. We invested heavily in staff training to develop the capacity of our workforce to do things differently and provided a wide range of resources and toolkits to help service providers better involve people who use services and carers. It is heartening that we were also able to deliver strong results across all of our registration, inspection, complaints investigation and enforcement activity.

The people of Scotland can be assured that the Care Commission has their interests at heart and will continue to press for improvement, particularly in care homes for older people, which continue to give us the greatest cause for concern.

Above all, our work is about raising the standard of care and keeping people safe and well cared for. I believe we have made a real difference in the care and health sector and will continue to do so.



Jacquie Roberts
Chief Executive

1.2 Overview of the Care Commission

This section summarises:

- who we are
- what we do
- the care services we regulate
- the legal background to what we do
- how we regulate services.

Who we are

Our formal title is the Scottish Commission for the Regulation of Care, but we are generally known as the Care Commission. We:

- were set up in 2002 to help improve care services in Scotland
- are an independent, public organisation, answerable to Scottish Ministers through the Scottish Government's Primary and Community Care Directorate
- have over 580 staff in offices across Scotland
- have our head office in Dundee
- are guided by our Board, whose 12 members include people who use care services, and carers.

What we do

We work with care services, the Scottish Government and other public bodies to improve the quality of all care services across Scotland. We:

- register care services
- inspect them against national laws, regulations and the National Care Standards
- investigate complaints
- take enforcement action to improve care services.

We are a national organisation and regulate consistently across many types of care service. We can therefore compare and contrast the quality of care services across service types and geographical areas.

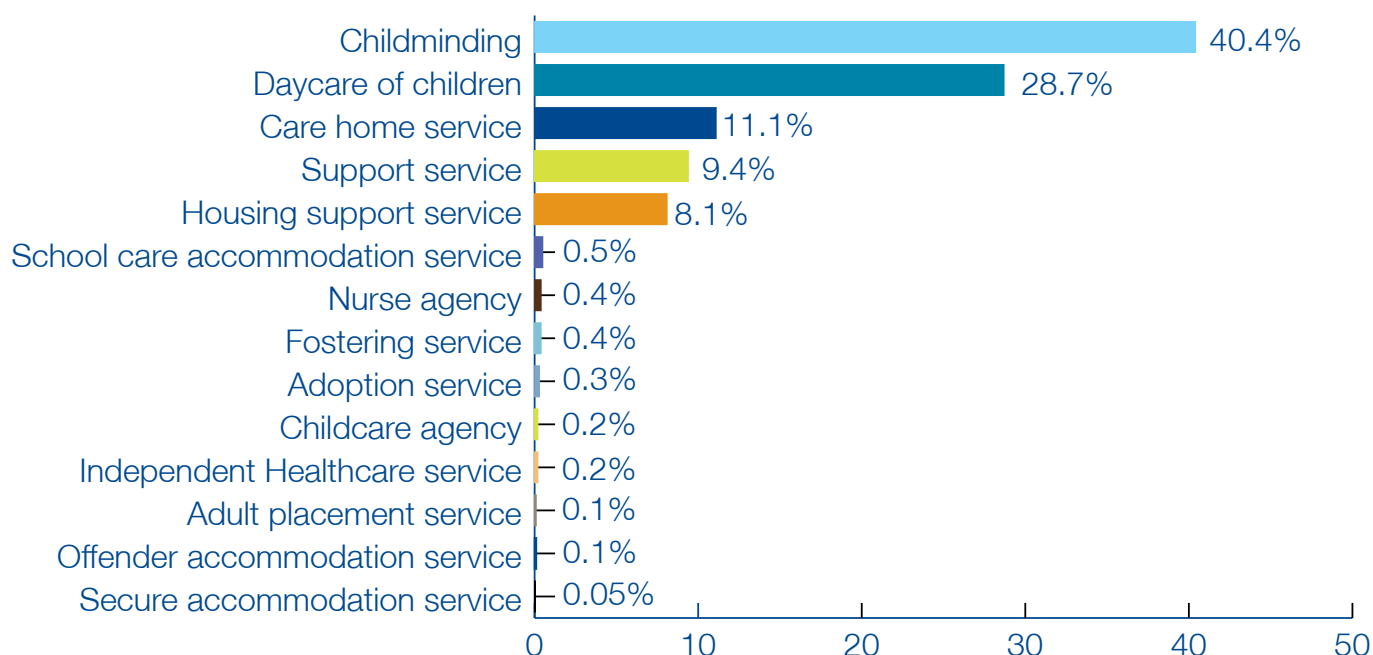
The services we regulate

Care services are provided by individuals and organisations. The latter include local authorities, health boards and private and voluntary organisations. Some provide a single service and others provide several; one provider runs 249 services across a range of service types.

The individuals and organisations we register provide a wide spectrum of services. The largest group are:

- childminders (40% of all services)
- children's daycare services, such as nurseries (29%)
- care home services (11%).

Types of care services in Scotland



The legal background to what we do

The Regulation of Care (Scotland) Act 2001 (the Act) gives us the power to regulate Scotland's care services. It sets out how regulation should take place and defines the care services we regulate. We assess all those who provide care services under the Act and the regulations associated with it. You can download copies of the Act and the regulations from the Office of Public Sector Information website: www.opsi.gov.uk.

We take into account the Scottish Social Services Council (SSSC) codes of practice and Scotland's National Care Standards. The National Care Standards were developed and published by Scottish Ministers and are written from the point of view of people who use care services. One purpose of these standards is to help people who use care services and their carers or relatives know what to expect from those looking after them and how to raise any concerns.

You can get copies of the standards free from Blackwells, 53-62 South Bridge, Edinburgh, telephone 0131 622 8222 or download them from the Scottish Government website: www.scotland.gov.uk

How we regulate services

Registering care services

We register all new care services to ensure that they meet all legal requirements and take into account the National Care Standards. Once we have registered a service we update any changes that may happen; these are called variations. When a service cancels registration we try to do this in a way that safeguards the people using or who have used the service.

At the end of the year 14,871 services were registered with us, 61 more than at 31 March 2007.

There were 242,778 places in registered care services across Scotland, with an average of around 20 places in each service. Some services, such as care at home, are registered to provide a service rather than a number of places.

Appendix 4 details numbers of registered care services, places and care service providers.

Inspecting care services

We inspect care services against the Regulation of Care (Scotland) Act 2001, its associated regulations and the National Care Standards. Inspecting improves the quality of care services by:

- monitoring the quality of care provided to people who use the service, and identifying how it can be improved
- confirming good practice and sharing this with other services
- providing public information about the quality of care services locally and nationally
- protecting people who use care services by identifying poor practice and requiring action to be taken.

During 2007/08 we inspected 9,924 services scheduled for annual inspections and 1,333 services scheduled for inspection every two or three years.

Investigating complaints

We investigate complaints about care services and about our own organisation. Our complaints procedure details how we do this. Copies are available from any Care Commission office and from our website.

Complaints help us to identify:

- areas where services need to improve
- services that do not consistently provide the quality of service we expect
- aspects of care we should examine further in our inspections

- very serious problems that we may need to act on
- areas where our own performance needs to improve.

During the year we completed investigations into 1,418 formal complaints, compared to 1,485 the previous year. Section 1.3 and Appendix 4 provide more detail about complaints that we investigated.

Taking enforcement action

If a care service does not provide a good enough quality of service we can tell them to change what they do or how they work. We do this to protect the people who use care services.

We can do this in several ways, for example by making requirements and recommendations in our inspection reports; this means the service must take action. If they fail to, we can take legal enforcement action, using formal legal processes.

In 2007/08 we issued 147 enforcement notices against 101 services relating to the quality of care they were providing. Appendix 4 has further statistics about enforcements.

1.3 How we performed in 2007/08

This section details how we performed against:

- the four strategic aims defined in the corporate plan we published in 2007
- the objectives set by our business plan 2007/08
- the Key Performance Indicators (KPIs) associated with the business plan objectives.

The **strategic aims** are the priorities identified in the corporate plan, a document which we must produce every year and which is approved by Scottish Ministers.

The **objectives** are detailed in our annual business plan, details of which are published in the corporate plan. The business plan sets out how we will achieve the four strategic aims. Our decision-making groups consider these objectives on a regular basis at their meetings. Each member of staff also has objectives that are linked to the objectives in the business plan.

The **Key Performance Indicators** are measures used to judge how we perform. The Audit Committee propose these and the Board approves them for inclusion in the corporate plan.

Regular monthly and quarterly reports on progress against our objectives, with a particular focus on our KPIs, provide managers with the information they need to monitor progress and take action where necessary.

How we have presented this section

The rest of this section is set out like this:

- We list our strategic aims.
- We list the business plan objectives that are linked to each aim and show how we have performed against each objective.
- We list KPIs that help us measure how we performed in this area.

Together, this information gives a rounded view of how we are meeting our overall aims. The information is in the same order as the corporate plan so that the two can be easily compared. We have shown the previous year's performance in brackets, where available, for comparison. Against each objective, we have assessed our overall achievements using the following key:

exceeded objective ✓✓✓

(where we have gone beyond the expectations stated in the objective)

met objective ✓✓

(where we have met the aims stated in the objective)

mainly met objective ✓

(where we have nearly met, or made significant progress towards, the objective)

did not meet objective X

(where we have not met, or made significant progress towards, the objective)

Aim One: being an effective regulator for improvement

We are focused on improving care services through regulation, and are continually seeking ways to improve the way we regulate.

What we said we would do

Objective 1. Regulate all registered care services using a proportionate and targeted approach ensuring compliance with regulations, National Care Standards and SSSC Codes of Practice.

Summary achievement



Inspections

During 2007/08 we needed to inspect 10,057 services to meet our statutory target. We inspected 9,924 services, or 99% of the target. We did not meet the target in 133 services (1.3%) mainly due to scheduling difficulties in the final quarter. A few services (17) that must have two inspections a year did have two inspections but did not get an unannounced one.

Our proportionate and targeted approach to inspection means that we concentrate on areas that need most attention. As a result, in some cases we inspected a service more often than the minimum legal requirement. This happened in 210 services during the year, with 93 of these services inspected three or more times.

KPI 1: From April 2007, some types of services moved to a reduced frequency of inspection. Daycare services that cater for children over three, childcare agencies and nurse agencies need to be inspected every two years. Housing support services run by registered social landlords must be inspected only every three years. During 2007/08, we inspected 1,333 of these services. This is in addition to the 10,057 services mentioned above that remain on an annual inspection cycle.

KPI 1	Target	Performance 2007/08 (2006/07)
Percentage of eligible services with required number of inspections completed.	100%	98.7% (99.1%)

KPI 2: We sent draft inspection reports to services within 20 days, in 80% of the inspection cases. We therefore met our 80% target and improved on the previous year's performance.

KPI 2	Target	Performance 2007/08 (2006/07)
Percentage of draft inspection reports issued within 20 working days (excludes HMIE/CC integrated inspections)	80%	80% (73%)

KPI 3: After we inspect childminders and care homes for adults, we issue questionnaires to a sample of people involved in the inspection, for example staff, service users and visitors. These ask people to comment on how well they felt the inspection went. The following tables show that most people were happy with how our staff conducted their inspections.

KPI 3	Target	Performance 2007/08 (2006/07)
Satisfaction with inspection process - % of respondents who were happy or very happy with the inspection process – care homes for adults	Will monitor trend over time	97% said that our staff were polite and treated people with respect (98%) 95% said that our staff were well prepared (97%)
Satisfaction with inspection process - % of respondents who were happy or very happy with the inspection process - childminders	Will monitor trend over time	99.7% said that our staff were polite and treated people with respect (99.8%) 98.1% said that our staff were well prepared (99.5%)

KPI 4: One of our overall aims is to use regulation to get services to improve. This is a new KPI, which looks at whether services have taken action when we have made a requirement. We make requirements when we find that a service is not meeting its legal obligations. The table shows that, where we made requirements, 77% of services made the improvements needed.

KPI 4	Target	Performance 2007/08 (2006/07)
% requirements made in 2006/07 that were met by 2007/08	Will monitor trend over time	77% (new KPI)

Where we find examples of good practice during an inspection, we try to share these with other services. For example we publish good practice examples in every issue of our Care News magazine which we send to all registered services three times a year.

Enforcement

KPI 5: This KPI was changed for 2007/08 to better reflect our success in getting services to improve. Although it is a measure that is not directly within our control, it demonstrates our influence with services and impact on the quality of care they provide.

It looks at whether or not services complied with the initial Section 10 improvement notice. (This is named after Section 10 of the Regulation of Care Act and details improvements the service must make within a specific time.) We found that services complied in 63% of cases. In the remaining 37% of cases, services did not comply and we progressed to the next stage of enforcement.

KPI 5	Target	Performance 2007/08 (2006/07)
Percentage of S(10) improvement notices that were complied with within timescales	Will monitor trend over time	63% (new KPI)

Complaints

KPIs 6-8: We received 2,259 new complaints this year, an increase of 115 or 5% on the 2,144 we received during 2006/07.

It is not always appropriate for us to investigate a complaint; for example we may get a complaint about a service that we do not regulate. When we do investigate, we register the complaint as formal. We did so with 1,629 complaints and completed investigations into 1,418 during 2007/08 (67 or 5% fewer than the 1,485 complaints completed in 2006/07).

Overall, the proportion of services that have had complaints upheld against them remains very low at 4.6%, with 1.3% having more than one complaint upheld during the year.

The most common types of complaint upheld or partially upheld are: general health and welfare concerns, staffing levels, communication and fitness of providers, staff training and qualifications.

So that we deal with complaints efficiently, our complaints procedure says that we should acknowledge complaints within three working days, and complete investigations within 28 working days. For the past three years we have improved our performance each year for both of these indicators. In 2007/08 we acknowledged 97% of complaints within three working days, a consistent improvement from 88% in 2005/06, and 94% in 2006/07. We dealt with 98% of complaints within 28 working days, up from 97% in 2006/07 and 92% in 2005/06.

During the year 21 complaints were made against us and 7 (33%) were upheld or partially upheld. This is a drop in percentage upheld, although the small numbers involved make it difficult to interpret this trend.

Appendix 4 has more detailed statistics about complaints.

