

Scottish Children's Reporter Administration Annual Report 2005/2006



SCOTTISH
CHILDREN'S REPORTER
ADMINISTRATION



Foreword

Performance Review

Statistical Report

Annual Accounts

How the Children's Hearings System works...

The Children's Hearings System provides the overarching framework in which SCRA and all our partner agencies work. The aim is to provide a safety net for vulnerable children, and deliver tailored solutions which meet the needs of the individuals involved and help to build stronger families and safer communities.

1

Incident

An incident occurs – for instance, a child is the perpetrator of an offence, or perhaps a child's welfare may be at risk, or a child may have suffered abuse or neglect.

Referral to the Reporter

A referral of a child or children to the Reporter should suggest that there is a need to intervene on a compulsory basis.

2

Investigation

The Reporter investigates the child's case by requesting information from different sources: social work, police, school, health, and voluntary organisations.

Reporter Decision

The Reporter evaluates the information and decides whether there is a need for compulsory intervention. If there is, the child is referred to a Children's Hearing.

3

The Hearing*

Each Hearing comprises three panel members, all trained volunteers from the local community.

The child and family – or carers – are central participants in the Hearing.

The role of the Reporter is to attend the Hearing to support fair process. The Reporter takes no part in the panel members' deliberations and decision-making.

Decisions are made openly during the Hearing.

*Hearings will only go ahead once the grounds for referral are accepted by the young person and their parent(s) or, if necessary, once the court has decided they have been established on the basis of evidence presented by the Reporter

4

Outcome

The most common outcome from a Hearing is a supervision requirement, ranging from supervision at home to secure accommodation.

Temporary emergency measures will sometimes be necessary, such as child-protection orders.

Local authorities have a statutory obligation to implement the decisions made by a Children's Hearing.

Hearings may also decide that formal supervision measures are not required and discharge the case.

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Foreword

Foreword by the SCRA Chair



SCRA Chair:
Douglas Bulloch

2006 marks the tenth year of the Scottish Children's Reporter Administration (SCRA). On 1 April 1996, SCRA assumed full responsibility for the Children's Reporter service and for facilitating Children's Hearings throughout Scotland.

These past 10 years have seen many changes. One of the most challenging for SCRA has been the increasing numbers of children being referred to the Children's Reporter and the changing pattern of these referrals.

Over the past 10 years, the number of children referred has doubled to the highest ever figure of 53,883 children. That is 6% of Scotland's children. The reason for this increase is largely due to care and protection referrals. In 2005/06, 40,931 children were referred because of concerns about their care and protection and 17,624 on offence grounds. In particular, more children are now referred to the Children's Reporter because they have suffered from lack of parental care (17,801 children) than because they have offended (17,624 children). This year, over 17,000 children were referred because they were victims, most commonly of cruelty, sexual offences or injury.

These figures need to concern us all. While they demonstrate that there is now a greater awareness of children's needs in relation to parental drug and alcohol abuse and domestic

violence, it does suggest that such awareness has yet to convert into appropriate early intervention and support. It is clear to SCRA that the majority of increased referrals are not in need of compulsory measures of care and supervision. The needs of children – and those of their families and the communities in which they live – must be addressed much earlier without the need to make a referral to the Children's Reporter.

We were pleased when the Deputy Minister for Education and Young People established his Ministerial Task Group to address the rising levels of non-offence referrals to the Children's Reporter. We will continue to support the Task Group and work closely with partners to bring about the changes required.

SCRA now has established systems to share data with partner agencies and we routinely publish our youth justice data. Our capacity to share and publish information will be maximised with the launch of a data warehouse at the end of 2006. This comprehensive data warehouse will transform our data management and analysis arrangements and will mean that we can provide a range of data reports within the organisation and to all the agencies we work with in the Children's Hearings System.

We see the effective use of information as key to achieving further service improvements. Sharing information in respect of vulnerable children is vital to their protection. Sharing performance information across agencies assists all services to raise standards and improve timescales. Sharing data on the circumstances of children being referred helps all agencies to develop preventative approaches and plan early interventions. Analysing outcomes is critical in identifying what works and facilitating the dissemination of best practice.

We look forward to the modernising agenda set out in 'Getting It Right For Every Child'. With our partners we have already begun to introduce elements of that integrated approach.

The experience of 10 years of SCRA and 35 years of Children's Hearings suggests that we are fortunate in Scotland to have such a flexible system with its key elements of a partnership approach, the profession of the Children's Reporter and the volunteers who make up Children's Panels. SCRA remains ready to play its part within the Children's Hearings System to meet the requirements of children, their families and the communities of Scotland.