KPI 6	Target	Performance 2007/08 (2006/07)
Complaints acknowledged within three working days	100%	97% (94%)

KPI 7	Target	Performance 2007/08 (2006/07)
Complaints completed within 28 working days or within the revised timescale as agreed with the complainant	100%	98% (97%)

KPI 8	Target	Performance 2007/08 (2006/07)
Complaints against the Care Commission which were upheld or partially upheld as a % of all those investigated against the Care Commission	Trend will be monitored over time	33% (53%)

What we said we would do

Objective 2. Register new applications for the provision of care services where they meet the needs of people and promote diversity of service provision

Summary achievement



KPI 9: We registered 1,489 new services during the year and cancelled the registrations of 1,428 services. At 31 March 2008 there were 14,871 services registered with us, an increase of 61 (0.4%) over the year. Appendix 4 has detailed statistics about registrations.

During the year we received 31 applications to register adult placement services. By 31 March we had registered 20 services; the rest will be complete by the deadline of 18 June 2008.

KPI 9	Target	Performance 2007/08 (2006/07)
% of applications for registration of services new to regulation (adult placement services) that are completed within the timescale set by the Scottish Government	100% by 18 June 2008	65% at 31 March, with remainder on schedule for completion by 18 June 2008

KPI 10: It is important that we process applications for new registrations of services as efficiently as possible. We aim to process childminding applications within three months and other services within six months. We did this in 86% and 96% of cases respectively, exceeding the target of 80%.

KPI 10	Target	Performance 2007/08 (2006/07)
Percentage of registrations completed within three months for childminders and six months for all other services	Childminding 80% within three months	86% (93%)
	Other services: 80% within six months	96% (95%)

What we said we would do

Objective 3. Introduce revised daycare of children inspection programme on the basis of new arrangements for integrated inspection with HMIE and any changes to minimum frequency of inspection

Summary achievement



During the year we carried out 396 integrated inspections with Her Majesty's Inspectorate of Education (HMIE). We made sure that all services that we had a statutory duty to inspect during the year, were indeed inspected. These were done either as part of the programme of integrated inspections with HMIE or of our own programme.

What we said we would do

Objective 4. Implement revised enforcement policy and procedures to ensure efficient and consistent enforcement practice across the Care Commission

Summary achievement



We revised our enforcement policy and procedures, and implemented them during 2007/08.

During 2006/07 we developed internal quality assurance procedures to make sure that our staff were working in a consistent way, and producing a good standard of work. This year, we revised the quality assurance tools for the inspection process to take account of our new inspection process (objective 5, below, has more details of this), and are due to revise the enforcement tools during 2008/09.

What we said we would do

Summary achievement

Objective 5. Continue to develop and implement the Care Commission's Quality Assessment Framework



Objective 6. Continue to modernise the regulation of social care



Our work to develop a quality assessment framework for care services was tested in two phases of pilot studies. We devised a new inspection process which incorporated two key aspects: self assessment and grading. Throughout the year staff from various parts of the organisation worked to develop all administrative and ICT systems, and to train staff in time for the new inspections to be introduced from 1 April 2008.

The changes to inspection will help us to be more targeted, to focus more on people who use care services and their carers, and to provide clearer information on our findings from inspection.

The main changes are:

- more involvement from people who use care services and their carers, in assessing the quality of care;
- improving how we register and inspect care services;
- having a system to assess how much inspection time each service needs from us as the regulator and spending more inspection time on services that need to improve and less time on those that are performing well
- introducing a grading system to help us report on the quality of care.

We ask services to provide us with information, which helps us to develop how we regulate. The most efficient way to give us this information is to fill these forms out online: all our annual returns and self-evaluation forms are available online.

This new approach to inspection will help us to target our work and focus on services that need the most help to improve. Better information, more involvement with people who use care services and their carers and clear grades that reflect the quality of the service will also help people make more informed choices about the care services they want to use.

What we said we would do

Objective 7. Maintain effective relationships and joint working arrangements with HMIE, SWIA, NHS QIS and other partners for joint and multi-agency inspections, in order to secure improvement in the quality of social and independent healthcare services

Summary achievement



To regulate effectively and maximise our impact on the quality of care services, it is important that we work with other public bodies to share information and co-ordinate our activities. During the year, we worked with public bodies including HMIE, the Social Work Inspection Agency (SWIA), NHS Quality Improvement Scotland (NHS QIS), the 32 local authorities and 14 NHS boards. This helped to prepare for joint and multi-agency inspections with one or more of these agencies. It also benefited those who commission and contract care services.

We are members of a group drawn from various agencies (the multi-agency strategic group) that received an independent evaluation report on multi-agency inspections. It found that these multi-agency inspections resulted in valuable learning. But it also found that the bodies which were inspected did not think the benefits were greater than the costs. The Government is reviewing public sector scrutiny and any decisions on the future of multi-agency inspections will follow this.

What we said we would do

Objective 8. Provide effective and efficient organisational development and human resources support to ensure delivery of the corporate plan.

Summary achievement



We reviewed our organisational development plan during the year.

KPI 11: It is essential, for effective regulation, that we have a highly skilled and motivated workforce. A group of Care Commission Officers – the third to do so – completed the Regulation of Care Award (ROCA) during 2007/08, bringing the total percentage of eligible staff to hold ROCA up to 48%.

KPI 11	Target	Performance 2007/08 (2006/07)
% of eligible CCOs who have achieved the Regulation of Care Award	Monitor trend	48% (new KPI)

What we said we would do

Objective 9. Develop an organisational culture which promotes equality and diversity and eliminates all forms of discrimination

Summary achievement



In 2007/08 we created a new post of professional advisor (equalities and engagement) to take forward the work we need to do on equalities. We provided equality and diversity awareness training for all staff to make sure that they understand our public sector duties in equality.

We expect Care Commission Officers to involve people more in inspections, and trained them in a range of communication methods to help them do this.

During the year we carried out disability access audits in each of our offices, and carried out any immediate action identified.

Section 1.9 has further information on our equality and diversity work.

What we said we would do

Objective 10. Provide appropriate legal support to the Care Commission

Summary achievement



We monitor the advice that our legal team provides to make sure that our legal advice is of a high standard, and to identify any training and development needs.

What we said we would do**Summary achievement**

Objective 11. Effectively manage Finance, Administration and ICT resources



Objective 12. Continue to demonstrate efficiency and effectiveness as an organisation



Our financial accounts for 2006/07 received an unqualified audit report, which indicates that auditors are satisfied. We continue to manage within our budget.

We have approved a programme of developmental and best value reviews for 2008-11.

What we said we would do**Summary achievement**

Objective 13. Improve the quality and consistency of our work



We reviewed our approach to quality assurance during the year, and devised a new quality assurance approach to fit with the new inspection process that we introduced from 1 April 2008.

We have continued to hold national quality and consistency forum meetings. These meetings involve members from outwith the Care Commission and include people who represent providers of care services. They consider areas of our practice which we need to make more consistent.

Aim Two: engaging people who use care services and carers in the work of the Care Commission

What we said we would do

Objective 1. Ensure people who use care services, their carers and representatives contribute to the development of the Care Commission

Summary achievement



We have been changing the way we regulate care services to one that promotes even greater involvement by people who use care services. We developed methods of doing so and tested these in pilot inspections. We also trained our staff in a range of ways to communicate with people and involve them in their work.

Inspection reports are an important source of information for people who use services, or who may be planning to use them. During 2007/08 we commissioned a review of our inspection reports, and did some research into what people wanted from them.

Our project group for this work included people who use care services, relatives and carers. We also asked for advice from our stakeholder group. (This group includes people who use care services, their relatives, friends and other carers; it helps us to improve what we do and to regulate consistently.) This work enabled us to devise a clear, user-friendly, format and style of report that we plan to implement by April 2009.

Our national consistency forum meetings involve members from external organisations.

KPI 12: In all of our work, we promote the National Care Standards and strive to make sure that people in Scotland know about our work. In 2005/06 we commissioned a survey to investigate this. It showed that 31% of the general public and 36% of people who use care services and their carers knew about us. We will work to increase this figure, and commission another survey in 2008/09 to assess how well we have done.

KPI 12	Target	Performance 2007/08 (2006/07)
% of people who use care services and their carers who know about the Care Commission	Will monitor trend over time	No data (36% in 2005/06)

What we said we would do

Objective 2. People who use care services and their carers, have more opportunities to get involved in the regulation of care services and the number of inspections involving lay assessors is increased by 20%

Summary achievement



One of the ways we have involved people in our work is through our lay assessor scheme. Lay assessors are members of the public who have an interest in care services: a carer for someone who has used care services, someone who has used care services or continues to do so. They contribute to inspections by speaking to the people who use the service and to their carers, gathering information that helps us to judge the quality of the service being inspected. During 2007/08, lay assessors were involved in 202 inspections.

Our 'Regulation for Improvement' project aims to involve people much more in our work, and make sure they can give us their views on the services they use. All Care Commission Officers received additional training aimed at better involving people in inspections, as part of the preparation for introducing the new inspection process.

KPI 13: During inspections, we routinely ask people who use care services and their relatives and carers to complete confidential questionnaires (called Care Standards Questionnaires or CSQs) telling us what they think about the quality of the care services they use. In total, 96% of respondents (from 11,404 questionnaires returned) told us they were happy or very happy with the services they were using. This is a slight decrease from 98% in 2006/07. We will continue to monitor this trend over time, although we will do this with caution as a decrease in satisfaction may be due to higher expectations of services rather than a drop in the quality of services.

KPI 13	Target	Performance 2007/08 (2006/07)
Responses to Care Standards Questionnaires about user satisfaction with services	Will monitor trend over time	96% happy or very happy (98%)

Aim Three: providing the right information at the right time for people

What we said we would do

Objective 1. Continue to comply with legislative requirements to provide information about the availability and quality of care services.

Summary achievement



Objective 2. Effectively manage the use of information so that the Care Commission can achieve its aim to regulate for improvement and inform social and healthcare policy



We have continued to provide information about the availability and quality of care services in a range of formats to our stakeholders.

This includes providing information via our website, which had more than 750,000 visitors over the year.

We have published a range of information during 2007/08, including:

- inspection reports (available on our website);
- our Annual Report for 2006/07; and
- our Corporate Plan 2007-2010.

We published four major reports during the year:

- **Protecting children and young people in residential care: are we doing enough?**

This reviews how residential care services for young people protect them, plan for their care and use physical restraint.

- **The quality of care in private hospitals and voluntary hospices in Scotland 2006-2007**

This reports on what we found when we inspected private hospitals and voluntary hospices between 1 April 2006 and 31 March 2007, focusing on the quality of care and treatment. This includes looking at the systems and procedures in place to measure the quality of the services to ensure that standards of care and treatment were, and will continue to be, high.

- **Pressure for change – Preventing, caring for and treating pressure ulcers in care homes for older people 2002-2005**

This report considers six areas where services could improve, prevent, care for and treat pressure ulcers. It reviews our inspection, complaints and enforcement activity

in care homes for older people for the period 2002-2006, looking at the quality of care we found, and how this can improve. It outlines best practice in pressure ulcer care, and the standards of care that everyone has the right to expect.

- **The quality of fostering and adoption services in Scotland**

We began to inspect foster and adoption services on 1 April 2005, and this report covers our findings from our first full year of inspecting these services. We found that the services were generally adopting good practice and the report highlights areas where foster care and adoption services need to improve.

Demand for these publications has been encouraging, and we have needed additional print runs of the 'Pressure for change' report and the 'Quality of care services in Scotland' report published last year.

All of these reports are available on our website: www.carecommission.com

What we said we would do	Summary achievement
Objective 3. Respond to internal and external information requests, including those relating to our responsibilities under the Freedom of Information Act and other relevant legislation.	✓ ✓
Objective 4. Provide excellent customer services to external stakeholders	✓



During the year we have worked hard to meet our obligations under the Freedom of Information (FOI) Act. We responded to 99% of FOI requests within 20 working days and met the statutory timescales for subject access requests under the Data Protection Act in 100% of requests.

We looked at how we could improve standards of customer services this year, and have agreed principles for handling telephone calls. We aim to implement revised standards in 2008/09.

We ran a stakeholder survey during 2005/06 and found that 73% of the general population surveyed said that they rated our overall performance as good, very good or excellent. We will repeat this survey in 2008/09 to help us establish people's awareness and views of us, and whether these have improved.

Aim Four: informing social and healthcare policy

What we said we would do	Summary achievement
Objective 1. Continue to comply with the duty to provide advice to Scottish Ministers by providing evidence and expert advice to the Scottish Government on the quality of social care, in order to inform the development of social and healthcare policy.	✓ ✓
Objective 2. Inform the development of the scrutiny landscape for the future	✓ ✓
Objective 3. Establish critical working relationships with a variety of partner organisations, associations, elected members and other interested parties	✓ ✓
Objective 4. Generate positive, informative news stories about the work of the Care Commission	✓ ✓

We use information gathered through our work to inform Scottish Ministers and comment on the quality and availability of care in Scotland. In addition to the publications mentioned above, we respond to information requests from the Scottish Parliament, Scottish Government and other public bodies.

We have worked with other national bodies to share information and reduce duplication, to contribute to policy making and improve the way we all make decisions.

The Scottish Government's Action Plan, Better Health: Better Care was published in December 2007. It recognised, following discussion with us, that care homes are increasingly caring for people with intensive health and care needs. The Action Plan gave a commitment to improve access to primary and specialist health care for vulnerable people in care homes. This will make sure that people have integrated care from a range of professionals including GPs, community nurses, pharmacists, dieticians and allied health professionals.

We publish a quarterly Magazine, "Care News". It has a circulation of 22,000, goes to all care services, and features news stories about best practice, new developments and the care services we regulate.

1.4 Looking ahead – strategic priorities for 2008–11

Our Corporate Plan for 2008-11 outlines four aims:

Aim one: being an effective regulator for improvement

We will target our work where it is needed most, to provide a service that is useful, effective and represents value for money. We will devote more time to regulating and working with services that do not perform well and less time with those that show they are continuing to work well.

Aim Two: getting people who use care services, and their carers, involved in our work

We will continue to work with people who use care services, and their carers, so that we can develop more opportunities for them to get involved in directly regulating care services and in other areas of our work. For us, this is about ensuring people are listened to and involved in ways that suit their needs.

Aim Three: providing people with the right information at the right time

We will continue to forge links and work with individuals and organisations. We will encourage people to take part in our events and to get involved in our work nationally and locally. We will provide information in various formats and our reports will reflect the experience of people who use care services and their carers.

Aim Four: contributing to and influencing social and health care policy

We will continue to provide information about the quality and availability of care services to Scottish Ministers, the Scottish Government and those who commission and plan care services. We will publish national reports on the quality and availability of care services, and we will maintain our care services register: a list of the services registered with us, which is on our website.

1.5 Principal risks and uncertainties

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. We compile a risk register, which details each risk we have identified, and cross references to the corporate plan objectives that may help us to minimise their impact. You can find a copy of our risk register in the Corporate Plan, which is available on our website.

1.6 Stakeholder relationships

This section sets out who our main stakeholders are and how we have been working with them during the year.

The Scottish Government

We are accountable to Scottish Ministers through the Care Standards and Sponsorship Branch (our sponsor) in the Scottish Government's Primary Care and Community Care Directorate. Our sponsor sets out, in a Management Statement and Financial Memorandum, the operating, planning and financial framework within which we work. Our Corporate Plan is also approved by Scottish Ministers. We are accountable to Scottish Ministers for how we perform in relation to these two documents.

The Care Commission Board

Professor Frank Clark is convener of the Care Commission. We have 11 more board members, all appointed by Scottish Ministers through open competition.

During the year, five Board members left, having completed their terms, and five new members joined the Board. Appendix 2 lists all Board members who served during the financial year, and the Board's committees.

Those who sit on the Board have a keen interest in health and social care. They include people who use care services, carers and people from a wide range of professions. Each member has a vital part to play in the running of the Care Commission and in deciding the strategic objectives.

We keep a register of our Board members' interests. This register is open to the public and is available on our website: www.carecommission.com. You can also get a copy by writing to:

Information Governance Officer
Scottish Commission for the Regulation of Care
Compass House
11 Riverside Drive
Dundee
DD1 4NY

Service providers, people who use care services and their relatives and carers

We want to involve people in our work and make sure they have information about what we do.

We have set up a stakeholder group, which includes people who use care services, their relatives, friends and other carers. The group helps us to improve what we do and to regulate consistently in a way that puts those who use care services at the heart of regulation. Group members have been involved in important aspects of our work, such as developing the new inspection process, and reviewing inspection reports.

During 2007/08 we involved people in our work in a number of other ways, including:

- involving lay assessors in our inspections
- holding two Care Commission Forum (CCF) events, which were attended by people who use services, carers, people who provide and commission care services, and other partner organisations; (the forum was established under the Regulation of Care (Scotland) Act 2001 and discusses current topics and changes in the care sector)
- collecting the views of people who use care services about the quality of the services
- using feedback questionnaires to ask people's views about how we are performing.

1.7 Employees

We have 582 whole-time equivalent staff posts, most of whom (85%) are directly concerned with regulating services on a daily basis. The remaining 15% provide business and support services.

We work closely with our staff to develop the organisation and continue to improve our effectiveness as a regulator. We have a range of progressive policies, including flexible working arrangements, health and safety and dignity at work policies, all designed to provide a safe and positive working culture.

We have an equal opportunities-in-employment policy, which ensures equality of opportunity in recruitment, learning and career advancement. We use our policies and practices to guard against anyone suffering discrimination - directly or indirectly, because of their personal status in relation to race, disability, gender, age, sexual orientation, gender reassignment, religion or belief.

We have a system of regular supervision to support staff in their work. We also have a Performance and Development Review System, which ensures staff are clear about their objectives, receive feedback on their performance, and are encouraged in their continuing learning and development.

We offer learning opportunities, including tailored events to develop regulatory practice, personal skills events and IT events. In addition, 15.8% of our employees are currently engaged in further education. This includes the 50 Care Commission Officers we support each year to undertake the Regulation of Care Award qualification.

All staff have access to Lifeworks, an independent, confidential advice and support service.

We encourage openness and participation in our organisation and place a high level of importance on informing and consulting staff. Some of the ways we do this include:

- regular team briefings
- one-to-one progress updates
- email announcements
- the intranet – which holds electronic information for internal staff
- the website
- weekly updates, which are emailed to all staff.

We have established a formal Partnership Forum, comprising representatives from all relevant trade unions. Through the forum, staff are informed and consulted about all aspects of their employment, including health and safety at work.

1.8 Equality and diversity

We aim to ensure that everyone who comes into contact with us finds us responsive, fair, accessible and consistent. Treating people fairly is fundamental to our approach as an employer and a regulator of social care services.

The Equalities and Human Rights Commission was established this year, and a single Equality Bill is being developed. In response we have consulted widely and devised a new Single Equality and Diversity Scheme, which brings together our previous schemes on race, disability and gender. It details the practical steps we are already taking, and will take in the future, to promote equality throughout the organisation and the care services we regulate. To show how we are achieving our objectives and statutory duties, our scheme includes an Equality and Diversity Action Plan. This details what we will do and when we will do it by. We will monitor the plan carefully to make sure we are on target to achieve what we have set out to do.

During the year we appointed a professional advisor, equalities and engagement, to help us meet our equality duties. We have an equalities and diversity group, which is responsible for steering our approach to the public sector equality duties we have to meet, and our Equality and Diversity Action Plan.

We have devised a three-year programme to carry out equality impact assessments on all our policies, practices and guidance to make sure they do not discriminate against anyone.

We have a successful Service User and Carer Reference Group, and have now set up an Equality Consultation Panel and Steering Group. This includes people who use care services, their relatives and carers, and representatives from equality groups, for example people with disabilities and from different ethnic groups.

We continue to keep our website up to date with the latest equality developments and set out how we are fulfilling our public sector duties.

All of our publications are available in other languages and formats. During the year, we decided to be the first regulator in Scotland to commit to the Happy to Translate initiative, which provides access to good translating and interpreting services.

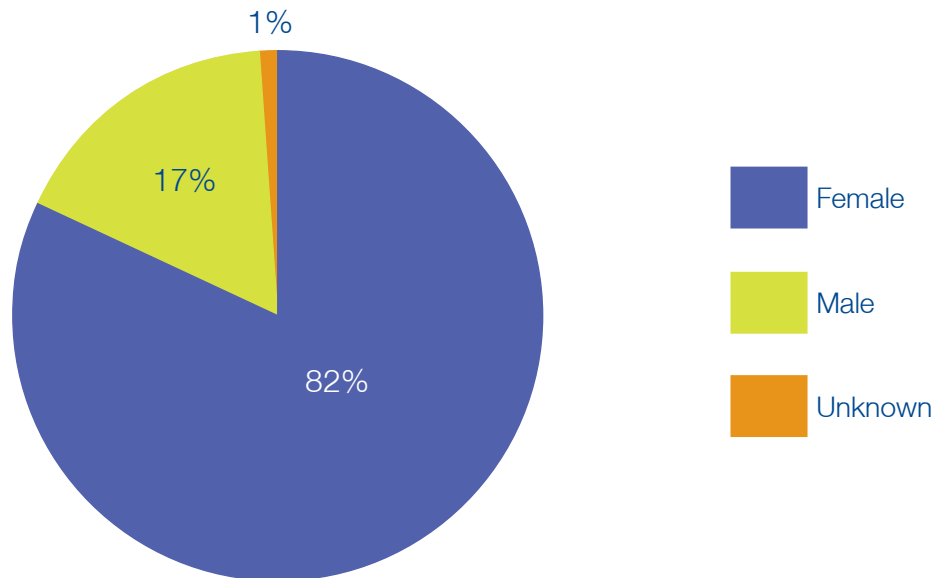
Equalities profile of Care Commission staff

We have a specific duty under the Race Relations Act to monitor and report information about our staff.

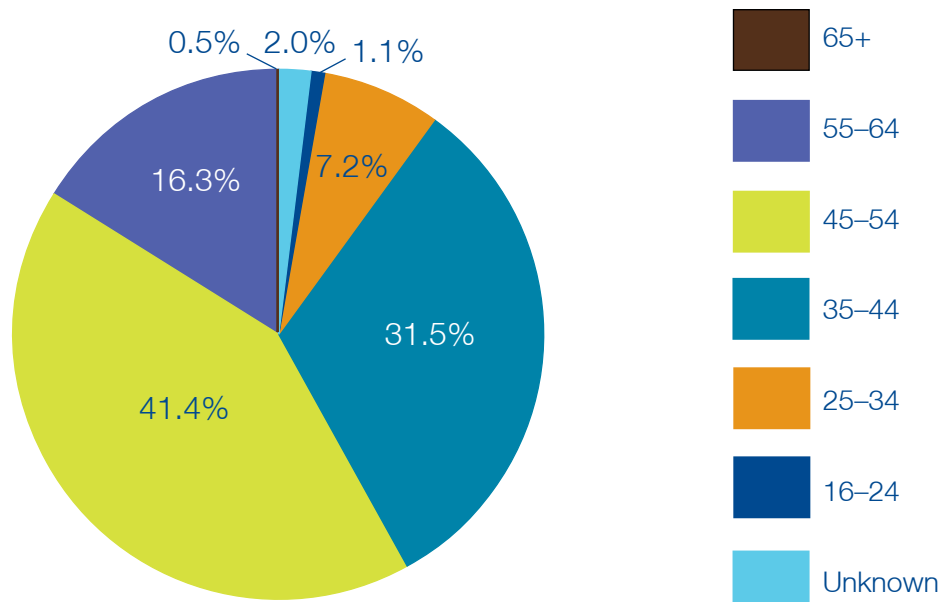
The figures and charts below profile our staff:

- the majority, 82%, are female
- 73% are aged between 35 and 54
- fewer than 1% are 65 or over
- 3% regard themselves as having a disability
- 60% are Scottish and 15% are other British or Irish
- fewer than 1% are of African, Caribbean or Indian ethnicity
- 1% have mixed ethnicity.

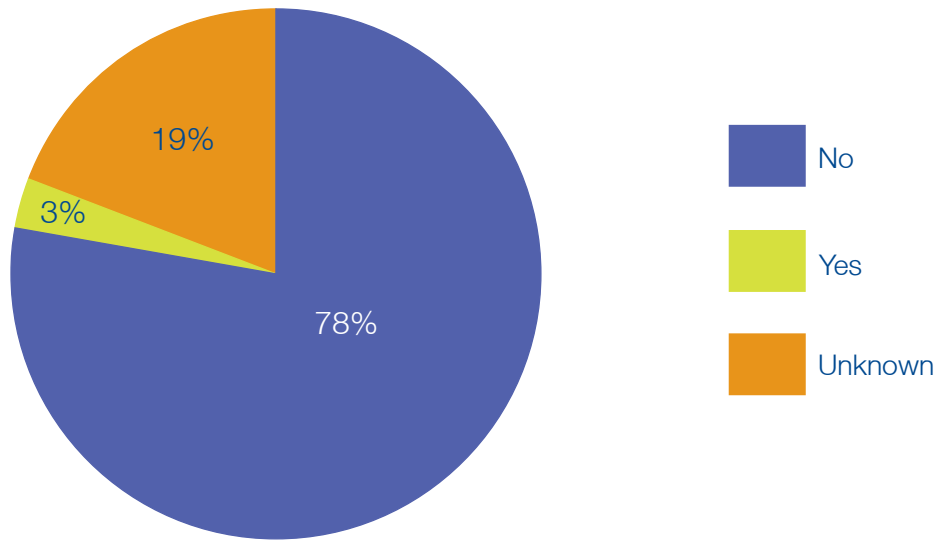
Gender



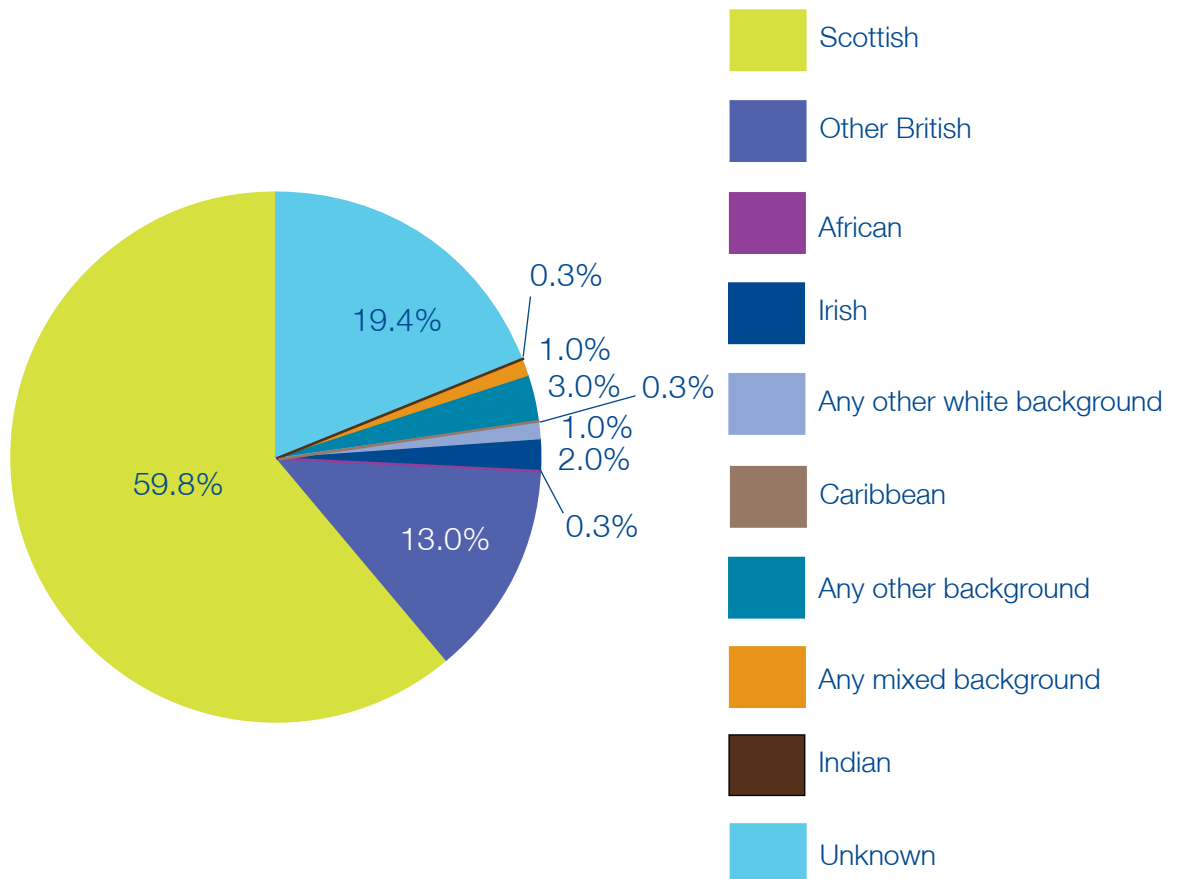
Age group



Disability



Ethnic origin



1.9 Social, health and community issues

Our work touches the lives of most people in Scotland. People who use care services are of all ages and backgrounds and from urban, suburban and rural communities. Regulating care therefore is a major social and community issue.

We know that greater public awareness and expectations of care will help us improve the services we regulate. We explain this further in a DVD, about who we are and what we do. It is available in various languages and in British sign language. It can be viewed online at www.carecommission.com.

Copies are available free by:

- calling us at 0845 603 0890
- email at enquiries@carecommission.com.

We have one headquarters office, five regional offices and 11 local offices throughout Scotland. Our regional managers and team managers are accessible to their local communities and regularly work with and meet local groups and individuals.

We strive to make sure our work is open and accessible, ensuring that as many people as possible have a say in what we do. The following points are examples of how we are doing this.

- Our participation strategy sets out how people are at the heart of everything we do. It explains how we are working to actively involve more people who use care services, their families and carers in regulation.
- Many of the people who use care services do not have a strong voice, so we have built up a participation network of people who use care services, their families, carers and advocates to influence our work and our planning.
- The lay assessors who help Care Commission Officers with inspections are drawn from all over Scotland and are either people who use care or informal carers.
- We consult regularly with individuals and communities as part of the inspection process, and at public consultation events.
- Our Board meetings are open to the public and take place quarterly at different locations.
- The Care Commission Forum meets at least twice a year, in different locations, and is open to anyone who wishes to come along and ask questions of the management team or Board members.
- All our inspection reports are available on our website.
- We are building up the information available about care services on our website. For example from January 2007, upheld complaints are listed against each care service. This information is in our care services register, which you can find at www.carecommission.com

1.10 Financial review – current and future

Funding

We are funded mainly by a mixture of grant-in-aid from the Scottish Government and fees paid by service providers. (Grant-in-aid means the Scottish Government provide funding but without imposing day-to-day control over how we spend it.)

The intention when we were set up in 2001 was that our running costs would be met by the fees charged to service providers. This was except for regulating childminders and daycare of children, which would continue to be significantly subsidised through Scottish Government grant-in-aid.

Scottish Ministers decided to phase in full cost-recovery fees, which they expected to be in place for 1 April 2006. However Scottish Ministers decided that it would not be appropriate to increase fees before the publication of an independent review of scrutiny of public services (the Crerar Report). Scottish Ministers wanted to allow time to consider the report and for the Scottish Government to respond. Because of this, fees were not increased for the 2006/07 and 2007/08 financial years and will not be increased for 2008/09.

We are not allowed to use overdraft facilities or to borrow.

Financial position

We prepare our annual accounts following guidance in the Government Financial Reporting Manual (FReM). The Income and Expenditure Account shows an operating cost. This operating cost is funded by grants and grant-in-aid received from the Scottish Government. Grant and grant-in-aid income are treated as sources of funds and are credited to a reserve on the balance sheet.

The Income and Expenditure Account includes fee income of £12.5m, shared services charges amounting to £0.8m and £0.3m of other income.

We had authority to draw down £18.408m of grant-in-aid, but only needed to use £17.562m, £0.846m less than the sum authorised. We received other grants totalling £115k.

We needed £17.339m to fund revenue expenditure and used £0.338m for capital expenditure.

Our expenditure for the year ended 31 March 2008 totalled £30.7m. This consisted of:

- staff costs £23.1m (excluding pension scheme valuation adjustments)
- operating expenditure £7.6m (excluding notional items).

Operating expenditure includes property, administration, supplies and services, transport costs and provisions for depreciation and bad debts.

Operating income and bank interest of £13.6m and funding of £17.9m from grants and grant-in-aid gave us total funding of £31.5m. This gives a surplus of £0.8m which increases the revenue reserve. This is summarised in the table below:

	Budget £000	Actual £000	Variance £000
Operating Income			
Fee income	(11,963)	(12,457)	(494)
Other income	(918)	(1,052)	(134)
Total operating income	(12,881)	(13,509)	(628)
Bank interest		(56)	(56)
Total income	(12,881)	(13,565)	(684)
Operating expenditure			
Staff costs	24,063	23,123	(940)
Other operating expenditure	7,586	7,590	4
Total operating expenditure	31,649	30,713	(936)
Net revenue expenditure	18,768	17,148	(1,620)
Funded by:			
Grants & grant-in-aid	(18,070)	(17,339)	731
Transfer from general fund – depreciation	(589)	(589)	0
Total funding	(18,659)	(17,928)	731
Funding deficit/(surplus)	109	(780)	(889)

Throughout 2007/08 we were negotiating a revised pay and grading structure following a job evaluation exercise designed to ensure that we meet equal pay obligations. We had to follow the strict pay policy guidelines set down by the Scottish Government throughout this process.

The Public Pay Policy Unit requires the revised pay and grading structure to be part of the annual pay remit submission. Therefore the revised pay and grading scheme and the annual pay award, that both have an effective date of 1 April 2006, were not implemented by the end of the financial year. The 2007/08 accounts include an estimate of £1.1m as the cost of implementing the revised pay and grading scheme and pay award. The outstanding pay awards and the revised pay and grading structure were implemented in early 2008/09 with arrears being paid to employees in May and June 2008.

The revised pay system and pay awards were at levels significantly below that budgeted. The significant delay in agreeing the revised pay system and pay awards led to a period of industrial action and subsequent recruitment and retention difficulties. These were significant factors in contributing to our underspend.

During 2007/08 we supplied finance, information and communications technology (ICT), facilities management, procurement, human resources and reception services to the Scottish Social Services Council (SSSC). We also supplied facilities management services to the Office of the Scottish Charities Regulator (OSCR). We received income of £0.8m for these services. During 2008/09 we will continue to explore the expansion of shared services through a national initiative which has been instigated by the Non Departmental Public Bodies Chief Executive's Forum.

Accounting policies

The accounting policies are set out in the Notes to the Accounts (pages 64 to 67).

The accounting policy adopted for our treatment of new registration fee income has changed. In previous years, new registration fee income was credited to the financial year in which the fee was received. For this year and subsequent years new registration fee income will be credited to the financial year in which registration is granted (or a decision is made to decline the registration application as the fee is non-refundable). The 2006/07 figures have been restated to reflect this change in policy.

Going concern

The balance sheet as at 31 March 2008 shows net assets of £4.3m. This is an improvement on the previous year where net assets were £0.8m. This change is mainly as a result of an actuarial gain of £3.0m in the valuation of the pension scheme arising from applying the accounting standard FRS17.

We participate in a pension fund that is the subject of an actuarial valuation every three years and employer contribution rates are set at levels designed to bring fund assets and liabilities into balance for the fund as a whole. Over the previous three years our pension fund valuation has moved from a pension liability of £7.1m in 2005/06 to the current position in 2007/08 of a pension asset of £2.6m.

In common with other Non Departmental Public Bodies (NDPBs), we are the subject of formal five-year reviews. This review addresses fundamental issues such as whether there is still a need to have the Care Commission as an organisation and, if so, whether or not the current structure is fit for purpose. This review is on hold pending the outcome of the Crerar review.

Our Board has no reason to believe the Scottish Government and Scottish Ministers have any intention to withdraw or reduce support to us. Because of this we have prepared the accounts on a going concern basis.

Pensions

We are an admitted body to the Tayside Superannuation Fund, a local government pension scheme run by Dundee City Council. Most of our employees who pay pension contributions are members of the fund.

The local government pension scheme is a defined benefit scheme that provides pension benefits based on final pensionable salary. A total of 534 employees were active members of the Tayside Superannuation Fund as at 31 March 2008.

The actuaries Barnett Waddingham completed an actuarial valuation of the Fund as at 31 March 2005 and have set employer contribution rates as follows:

Year ended	Employer contribution rate
31 March 2007	16.5%
31 March 2008	17.7%
31 March 2009	18.9%

As at 31 March, we continued to employ 16 people who chose to remain in the NHS pension scheme when they transferred to the Care Commission in 2002. This is also a defined benefit scheme.

The disclosures required by accounting standard FRS17 “Retirement Benefits” are contained in Note 4 of the accounts.

Auditors’ remuneration

Under the Public Finance and Accountability (Scotland) Act 2000 the Auditor General for Scotland appoints the auditors of the Care Commission. For the financial years 2006/07 to 2010/11 the Auditor General appointed Audit Scotland to undertake the statutory audit of the Care Commission.

The auditor’s general duties, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

The cost of statutory audit for 2007/08 was £24,700 (2006/07 £24,200). Audit Scotland provided services solely relating to the statutory audit. No further assurance, tax or other services were provided.

Chiene and Tait were appointed as our internal auditors in 2002. This contract ended at the end of the 2007/08 financial year and Scott Moncrieff have been appointed internal auditors for a three-year period starting in the 2008/09 financial year. The cost of internal audit for 2007/08 was £27,325 (2006/07 £27,905).

All reports by internal and external audit are considered by the Audit Committee.

Paying creditors

We are committed to the Confederation of British Industry Prompt Payment Code for paying bills for goods and services we receive.

Our policy is to make payments according to the agreed contract conditions. Where there is no contract or other understanding, suppliers are paid within 30 days of either receipt of the goods or services, or when they present a valid invoice or similar demand, whichever comes later.

We have paid 99.2% of invoices within 30 days of receiving the invoice (2006/07 94.8%) and 92.3% (2006/07 88.9%) of invoices within agreed payment terms.

We aim to continuously improve our payment performance.

Accountable Officer's Audit Information Disclosure

So far as the Accountable Officer is aware, there is no relevant audit information of which the Care Commission's auditors are unaware.

The Accountable Officer has taken all the steps necessary to make herself aware of any relevant information and to establish that our auditors are aware of that information.

Post balance sheet events

No important events occurred after the year-end that required adjustment to, or disclosure in, the financial statements.

1.11 Environmental matters and associated policies

We have continued to maintain our commitment to improved environmental and sustainable performance. Our focus in 2007/08 was on energy management, building on the data we had collected in previous years.

We commissioned The Carbon Trust to carry out an energy survey of Compass House and Quadrant House in Dundee. We are implementing their recommendations. This should result in significant energy savings, which will not only help to improve our environmental performance but will be a valuable business benefit.

Action already taken includes:

- The facilities co-ordinator has been given responsibility for managing energy across all our property. We have consolidated energy contracts, which has achieved cost savings of around 30% at a time when contract costs were starting to rise sharply.
- All staff have been reminded of the benefits of switching off PCs, monitors and other office equipment when they are not being used. Potentially, this could result in savings of around 24,500 kilowatt hours a year in Compass House and Quadrant House with further savings possible across our other offices.
- Any smart lighting systems (for example, lights that switch off automatically) in our offices have been audited to ensure that they are operating effectively and providing maximum benefit.
- Building management systems have been audited and set to optimise heating.

In 2008/09 we will continue to develop sustainable initiatives, particularly where there is a demonstrable business benefit. The areas for continued improvement are:

- transport, where we have already reduced overall emissions of our leased car fleet, and continue to promote public transport
- paper usage and reducing the volume of printing.

1.12 Property

Our property portfolio did not change in 2007/08 although some leases were amended to ensure continued occupation.

In 2007, we began a detailed review of the estates strategy. (Our estate comprises all the buildings we have offices in.) We have taken several critical actions, including:

- developing an overall plan and objectives for our estate
- identifying how the estates strategy links to the corporate plan
- collecting data and assessing performance in each building to help develop our estates strategy; data included the suitability of each building, its condition, occupancy, operating costs, energy efficiency, compliance with the Disability Discrimination Act and lease tenure
- reviewing the estate to identify problem areas and areas that fit with the estates strategy.

Rent reviews

Under the terms of the leases, we agreed rent reviews with the landlords of six of the properties we lease. The revised rent increases range from less than 1% to a maximum of 18.8%, with an average increase of 5.4%. We considered this a satisfactory outcome given the movement in property prices over the last five years.

Five of the revised rents are fixed for five years with one fixed for three years. Three rent reviews are outstanding, all for smaller offices.

1.13 Working environment (health and safety)

We have a corporate health and safety policy in place, along with supplementary policies to promote the health, safety and welfare of our staff. Examples are a smoking policy, a display screen assessment policy, risk assessment policy and a stress policy.

Systems are in place for recording and reporting accidents and incidents. We monitor these and take action where necessary to ensure a safe working environment for all staff.

A range of guidance material is available, and continually developed in response to legislation and good practice to maintain staff health, safety and welfare. This covers areas such as:

- lone working
- driving
- first aid
- using laptops safely
- testing portable appliances
- the Smoking, Health and Social Care (Scotland) Act 2005
- manual handling
- risk assessments.

An internal audit process is in place to ensure health and safety policies and procedures are suitable to maintain the health, safety and welfare of staff.

1.14 Statement of compliance with best practice

The Accounting Standards Board has published the Reporting Statement: Operational and Financial Review. This is a reporting statement of voluntary best practice.

We have prepared the Management Commentary in this document in accordance with the reporting statement as far as is practicable, while also reflecting the public sector context of the Care Commission.



Jacqui Roberts
Chief Executive
20 October 2008

section two: remuneration report



Introduction

Introduction

This report provides information on the remuneration of Care Commission Board members and senior managers. The senior managers are the Chief Executive and the Directors of Strategic Development, Corporate Services, Adult Services Regulation, Children's Services Regulation and Healthcare Regulation. This report contains both audited information and information which is not specifically subject to audit.

Remuneration Committee

The following Board members sit on the Remuneration Committee (the Committee):
Frank Clark (Convener)
Lesley Bloomer (Convener Finance and Human Resources Committee)
Hamish Wilson (Convener Audit Committee).

The Committee determines the performance element of the pay of directors. The Committee also agrees the pay strategy for all staff excluding Board members and the Chief Executive.

During the year the Committee was advised by the following officers:
Chief Executive
Director of Corporate Services
Human Resources Manager.

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 Senior Salaries Review Body. Performance is assessed through an annual appraisal performed by the Convener and this appraisal is submitted to the Scottish Government to allow the Chief Executive's remuneration to be agreed.

Directors

Directors are on a salary scale £61.0k to £70.1k and incremental progression to the top of the scale is determined by performance. Performance is assessed by the Care Commission's 'Performance Development Review System' and is subject to agreement of the Remuneration Committee. The Care Commission'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 Commission staff.

Notice periods

Members

Board members are appointed for a term of no more than three years and may be re-appointed for a further term, again no more than three years.

There is no notice period specified for Board members. 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 Commission to make a payment. The amount of the payment would also be decided by Scottish Ministers.

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

Name	Current term	Date of initial appointment	Date of re-appointment	Date of termination of appointment
Clark, Frank (Convener)	1st	17 Oct 2006	n/a	16 Oct 2009
Ashraf, Ijaz	1st	01 Sept 2007	n/a	31 Aug 2010
Bloomer, Lesley	2nd	01 Sept 2003	01 Aug 2006	31 July 2009
Brown, Helen Anne	1st	01 Sept 2007	n/a	31 Aug 2009
Courcha, Pam	2nd	01 Sept 2001	01 Sept 2004	31 Aug 2007
Coutts, Gary	1st	01 Sept 2007	n/a	31 Aug 2010
Dunion, Linda	1st	01 Sept 2007	n/a	31 Aug 2010
Gibson, Ian	1st	01 Sept 2007	n/a	31 Aug 2009
Haddow, Anne	1st	01 Sept 2006	n/a	31 Aug 2009
Hanlon, John	2nd	01 Sept 2001	01 Sept 2004	31 May 2007
Hutchens, Douglas	1st	01 Sept 2007	n/a	31 Aug 2010
Lindsay, Meg	2nd	01 Sept 2001	01 Sept 2004	31 Aug 2007
McCallum, Struan	2nd	01 Sept 2001	01 Sept 2004	31 Aug 2007
Paton, Carol	1st	01 Sept 2006	n/a	31 Aug 2009
Pelosi, Janis	2nd	01 Jan 2002	01 Sept 2004	31 Aug 2007
Saren, Jane	1st	01 Nov 2005	n/a	31 Oct 2008
Wilson, Hamish	1st	01 Sept 2006	n/a	31 Aug 2009

Chief Executive

The Chief Executive, Jacquie Roberts initially began on a fixed term contract on 21 October 2001. This was followed by the issue of a permanent contract which began on 1 June 2005. The normal retirement age for this post is 65 and the current post holder will reach normal retirement age in 5.8 years. Termination of the contract requires a notice period of 6 months by either party.

There is no compensation payment specified in the contract in the event of early termination of the contract.

Directors

The Care Commission had 5 directors during the year.

Director of Strategic Development/Depute Chief Executive

Director of Children's Services Regulation

Director of Adult Services Regulation

Director of Healthcare Regulation

Director of Corporate Services (commenced 16 April 2007)

All directors have permanent contracts and are subject to the normal retirement age of 65. Termination of the contract requires a notice period of 3 months by either party.

There are no compensation payments specified in the contract in the event of early termination of the contract.

Name	Title	Date of appointment	Years to normal retirement age
David Wiseman	Director of Strategic Development and Depute Chief Executive*	01 Apr 2005	4.5
Susan Brimelow	Director of Healthcare Regulation	01 Apr 2005	11.6
Liz Norton	Director of Adult Services Regulation	01 Apr 2005	11.0
Ronnie Hill	Director of Children's Services Regulation	01 Apr 2005	11.5
Gordon Weir	Director of Corporate Services	16 April 2007	22.9

* Formerly Director of Operations (appointed 18 February 2002)

Discretionary Benefits Policy

The Chief Executive and directors do not have any contractual rights to early termination compensation payments but the Care Commission operates a Discretionary Benefits 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 5 years' pensionable service. The award of additional pensionable service is limited to a maximum of 6½ years in a redundancy situation and 10 years if early termination is in the interests of the efficiency of the service.

Alternatively, pension scheme members with more than two years' pensionable service may be paid compensation of up to 66 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 must be approved by the Finance and Human Resources Committee.

Audited information

Care Commission Board Members remuneration

Salary 2007 £000	Board member	Salary 2008 £000
10 – 15	Clark, Frank (Convener)	20 – 25
	Ashraf, Ijaz (commenced 01/09/07)	0 – 5
5 – 10	Bloomer, Lesley	5 – 10
	Brown, Helen Anne (commenced 01/09/07)	0 – 5
5 – 10	Courcha, Pam (left 31/08/07)	0 – 5
	Dunion, Linda (commenced 01/09/07)	0 – 5
	Gibson, Ian (commenced 01/09/07)	0 – 5
0 – 5	Haddow, Anne	5 – 10
5 – 10	Hanlon, John (left 31/05/07)	0 – 5
	Hutchens, Douglas (commenced 01/09/07)	0 – 5
5 – 10	Lindsay, Meg (left 31/08/07)	0 – 5
5 – 10	McCallum, Struan (left 31/08/07)	0 – 5
0 – 5	Paton, Carol	5 – 10
5 – 10	Pelosi, Janis (left 31/08/07)	0 – 5
5 – 10	Saren, Jane	5 – 10
0 – 5	Wilson, Hamish	5 – 10

Gary Coutts, the Convener of the Scottish Social Services Council (SSSC), is a member of the Board but receives no remuneration from the Care Commission. There is a reciprocal arrangement in place whereby the Convener of the Care Commission is a member of the Council of the SSSC and receives no remuneration from the SSSC.

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

Chief Executive and Directors remuneration

The salaries and pension entitlements of the Chief Executive and directors are as follows:

	Age	Emolu- ments £000	Benefits in kind £000	Real increase in		Value at 31 March 2008		Cash equivalent transfer value		Real increase in cash equivalent transfer value £000
				Pension	Lump sum	Accrued pension at age 60	Related lump sum at age 60	at 31/03/ 2007	at 31/03/ 2008	
				£000	£000	£000	£000	£000	£000	
Jacquie Roberts Chief Executive	59	100– 105	n/a	0	0	35–40	105–110	608	638	8
David Wiseman* Director of Strategic Development and Depute Chief Executive	60	75–80	n/a	n/a	n/a	25–30	85–90	534	559	5
Gordon Weir** Director of Corporate Services	42	60–65	n/a	n/a	n/a	25–30	85–90	n/a	202	n/a
Susan Brimelow Director Healthcare Regulation	53	65–70	n/a	0	0	5–10	20–25	23	40	16
Liz Norton Director Adult Services Regulation	54	60–65	n/a	0	0	25–30	75–80	334	360	14
Ronnie Hill Director Children's Services Regulation	53	60–65	n/a	0	0	30–35	90–95	404	440	20

* David Wiseman had attained the age of 60 prior to 31 March 2008. The figure shown in the "Accrued Pension at Age 60" column is the pension accrued to 31 March 2008.

** Gordon Weir commenced in the newly created post of Director of Corporate Services on 16 April 2007. This post replaced the Director of Finance and Administration and Director of Human Resources posts.

	Age	Emolu- ments £000	Benefits in kind £000	Real increase in		Value at 31 March 2007		Cash equivalent transfer value		Real increase in cash equivalent transfer value £000
				Pension	Lump sum	Accrued pension at age 60	Related lump sum at age 60	at 31/03/ 2006	at 31/03/ 2007	
				£000	£000	£000	£000	£000	£000	
Jacquie Roberts Chief Executive	58	100-105	n/a	0-2.5	0-2.5	35-40	105-110	564	608	25
David Wiseman Director of Strategic Development and Depute Chief Executive	59	75-80	n/a	0-2.5	0-2.5	25-30	85-90	509	534	8
Tom Waters Director of Finance and Administration	55	65-70	n/a	0-2.5	0-2.5	30-35	100-105	501	n/a	n/a
Carol Proudfoot Director of Human Resources	49	50-55	n/a	5-7.5	17.5- 20.0	30-35	95-100	316	n/a	n/a
Susan Brimelow Director Health- care Regulation	52	65-70	n/a	0-2.5	5-7.5	5-10	20-25	10	23	13
Liz Norton Director Adult Services Regulation	53	60-65	n/a	0-2.5	0-2.5	20-25	70-75	304	334	20
Ronnie Hill Director Children's Services Regulation	52	60-65	n/a	0-2.5	0-2.5	30-35	90-95	373	404	19

Senior management services to other organisations

Gordon Weir, the Director of Corporate Services, provided professional services to the Scottish Social Services Council (SSSC) during the year through a Service Level Agreement (SLA). In previous years similar services were provided by the Director of Finance and Administration and the Director of Human Resources. The charges to the SSSC were as follows:

	2006/07	2007/08
	£000	£000
Gordon Weir, Director of Corporate Services		17.9
Director of Finance & Administration	17.2	
Director of Human Resources	1.0	



Jacquie Roberts

Chief Executive

20 October 2008

section three: statement of accountable officer's responsibilities



Statement of accountable officer's responsibilities

Under paragraph 9(1) of Schedule 1 to the Regulation of Care (Scotland) Act 2001, the Care Commission 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 Care Commission's affairs at the year end, and of its financial activities during the year.

In preparing the accounts, the Care Commission 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; and
- prepare the financial statements on a "going concern" basis, unless it is inappropriate to presume that the Care Commission will continue in operation.

Scottish Ministers designated the Chief Executive as the Accountable Officer for the Care Commission. The Chief Executive's relevant responsibilities as Accountable Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, 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.



Jacquie Roberts

Chief Executive

20 October 2008

**section four:
statement on
internal control**



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Statement on internal control

1. Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Care Commission's policies, aims and objectives, whilst safeguarding the public funds and the NDPB's assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The Management Statement and Financial Memorandum for the Scottish Commission for the Regulation of Care makes clear that I am personally responsible to Scottish Ministers, who are ultimately accountable to the Scottish Parliament, for securing propriety and regularity in the management of public funds in my charge and for the day-to-day operations and management of the Care Commission.

The Care Commission is accountable to the Care Standards and Sponsorship Branch in the Scottish Government's Primary Care and Community Care Directorate. Our sponsor is invited to take part in the risk assessment process and is consulted during the development of the Corporate Plan that identifies risks and assigns responsibilities for managing these risks.

The Corporate Plan and budget are agreed with Scottish Ministers through our sponsor. Regular performance meetings are held with our sponsor where progress against the plan and key performance indicators are discussed.

Our sponsor occasionally attends Board meetings, is supplied with copies of all relevant Board and Committee papers and also receives budget monitoring information on a monthly basis.

The Care Commission follows the guidance set out in the Scottish Public Finance Manual (SPFM). The SPFM is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling of public funds. It is mainly designed to ensure compliance with statutory and parliamentary requirements, promote value for money and high standards of propriety, and secure effective accountability and good systems of internal control.

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk rather than eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Care Commission for the year ended 31 March 2008 and up to the date of approval of the annual report and accounts, and accords with the Scottish Public Finance Manual (SPFM).

3. The risk and control framework

All bodies subject to the requirements of the SPFM must operate a risk management strategy in accordance with the guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

Leadership for managing risk comes from members of the Care Commission's Board and the executive management team by making sure that risks are identified and addressed as an integral part of the corporate planning process.

Facilitated risk workshops are attended by Board members and a representative cross section of staff. These workshops identify risks and allocate responsibility for managing the risks.

The risks identified are addressed in the preparation of the corporate plan which has been developed to show clear links between the risks identified on the risk register and the Care Commission's corporate objectives. As a result, the risks identified become embedded in managers' work plans for the year.

The executive management team meets regularly to consider the plans and strategic direction of the organisation.

All staff are trained in the duties they are required to perform and attend regular one-to-one supervision sessions to discuss work related issues, progress towards objectives, training and personal development needs. There is a formal Scheme of Delegation that sets out the powers and responsibilities of staff. The Scheme of Delegation is reflected in the authorisation limits provided in the Care Commission's financial system.

The Care Commission continues to embed risk management principles throughout the organisation and a revised risk management policy was adopted during financial year 2007/08. This policy details the underlying approach to risk and the respective responsibilities of the Board and management. 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 any further action that is necessary to further mitigate against risks.

More generally, the organisation is committed to a process of continuous development and improvement. Systems are developed in response to relevant reviews and developments in best practice in this area. In the year to 31 March 2008 and up to the signing of the accounts the Care Commission has addressed risk management in a number of ways.

- The Audit Committee approved the revised risk management policy on 8 October 2007 and has overseen an exercise to revise the risk register.
- Targets to measure financial and other performance across the organisation and for individual managers and other staff were set and progress was regularly monitored.
- Business Continuity and Disaster Recovery plans are in place and regularly reviewed.
- Contingency plans are in place in the areas of Information and Communications Technology (ICT) and Communications.
- Key Performance Indicators (KPIs) are reviewed annually and are regularly reported on.
- The Audit Committee is regularly provided with an update on progress towards implementing all recommendations agreed with internal and external auditors.

4. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- the executive managers in the Care Commission who have responsibility for the development and maintenance of the internal control framework;
- the work of internal auditors, who submit to the Care Commission's Audit Committee regular reports which include an independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement; and
- comments made by the external auditors in their management letter and other reports.

An effective system of internal control is maintained by the regular reporting of progress against the Corporate Plan and budget. Systems are reviewed by staff and managers on a regular basis and procedures revised where appropriate.

The following all have a role to play in ensuring that an effective system of internal control is maintained and reviewed:

- **The Board**

The Board remains ultimately accountable for all the decisions taken in its name, whether directly or through its Committees.

The Board must approve the making, revising or revoking of Standing Orders, the approval of 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 Commission.

- **The Finance and Human Resources Committee**

The purpose of the committee is to take an overview of the financial control and reporting arrangements of the Care Commission.

The Committee is also required to agree the organisational structure and human resources policies, processes and procedures required to facilitate the discharge of business by the Care Commission.

This committee takes an overview of how the Care Commission conducts its business overseeing, on behalf of the Board, the preparation of budgets, identification of resource requirements, and the efficient, effective, and economical use of the Care Commission's resources.

- **The Audit Committee**

The purpose of the Audit Committee is to take an overview of the external and internal audit arrangements and to ensure there is a sufficient and systematic review of the internal control arrangements, including arrangements for risk management. The membership of the Committee includes a co-opted member to provide specific expertise relevant to the work of the Committee.

- **Internal audit**

The Care Commission's internal audit function has been contracted out. Internal audit forms an integral part of the Care Commission's internal control arrangements and ensures that the appropriate monitoring of risks and controls takes place.

- **Other Review and assurance mechanisms**

Other review and assurance mechanisms include external audit, the regular performance monitoring meetings with our Government sponsor and the sponsor's auditors who have the power to examine the Care Commission's records and undertake investigations as necessary.

During financial year 2008/09 it is intended to undertake the following actions to improve the Care Commission's system of internal control:

- The development of an administration strategy in support of the corporate plan objectives is planned for 2008/09.
- The revised risk review process will be embedded into the planning cycle.
- New internal auditors were appointed with effect from 1 April 2008, and as part of this process detailed analysis and review of the Care Commission's risks will be undertaken to develop a strategic internal audit plan for the financial years 2008/09 to 2010/11.

- A self-assessment against the principles of the Best Value regime will be carried out.
- An independent review of current procurement practice will be carried out with a view to ensuring the Care Commission's approach to procurement is proportionate and fit for purpose.

A handwritten signature in blue ink that reads "Jackie Roberts". The signature is written in a cursive, flowing style.

Jacquiie Roberts

Chief Executive

20 October 2008

section five: auditor's report



Independent auditor's report

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

I have audited the financial statements of Scottish Commission for the Regulation of Care for the year ended 31 March 2008 under the Regulation of Care (Scotland) Act 2001. These comprise the Income and Expenditure Account and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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 123 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Board, Chief Executive and Auditor

The Board and Chief Executive are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers. The Chief Executive is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Accountable Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers. I report to you whether, in my opinion, the information which comprises the Overview of the Care Commission; How we performed in 2007/08; Principal risks and uncertainties; Employees; Equality and diversity; and Financial review – current and future included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

In addition, I report to you if, in my opinion, the body has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the body's compliance with the Scottish Government's guidance, and I report if, in my opinion, it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the body's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only those elements of the Management Commentary other than the Overview of the Care Commission; How we performed in 2007/08; Principal risks and uncertainties; Employees; Equality and diversity; and Financial review – current and future and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

Financial statements

In my opinion

- the financial statements give a true and fair view, in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers, of the state of affairs of the Scottish Commission for the Regulation of Care as at 31 March 2008 and of the excess of expenditure over income, recognised gains and losses and cash flows for the year then ended
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Regulation of Care (Scotland) Act 2001 and directions made thereunder by the Scottish Ministers
- information which comprises only the Overview of the Care Commission; How we performed in 2007/08; Principal risks and uncertainties; Employees; Equality and diversity; and Financial review – current and future included in the Annual Report is consistent with the financial statements.

Regularity

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



Linda Porter, CPFA

Senior Audit Manager
Audit Scotland
Osborne House
1/5 Osborne Terrace
Edinburgh
EH12 5HG

22 October 2008



**section six:
financial accounts
Year ended
31 March 2008**

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Income and Expenditure Account for the year ended 31 March 2008

Restated 2007 £000	Income	Notes	2008 £000
(12,801)	Operating income	2	(13,509)
(12,801)	Total income		(13,509)
Operating costs			
22,472	Staff costs	3b	23,422
8,246	Other operating costs	5	7,643
30,718	Total expenditure		31,065
Operational cost on ordinary activities before exceptional items and interest			
17,917			17,556
323	Exceptional item – restructure		0
18,240	Operational cost on ordinary activities before interest		17,556
(31)	Bank interest		(56)
(845)	(Return)/cost on pensions assets & liabilities	4c	(1,139)
17,364	Operational cost on ordinary activities after interest		16,361
(74)	Write back of notional cost of capital		(53)
1,553	Movement on pension reserve	9	840
18,843	Net operating cost		17,148

All amounts relate to continuing activities.

The accompanying notes on pages 64 to 76 form an integral part of the income and expenditure account.

Statement of Recognised Gains and Losses for the year ended 31 March 2008

Restated 2007 £000		Notes	2008 £000
5,114	Net actuarial gain/(loss) on valuation of pension fund	4d	2,197
16	Gain on indexation of fixed assets		0
5,130	Recognised gains and losses for the financial year		2,197

Balance Sheet as at 31 March 2008

Restated 2007 £000		Notes	2008 £000
Fixed assets			
1,304	Tangible assets	6.1	1,092
190	Intangible assets	6.2	122
1,494	Total fixed assets		1,214
Current assets			
1,077	Debtors	7	1,505
1,542	Cash at bank and in hand		2,374
2,619			3,879
Creditors - amounts falling due within one year			
(2,856)	Other creditors	8	(3,336)
(237)	Net current assets/(liabilities)		543
1,257	Total assets less current liabilities		1,757
(467)	Pensions' asset/(liability)	4e	2,570
790	Total assets less total liabilities		4,327
Financed by:			
(467)	Pension reserve	9	2,570
1,228	General fund	10a	1,757
29	Revaluation reserve	11	0
790			4,327



Jacquie Roberts

Chief Executive

20 October 2008

The notes on pages 64 to 76 form an integral part of the balance sheet.

Cash Flow Statement for year ended 31 March 2008

Restated 2007 £000		Notes	2008 £000
Operating Activities			
(16,763)	Net cash inflow/(outflow) from operating activities	(i)	(16,563)
Capital Expenditure			
(427)	Payments to acquire fixed assets		(338)
Returns on Investment and Servicing of Finance			
31	Bank interest		56
Financing			
17,438	Government grants	10b	17,677
279	Increase/(decrease) in cash	(ii)	832

(i) Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

Restated 2007 £000		2008 £000
(18,240)	Operating surplus/(deficit)	(17,556)
82	(Increase)/decrease in debtors	(428)
785	Increase/(decrease) in creditors	480
(708)	Pension fund valuation adjustment	299
74	Notional interest on capital	53
1,140	Depreciation	589
104	Revaluation of fixed assets	0
(16,763)	Net cash inflow/(outflow) from operating activities	(16,563)

(ii) Analysis of Changes in Cash and Bank

	At 1 April 2007 £000	Cashflow £000	At 31 March 2008 £000
Cash at bank and in hand	1,542	832	2,374

Notes to the Accounts

1 Accounting Policies

1.1 Basis of Accounting

These financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets. The accounts have been prepared in accordance with the Accounts Direction issued by the Scottish Ministers, and they meet the requirements of the Companies Act 1985, and of the Statements of Standard Accounting Practice/Financial Reporting Standards issued and adopted by the Accounting Standards Board, so far as those requirements are appropriate.

The Accounts Direction is reproduced in Appendix 1.

The accounting policies and estimation techniques have been reviewed to ensure they remain the most appropriate.

The Care Commission's liquid resources comprise cash balances only.

Changes in Accounting Policy

Registration Fee Income

There has been a change in the way we account for registration fee income. In previous years registration fee income was accounted for in the year in which the registration process began. The registration process can take several months and it is the actual completed registration date which determines the year in which the annual continuation fee becomes payable. We have now changed the way we account for this income by matching it to the period in which the registration process is complete. The 2006/07 comparative figures have been restated in response to this change in accounting policy. A summary of the impact of this change in policy is shown below:

	2006/07		2007/08	
	Original Policy £000	Revised Policy £000	Original Policy £000	Revised Policy £000
Operating income	13,111	12,801	13,467	13,509
Net operating cost	18,533	18,843	17,190	17,148
General Fund	1,538	1,228	2,025	1,757

1.2 Fixed Assets

1.2.1 Capitalisation

The minimum level for capitalisation of a single fixed asset is £5,000. Assets with individual values less than £5,000 when purchased together are capitalised where the value of the group purchase exceeds £5,000. Fixed assets other than software licenses were capitalised as tangible fixed assets.

1.2.2 Valuation

Depreciated historic cost has been used as a proxy for the current value of furniture and fittings, transport and plant and machinery. All of the assets in these categories have low values and short useful economic lives which realistically reflect the life of the asset, and a depreciation charge which provides a realistic reflection of consumption.

1.2.3 Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost or valuation in equal instalments over the remaining estimated useful life of the asset. These are as follows:

Fixture & Fittings	Determined on an individual asset basis.
Office Equipment & Furniture	Items over £5,000 will have the asset life determined on an individual asset basis. Assets less than £5,000 will be depreciated over eight years.
ICT Equipment	Items over £5,000 will have the asset life determined on an individual asset basis. Assets less than £5,000 will be depreciated over four years, except for laptops and telephony hardware which will be depreciated over three years.
Software Licenses	Software licenses will be depreciated over four years.

1.3 Government Grants Receivable

Grant-in-aid in respect of revenue and capital expenditure is treated as a source of financing and is credited to the general fund.

1.4 Leases

The Care Commission holds no material finance leases. Costs in respect of operating leases are charged to the income and expenditure account on a straight line basis over the life of the lease.

1.5 Notional Costs

In line with the Government Financial Reporting Manual, the Care Commission has included a notional cost for capital. This charge is calculated in accordance with Treasury guidance at 3.5% (2006/07: 3.5%) on the average of all assets less liabilities.

1.6 Pension Costs

All the requirements of FRS 17 Retirement Benefits as adapted to the public sector have been applied when accounting for the Care Commission main pension scheme.

A small number of employees decided to remain with their original pension providers when they transferred to the Care Commission. The contributions made by the Care Commission to these schemes are charged directly to the Income and Expenditure Account.

1.7 Shared Services

The Care Commission incurs costs which are shared with the Scottish Social Services Council and the Office of the Scottish Charity Regulator. These are re-charged and include staff, property and administration costs.

Costs are apportioned on a full cost basis in accordance with good accounting practice and on the basis of estimated consumption of the relevant resource or time spent in relevant activities as appropriate.

1.8 Value Added Tax

The Care Commission can recover only a nominal value of VAT incurred on purchases, with irrecoverable VAT being charged to the income and expenditure account.

1.9 Revenue and Capital Transactions

Revenue and capital transactions are recorded in the accounts on an income and expenditure basis i.e. 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 Commission as at 31 March 2008 have been brought into account.

1.10 Prior Period Adjustments

Prior period adjustments are material adjustments applicable to prior years, arising from changes in accounting policies or the correction of fundamental errors. In

accordance with Financial Reporting Standard 3 (Reporting Financial Performance), prior period adjustments are accounted for by restating the comparative figures for the preceding period in the Statement of Accounts and Notes, and adjusting the opening balance of reserves for the cumulative effect.

2 Operating Income

Restated 2007 £000		2008 £000
11,299	Continuation fees	11,632
426	Registration fees	824
6	Advice, cancellation and new certificates	1
664	Recharges for services provided to other organisations	777
268	Secundee recharges	134
138	Miscellaneous receipts	141
12,801		13,509

3 Staff Costs

3a Staff Numbers

2007	Average staff employed (full time equivalent)	2008
492	Operations	502
13	Board members & chief executive	13
28	Finance, ICT & administration	28
11	Human resources	11
37	Strategic development	35
581		589

3b Breakdown of Staff Costs

	Board Members	Senior Management	Operations Staff	Admin & Support Staff	Total
2007/08					
Staff numbers (average FTE)	11	6	372	190	579
Secondments inward			13		13
Secondments Outward			(3)		(3)
Total	11	6	382	190	589
Staff Costs:	£000	£000	£000	£000	£000
Salaries/wages	104	443	12,428	4,209	17,184
Social security costs	6	45	967	294	1,312
Pension costs		87	2,312	724	3,123
Total directly employed staff	110	575	15,707	5,227	21,619
Secondments inward			450		450
Agency workers				692	692
Sub-total	110	575	16,157	5,919	22,761
Other staff costs					661
Staff costs					23,422
Secondments outward			(134)		(134)
Total staff costs					23,288
2006/07					
Staff numbers (average FTE)	11	7	389	172	579
Secondments inward			6	2	8
Secondments outward			(5)	(1)	(6)
Total	11	7	390	173	581
Staff costs:	£000	£000	£000	£000	£000
Salaries/wages	104	517	12,388	3,857	16,866
Social security costs	6	62	1,008	288	1,364
Pension costs		63	1,402	409	1,874
Total directly employed staff	110	642	14,798	4,554	20,104
Secondments inward			288	107	395
Agency workers				1,033	1,033
Sub-total	110	642	15,086	5,694	21,532
Other staff costs					940
Staff costs					22,472
Secondments outward			(166)	(102)	(268)
Total staff costs					22,204

4 Pension Costs

Financial Reporting Standard 17 (FRS 17) – Accounting for Retirement Benefits sets out the accounting treatment to be followed when accounting for the costs of providing a pension scheme. FRS 17 has been adopted in full for this financial year.

The majority of Care Commission employees participate in the Tayside Superannuation Fund. A certain number of employees elected not to participate in the Tayside Superannuation Fund and remained with their previous pension provider. The Care Commission contributed £73k (2006/07 £74k) as employer contributions to these schemes, with £45k (2006/07 £44k) of this contribution funded from the Scottish Government.

Tayside Superannuation Fund

The Fund is administered by Dundee City Council and the pension scheme is part of the Local Government Pension Scheme. It is a defined benefit scheme, which means that the benefits to which members and their spouses are entitled are determined by final pensionable pay and length of service. The most recent actuarial valuation of the Tayside Superannuation Fund was carried out by a qualified independent actuary, Barnett Waddingham, as at 31 March 2005. The next actuarial valuation will be based on the Fund's position as at 31 March 2008.

The contributions paid by the Care Commission for the year to 31 March 2008 were £2,673k (2006/07 £2,430k) representing 17.7% (2006/07 16.5%) of pensionable pay. The contribution rate for the year to 31 March 2009 will increase to 18.9%.

Employee contributions are fixed at 6% of pensionable pay.

The Tayside Superannuation Fund is a multi-employer scheme which includes former Tayside councils and a number of other admitted bodies. The Care Commission's share of the underlying assets and liabilities have been separately identified on the following basis:

4a Main Financial Assumptions:

Assumptions	As at 31 March 2007		As at 31 March 2008	
	% per annum	Real rate % per annum	% per annum	Real rate % per annum
Price increases	3.3%	-	3.7%	-
Salaries increases	4.8%	1.5%	5.2%	1.5%
Pensions increases	3.3%	-	3.7%	-
Discount rate	5.4%	2.0%	6.6%	2.8%

4b Fair Value of Assets Held:

The table below provides details of the fair value of the Care Commission's share of the assets held by the Fund and the expected rates of returns on these assets.

Asset Class	As at 31 March 2007		As at 31 March 2008	
	Assets £000	Expected return % p.a.	Assets £000	Expected return % p.a.
Equities	62,321	7.2%	58,943	7.6%
Gilts	9,260	4.4%	10,910	4.3%
Bonds	3,562	5.4%	4,171	6.6%
Property	9,424	6.7%	9,322	7.1%
Cash	1,965	5.0%	2,390	5.0%
Total	86,532	6.7%	85,736	7.0%

4c Pension Expense for the Year to 31 March 2008

The amounts below have been included in the Income and Expenditure account.

		Year to 31 March 2007 (£000)		Year to 31 March 2008 (£000)
Current service cost	-	3,217	-	2,960
Past service costs	-	(1,501)	-	-
Gains/losses on settlements and curtailments	-	-	-	223
Interest costs	4,195	-	4,793	-
Expected return on employer's assets	(5,040)	-	(5,932)	-
Net cost/(return) on assets and liabilities	-	(845)	-	(1,139)

4d Analysis of the Amount Recognised in Statement of Total Recognised Gains and Losses

	Year to 31 March 2007 % (£000)		Year to 31 March 2008 % (£000)	
Actual return less expected returns on assets – (expressed as a % of assets)	1.9	1,627	(11.9)	(10,219)
Experience gains/(losses) arising on liabilities – (expressed as a % of present value of liabilities)	-	-	-	1
Effects of changes in assumptions underlying the present value of scheme liabilities	-	3,487	-	12,415
Total actuarial gain/(loss) – (expressed as a % of present value of liabilities)	5.9	5,114	2.6	2,197

4e Movement for the Year to 31 March 2008

	Year to 31 March 2007 (£000)	Year to 31 March 2008 (£000)
Surplus/(deficit) at beginning of year	(7,136)	(467)
Current service cost	(3,217)	(2,960)
Employer contributions	2,424	2,884
Past service costs	1,501	-
Settlements/curtailments	-	(223)
Net return on assets	845	1,139
Total actuarial gain/(loss)	5,114	2,197
Acturial rounding adjustment	2	-
Surplus/(deficit) at end of year	(467)	2,570

5 Analysis of Operating Expenditure

2007 £000	2008 £000
2,996	3,291
1,612	1,709
1,389	1,079
966	957
(35)	(35)
1,140	589
104	0
74	53
8,246	7,643

The above total includes £24,700 (2006/07 £24,200) for external auditor's remuneration and £27,325 (2006/07 £27,905) for internal auditor's remuneration. External audit received no fees in relation to non audit work.

6 Fixed Assets

6.1 Tangible Fixed Assets

	Fixtures and Fittings £000	Office Equipment £000	Office Furniture £000	Information Technology £000	Total £000
Cost or Valuation:					
At 1 April 2007	384	268	1,179	3,429	5,260
Additions	3	0	0	260	263
Disposals	0	0	0	0	0
Revaluation	0	0	(29)	0	(29)
At 31 March 2008	387	268	1,150	3,689	5,494
Depreciation:					
At 1 April 2007	(78)	(165)	(558)	(3,155)	(3,956)
Charge for year	(28)	(54)	(142)	(222)	(446)
At 31 March 2008	(106)	(219)	(700)	(3,377)	(4,402)
Net Book Value:					
At 31 March 2008	281	49	450	312	1,092
At 1 April 2007	306	103	621	274	1,304

6.2 Intangible Fixed Assets

Software licences £000	
Cost or valuation:	
At 1 April 2007	597
Additions	75
Disposals	0
Revaluation	0
At 31 March 2008	672
Depreciation:	
At 1 April 2007	(407)
Charge for year	(143)
Revaluation	(0)
At 31 March 2008	(550)
Net book value:	
At 31 March 2008	122
At 1 April 2007	190

7 Debtors

2007 £000	2008 £000
448 Trade debtors	563
(200) Less: provision for bad debts	(165)
248 Net trade debtors	398
656 Prepayments and accrued income	716
173 Other debtors	391
1,077	1,505

2007 £000	2008 £000
This is further analysed into:	
32 Local authorities	49
33 NHS bodies	35
181 Other central government bodies	515
831 Bodies external to central government	906
1,077	1,505

The Care Commission raises invoices to care service providers for the annual continuation fees payable. A proportion of the fees invoiced remain outstanding as at 31 March 2008 and not all of this outstanding debt will be collectable. A provision of £165k has been included in the accounts in respect of estimated debt that will not be recovered.

8 Creditors: amounts falling due within one year

Restated 2007 £000	2008 £000
973 Trade creditors	1,014
1,382 Other creditors	1,755
1 Payments on account	97
500 Other taxation and social security	470
2,856	3,336
This is further analysed into:	
845 Local authorities	407
13 NHS bodies	40
575 Other central government bodies	732
1,423 Bodies external to central government	2,157
2,856	3,336

9 Movement on Pensions Reserve

2007 £000	2008 £000
(7,136) Opening balance	(467)
5,114 Actuarial gain/(loss) recognised in STRGL	2,197
1,553 Transferred to income and expenditure account	840
2 Actuarial rounding adjustments	-
(467) Closing balance	2,570

10 Sources of Financing

10a General Fund

Restated 2007 £000	Revenue transactions 2008 £000	Capital transactions 2008 £000	2008 £000
2,633 Opening balance	(236)	1,464	1,228
(18,843) Surplus/(deficit) for the year	(16,559)	(589)	(17,148)
17,438 Grant funding	17,339	338	17,677
1,228	544	1,213	1,757

10b Analysis of Grants Receivable

2007 £000	2008 £000
17,796 Approved grant in aid	18,408
(472) Grant not drawn down	(846)
17,324 Total Grant in Aid	17,562
114 Grants from Scottish Government Health Department	115
17,438 Total Grant	17,677

11 Revaluation Reserve

2007 £000	2008 £000
13 Opening balance	29
16 Transfer of/unrealised gain on revaluation of fixed assets	(29)
29 Closing balance	0

12 Operating Leases

	Land & buildings £000	Vehicles £000	Totals £000
Operating lease payments commitments expiring:			
Within one year of the balance sheet date	37	44	81
Within two to five years of the balance sheet date	105	175	280
Over five years of the balance sheet date	1,448	–	1,448
Total	1,590	219	1,809

13 Capital Commitments

There were no contracted capital commitments as at 31 March 2008.

14 Contingent Liabilities

There were no contingent liabilities as at 31 March 2008.

15 Related Party Transactions

The Care Commission is a Non Departmental Public Body sponsored by the Scottish Government Health Department. The Scottish Government is regarded as a related party. Service Level Agreements are held with the Scottish Social Services Council which is a Non Departmental Public Body and the Office of the Scottish Charity Regulator for the provision of shared services. In addition, the Care Commission leases accommodation to the National Health Service.

None of the board members, key managerial staff or other related parties has undertaken material transactions with the Care Commission during the year.

appendices



Appendix 1: Accounts direction by the Scottish Ministers



SCOTTISH COMMISSION FOR THE REGULATION OF CARE

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of paragraph 9 of Schedule 1 of the Regulation of Care (Scotland) Act 2001, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, 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. The direction given on 21 April 2004 is hereby revoked.

A handwritten signature in blue ink, appearing to read 'J. A. Rennie'.

Signed by the authority of the Scottish Ministers

Dated 13 December 2005

Appendix 2: The Care Commission Board and Committees

The Care Commission is made up of a Convener and 11 members – all of whom were appointed by Scottish Ministers through open competition.

The following members served on the Board during 2007/08.

Professor Frank Clark CBE, Convener

Appointed as Convener on 17 October 2006. Non-Executive Director of the Voluntary Association for Mental Welfare in Lanarkshire and recently appointed Patron of the British Lymphology Society. Previous experience includes 11 years as Chief Executive of Lanarkshire Health Board and spells as Chairman of both Forth Valley Primary Care NHS Trust and Forth Valley NHS Board. Recently retired as Director of Strathcarron Hospice. Lives in Cumbernauld.

Ijaz Ashraf (from September 2007)

Equality and human rights campaigner, former Chair of the Central Scotland Asian Cultural and Education Project, Race Equality Officer with West Edinburgh Multicultural Organisation, Former Chair and Director of Central Scotland Racial Equality Council, Member of the Chief Constable Racial Advisory Forum, Member of the Employment Tribunals, Former Ocpas Assessor for the Public Appointments, Presiding Justice Of the Peace of Falkirk Commission Area, Member of the Justice Advisory Committee. Lay Professional on British Association for Counselling and Psychotherapy, Former Member of the General Medical Council, Member of the Fitness to Practise Panel of the General Medical Council, Fellow of the Royal Society of Arts.

Lesley Bloomer

Board member of Scottish Environmental Protection Agency; works freelance with public sector organisations on performance management. Previously director of performance audit at Audit Scotland. Lives in Fife.

Helen Anne Brown (from September 2007)

National Member with the Scottish Health Council since December 2004. Many years experience and involvement with learning disability groups and partnerships, including work with NHS Quality Improvement Scotland and the Social Work Inspection Agency. Until recently, Trustee on the Board of the Scottish Consortium for Learning Disability and parent representative on International Association for the Scientific Study of Intellectual Disabilities. Parent/carer to her adult daughter who is profoundly disabled. Lives in Fife.

Gary Coutts

Convener of the Scottish Social Services Council.

Pam Courcha (until 31 August 2007)

Parent of young adult and child with learning disabilities; self-employed counsellor, trainer and consultant for various voluntary organizations, Highland Council and Ross-shire Women's Aid; non-executive director – NHS Highland; member of Down's Syndrome Scotland, local parent contact for Adoption UK; assessor BBC Children in Need. Lives in Dingwall.

Linda Dunion (from September 2007)

Self-employed independent consultant in social marketing, communications for social change and campaigning. Has worked in the voluntary sector for over twenty years on learning disability, older people, poverty and international development. Until September 2007, was director of the 'see me' campaign against the stigma of mental ill health.

John Hanlon (until 31 May 2007)

Regulator of Community Interest Companies (independent office holder under Act of Parliament); member of Scottish Consumer Council; Chair of Governance of the Royal Pharmaceutical Society of Great Britain; and member of Insolvency Practices Council. Founder and unpaid adviser to Dumfries & Galloway Coalition of Disabled People. Lives in Dumfries & Galloway.

Ian Gibson (from September 2007)

Self-employed management consultant and vice-chair of Highland Health Board. Member of the Boards of Voluntary Action Badenoch and Strathspey. Member of Lloyds TSB Foundation for Scotland consultants' panel. Previous experience includes nine years as Director of Macmillan Cancer Support in Scotland and Northern Ireland and ten years as a Trustee of Edinburgh Cyrenians, a charity supporting the young homeless. Lives in Newtonmore

Anne Haddow

Vice-chair of the Princess Royal Trust Fife Carers Centre; family member of PAMIS; board member of the Scottish Social Services Council; member of the Carers and Users Group at the University of Dundee. Parent of young adult with profound physical and intellectual disabilities. Lives in Glenrothes.

Douglas Hutchens (from September 2007)

Self employed management consultant, specialising in strategic development, service redesign for public sector organisations in Scotland and England. Member of the Ministry of Justice, Appeals Tribunal, vice-chair of SAMH and member of the South Lanarkshire Children's Panel. Former Director of Planning and Corporate Affairs in NHS Scotland. Lives in South Lanarkshire.

Meg Lindsay (until 31 August 2007)

Professional adviser – Care Visions; independent consultant in Social Care; director of Churches Action; associate of Scottish Institute for Residential Child Care; proprietor of Cumbrae Combined Services and Seawind Soaps. Previously Director of the Centre for Residential Child Care; member of SHAS Panel; Director of Care for Care Visions. Lives in Glasgow.

Struan McCallum (until 31 August 2007)

Independent consultant in residential childcare and education; member of Board of Managers – Good Shepherd Centre; board member – Includem. Previously 30 years' experience in the residential childcare sector. Lives in Helensburgh.

Carol Paton

Self employed, independent consultant specialising in organisation development, interim management, business mediation and executive coaching. Over twenty years' experience in affordable housing for rent. Board Member of Family Mediation Lothian. Previous experience includes positions as a housing association executive Director and board member, and as a regulation and inspection manager with Communities Scotland. Lives in Edinburgh.

Janis Pelosi (until 31 August 2007)

Administrator – Stuart Angus Building Trade Supplies. Formerly chairperson (until 18 June 2004) thereafter a director of Midlothian Sure Start, a registered charity which provides quality support services to families with very young children in Midlothian. Since the birth of her children, Janis has used care services for herself and for her children. Lives in Midlothian.

Jane Saren

Independent public affairs, policy and business consultant; non-executive director of Lothian Buses; associate of the Scottish Council Foundation; Trustee of the Essential Foundation. Was founding managing director of a Scottish public affairs company and previously a manager in social work/social services departments – latterly Purchasing and Commissioning Manager in Lothian. Lives in Edinburgh.

Hamish Wilson

Previously Head of Primary Care Division in the Scottish Government Health Directorates. Earlier extensive experience as senior manager in the NHS, most recently as an Executive Director of Grampian Health Board. Is a past Chairman of the Scottish Division of the Institute of Healthcare Management, and of the Aberdeen Alcohol Advisory and Counselling Service. He lives in Aberdeen.

The Board Committee Structure:
COMMITTEES OF THE BOARD AS AT 31 MARCH 2008

Strategy and Regulation Committee

Frank Clark – Convener
Ijaz Ashraf
Lesley Bloomer
Anne Brown
Gary Coutts
Linda Dunion
Ian Gibson
Anne Haddow
Douglas Hutchens
Carol Paton
Jane Saren
Hamish Wilson

Finance and Human Resources Committee

Lesley Bloomer - Convener
Carol Paton
Jane Saren
Ijaz Ashraf
Douglas Hutchens
Linda Dunion
Anne Brown
Frank Clark

Audit Committee

Hamish Wilson – Convener
Lesley Bloomer
Carol Paton
Anne Haddow
Ian Gibson
Douglas Hutchens
Ian Doig (Co-opted Member)

Remuneration Committee

Frank Clark – Convener
Convener of the Finance & HR Committee
Convener of the Audit Committee

Complaints Review Committee

Hamish Wilson – Convener
Carol Paton – Vice Convener
Anne Haddow – Vice Convener
All Board members

Appeals Sub Committee

Any 3 members of the Finance & HR Committee

Communications Sub Group

Frank Clark - Convener
Jane Saren
Anne Haddow
Ijaz Ashraf
Ian Gibson
Linda Dunion
Anne Brown

Care Commission Forum

Convener and all Board members

Appendix 3: Key performance indicators 2007/08

Aim one: being an effective regulator for improvement

1. Inspection Activity

Number of eligible services with required number of inspections COMPLETED, measured by the date of completion of the inspection, as a percentage of those services eligible for inspection.

Purpose:

This indicator demonstrates the Care Commission's performance with respect to its statutory inspection target. This indicator does not take account of announced/unannounced inspection split. This will be provided as supplementary management information.

Reporting Frequency:

This indicator will be reported on a quarterly basis. In addition, monthly monitoring reports will be compiled to enable remedial action to be taken where required. The indicator will report the status at the end of the quarter in question.

Source: PMS

2. Number of draft inspection reports issued within the target timescale as a percentage of all draft inspection reports issued. (excludes HMIE /CC integrated inspections) Target is 80%.

Purpose:

This indicator demonstrates how quickly the Care Commission provides the inspection report draft to the service.

Reporting Frequency:

The audit committee have requested this information on an exception only basis. For management purposes monthly monitoring reports will be compiled to enable remedial action to be taken where required. The indicator will report the status at the end of the quarter in question.

Source: PMS

3. Satisfaction with the inspection process - % of respondents happy or very happy with the inspection process

Purpose:

This indicator will demonstrate how people who have been involved in or present at an inspection have found the process.

Reporting Frequency:

This indicator will be reported every six months.

Source: SSF datasets.

4. Percentage of requirements in 2006/07 that were met by 2007/08.

Purpose:

To measure improvements in quality of service and impact of Care Commission.

Reporting Frequency:

This will be done at the end of 2007/08 as a one off. It will not be subject to monthly or quarterly monitoring. It may only be possible to do this in a sample of services or limited service types.

Source: inspection reports.

5. Percentage of s(10) improvement notices that were complied with within prescribed timescales

Purpose :

The above indicators will provide an indication of compliance with S10 enforcement notices. This will demonstrate how successful this action is in influencing providers to improve the quality of their service.

Reporting Frequency:

This indicator will be reported on a six-monthly basis, with the first report covering the period to 30 Sept 07.

Source: enforcement notices dataset.

**6. Complaints acknowledged within 3 Working Days
& 7. Complaints completed within 28 Working Days or with an extension agreed with the complainant.**

Purpose :

Both of the above measures demonstrate the efficiency of the Care Commission in dealing with complaints. These measures are based on different stages of the complaints procedure. When a complaint is initially received, it is still regarded as an informal complaint. The 3-day target includes all of these complaints. At this stage, the complaint is considered and the resolution officer will take a decision about whether or not the Care Commission can investigate it. Once a decision is taken to investigate, the complaint is formally registered as a complaint. The 28-day target only includes the registered complaints.

Reporting Frequency:

This indicator will be reported quarterly. The Board requires any exception reports only. In addition, monthly monitoring reports will be compiled for management to enable remedial action to be taken where required.

Source: PMS.

8. Complaints against the Care Commission which were upheld or partially upheld as a % of complaints investigated against the Care Commission

Purpose :

This measure will provide an external indicator of the quality of service provided by the Care Commission which can be monitored for improvement over time.

Reporting Frequency:

This indicator will be reported on a quarterly basis.

Source: PMS.

9. Number of applications for registration of Services New to Regulation that are completed within the timescale set by the Scottish Executive as a % of those who commence the registration process (Statutory)

Purpose:

This indicator is a measure of the efficiency of the registration process.

Reporting Frequency:

This indicator will be reported in a quarterly exception report. In addition, monthly monitoring reports will be compiled to enable remedial action to be taken where required.

Source: PMS.

10. % of registrations completed within 3 months for childminders and 6 months for all other services , excluding those with delays outwith the control of the Care Commission (target 80%)

Purpose :

This registration measure provides an indication of how long it takes the Care Commission to deal with new registrations and is therefore an efficiency measure.

Reporting Frequency:

This indicator will be reported on a quarterly basis. In addition, monthly monitoring reports will be compiled to enable remedial action to be taken where required.

Source: PMS.

11. % of eligible CCOs who have achieved ROCA

Purpose :

This is an indicator of the Care Commission's progress towards ensuring all staff are suitably qualified.

Reporting Frequency:

This indicator will be reported on an annual basis.

Source: Employee Development records.

Aim two: involving people who use care services in regulation

12. Percentage of people who use care services and their carers who know about the Care Commission

Purpose :

This indicator will initially show the level of awareness amongst key target groups and, if repeated over time, the success of the Care Commission in raising its profile.

Reporting Frequency:

This indicator will be reported following the stakeholder survey to be repeated in 2008/09.

Source: Commissioned research.

13. Responses to Care Standards Questionnaires (CSQ) surveys about user and/or carer satisfaction with services - % of respondents who are happy or very happy with the overall quality of the service they are using

Purpose :

This will provide an indication, especially over time, of how people who use care services feel about the quality of the service they receive. It will enable the care commission to demonstrate how the quality of services, as defined by those using the services, is changing over time.

Reporting Frequency:

This indicator will be reported on a quarterly basis.

Source: Questionnaires.

Aim three: providing the right information at the right time for people

Once the Knowledge Management Strategy is developed, KPIs will be devised to measure the success of its implementation under Aim 3, providing the right information at the right time to people.

Aim four: informing social and healthcare policy

Although no statistical measures are proposed under this aim, there are a range of activities within the corporate plan that will demonstrate our commitment to this aim. Any significant issues are reported in the Director of Strategic Development's update reports to committees.

Appendix 4: Statistical information

1. Registration

The following table shows the number of services and places in registered care services across Scotland at the end of the annual report period. Some categories of service, such as agencies, housing support and care at home (domiciliary care), are registered to provide a service rather than a specific number of places.

31 March 2008: number of registered care services and places offered by type of service

Type of care service	services at 31 March 2008	% of all services	Number of registered places	% of all places	Average places per service	Highest places per service
Adoption service*	39	0.3				
Adult Placement service*	20	0.1				
Care home service	1,649	11.1	45,004	14.4	27.3	240
Childcare agency*	35	0.2				0
Childminding	6,014	40.4	33,899	10.8	5.6	50
Daycare of children	4,262	28.7	157,635	50.3	37.0	287
Fostering service*	61	0.4				
Housing support service*	1,201	8.1				
Independent healthcare service**	32	0.2	345	0.1	23.0	122
Nurse agency*	65	0.4				
Offender accommodation service	14	0.1	254	0.1	18.1	60
Schoolcare accommodation service	67	0.5	5,498	1.8	82.1	523
Secure accommodation service	7	0.0	143	0.0	20.4	37
Support service*	1,405	9.4				
All types of service	14,871	100.0	242,778	100.0	20.2	523

Source: PMS 1 May 2008

Notes:

We use a computer system called the Practice Management System (PMS), to hold the information we collect about care services. Much of the information we use in this report is taken from the PMS.

* these services are registered to provide the service and no limits are placed on the volume of service users or places they have, therefore this information is not applicable.

** Independent healthcare shows inpatient beds only, however these services may also provide outpatient services.

31 March 2008: number of care providers by category of care services

Type of care service	Number of providers of services	Max number of services per provider	Total number of services
Adoption service	39	1	39
Adult placement service	17	2	20
Care home service	604	44	1,649
Childcare agency	28	4	35
Childminding	6,014	1	6,014
Daycare of children	1,895	183	4,262
Fostering service	55	5	61
Housing support service	513	33	1,201
Independent healthcare service	31	2	32
Nurse agency	49	5	65
Offender accommodation service	9	5	14
Schoolcare accommodation service	59	3	67
Secure accommodation service	7	1	7
Support service	505	46	1,405
Any type of care service	9,101**	249*	14,871

(Source: PMS 1 May 2008)

* While many providers may run only one service (usually the case with childminders) others run many services and categories of service. This figure means that one provider was operating 249 services across several categories of service at the end of the year.

** Because some providers operate services in more than one category, the total number of providers is less than the sum of the number of providers within each category.

Changes of registered services from March 2007 to March 2008

Type of care service	services at 31 March 2007 (revised)	registrations	cancellations	services at 31 March 2008	% change
Adoption service	38	1		39	2.6
Adult Placement service	5	15		20	300
Care home service	1,656	94	101	1,649	-0.4
(of which Care home for older people)	951	64	62	953	0.2
Childcare agency	39	2	6	35	-10.3
Childminding	5,942	869	797	6,014	1.2
Daycare of children	4,290	295	323	4,262	-0.7
Fostering service	61	1	1	61	0.0
Housing support service	1,191	81	71	1,201	0.8
Independent healthcare service	34		2	32	-5.9
Nurse agency	71	4	10	65	-8.5
Offender accommodation service	13	1		14	7.7
Schoolcare accommodation service	66	5	4	67	1.5
Secure accommodation service	6	1		7	16.7
Support service	1,398	120	113	1,405	0.5
All types of service	14,810	1,489	1,428	14,871	0.4%

Source: PMS 1 May 2008

2. Complaints

Complaints we received

	2002/03	2003/04	2004/05	2005/06	2006/07 (revised)	2007/08
Registered service	1,203	1,319	1,675	2,014	2,118	2,210
Care Commission	32	54	20	47	26	49*
All complaints	1,235	1,373	1,695	2,061	2,144	2,259

Complaints we registered

	2004/05	2005/06	2006/07	2007/08
Registered service	1,066	1,559	1,547	1,606
Care Commission	15	35	23	23*
All complaints	1,081	1,594	1,566	1,629

* Our procedure for dealing with complaints against us changed on 1 July 2007. The new procedure built in an informal stage, similar to the informal stage procedure for complaints against services. As a result of this 17 of the 49 complaints received were dealt with informally.

Complaints we completed

	2002/03	2003/04	2004/05	2005/06	2006/07 (revised)	2007/08
Registered service	856	1,054	1,371	1,503	1,468	1,397
Care Commission	Not recorded	37	20	31	17	21
All complaints	856	1,091	1,391	1,534	1,485	1,418

Source: PMS 13 June 2007; 2006/07 & 2007/08 PMS 4 April 2008

Complaints against registered services 2007/08

Type of care service	complaints completed	% of all complaints completed	number upheld or partially upheld	upheld or partially upheld as % of all complaints	upheld or partially upheld per 1000 services *	upheld or partially upheld per 1000 places *
Adoption service*	3	0.2	3	<i>100.0</i>	<i>76.9</i>	-
Adult placement service*	0	0.0	0		0.0	-
Care home service	731	52.3	573	78.4	347.5	12.7
(Of which, Care homes for older people)	659	47.2	522	79.2	547.7	13.6
Childcare agency*	2	0.1	2	<i>100.0</i>	<i>57.1</i>	-
Childminding	137	9.8	86	62.8	14.3	2.5
Daycare of children	298	21.3	199	66.8	46.7	1.3
Fostering service*	5	0.4	5	<i>100.0</i>	<i>82.0</i>	-
Housing support service*	72	5.2	46	63.9	38.3	-
Independent healthcare service*	7	0.5	3	<i>42.9</i>	<i>93.8</i>	<i>8.7</i>
Nurse agency*	5	0.4	5	<i>100.0</i>	<i>76.9</i>	-
Offender accommodation service	0	0.0	0	-	0.0	-
School care accommodation service	8	0.6	6	75.0	89.6	1.1
Secure accommodation service	4	0.3	2	<i>50.0</i>	<i>285.7</i>	<i>14.0</i>
Support service*	124	8.9	96	77.4	68.3	-
Service provider	1	0.1	1	<i>100.0</i>	-	-
Grand total	1,397	100	1,027	73.5	69.0	3.6

Source: PMS 4 April 2008 and 1 May 2008

* Note: The total rate per 1,000 places does not include complaints made against independent healthcare, adult placement services childcare agencies, fostering services, adoption services, nurse agencies, housing support services, support services or service providers as these types of services are not all based on places available.

Figures based on fewer than 10 upheld complaints are represented in italics and should be interpreted with caution.

Services that had complaints upheld against them in 2007/08

	number of different services	% of registered services
number services with at least one complaint upheld	691	4.6
number services with more than one complaint upheld	186	1.3
number services with more than two complaints upheld	75	0.5
maximum number of complaints upheld against a service	9	-

2007/08 – type of complaint (based on complaints that were upheld or partially upheld)

Type of complaint	total	%
Communication	221	9.5
Equality issues	8	0.3
Financial issues	24	1.0
Fitness of premises/environment	100	4.3
Fitness of provider/manager/staff	105	4.5
General health and welfare	442	19.0
Healthcare - continence care	50	2.1
Healthcare - hydration	39	1.7
Healthcare - inadequate healthcare or healthcare treatment	81	3.5
Healthcare - infection control issues	56	2.4
Healthcare - medication issues	92	3.9
Healthcare - mental health care	5	0.2
Healthcare - nutrition and food quality	84	3.6
Healthcare - palliative care	4	0.2
Healthcare - tissue viability	45	1.9
Inadequate activities	48	2.1
Inadequate facilities	23	1.0
Inadequate links with other services	7	0.3
Missing property	27	1.2
Personal plans/agreements	70	3.0
Potential abuse	44	1.9
Privacy and dignity	95	4.1
Provider's complaints procedure	70	3.0
Provider's policies	47	2.0
Provision of information/making choices	30	1.3
Record keeping	39	1.7
Recruitment procedures (including disclosure checks)	43	1.8
Restraint	29	1.2
Staff training/qualifications	136	5.8
Staffing levels	263	11.3
Unfit to be in proximity of children	3	0.1
All types recorded (up to six per complaint)	2,330	100.0

Source: PMS 2 April 2008

3. Enforcements

Number of enforcement notices issued 2007/08

Service type	Type of notice					Total number of notices
	S10 (improvement notice)	S12 (proposing to cancel)	S17 (decision to cancel)	S13 (proposing to impose/ vary/ remove conditions)	S17 (decision to impose/ vary/ remove conditions)	
Care home service	22	2	1	4	2	31
(of which, Care homes for older people)	18	2	1	1	1	23
Childminding	15	6	6	30	27	84
Daycare of children	27	1	-	1	1	30
School care accommodation service	1	-	-	-	-	1
Support service	1	-	-	-	-	1
Grand total	66	9	7	35	30	147

Number of services* that had enforcement notices issued against them 2007/08

Service type	Type of notice					Total number of services that received a notice
	S10 (improvement notice)	S12 (proposing to cancel)	S17 (decision to cancel)	S13 (proposing to impose/vary/remove conditions)	S17 (decision to impose/vary/remove conditions)	
Care home service	17	2	1	4	2	19
(of which, Care homes for older people)	13	2	1	1	1	13
Childminding	15	6	6	30	27	54
Daycare of children	25	1	-	1	1	26
School care accommodation service	1	-	-	-	-	1
Support service	1	-	-	-	-	1
All types of service	59	9	7	35	30	101

Source: enforcement dataset, 14 April 2008

Note: These tables do not include enforcement procedures we use to cancel childminders if we cannot contact them any longer.

The section numbers 10, 12, 13, 17 and 18 in the table refer to sections of the Regulation of Care (Scotland) Act 2001.

* Some services will have had more than one notice issued, for example, 22 notices were issued against 17 care homes.

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Published by: Communications

Printed on recycled paper

SD/084/0808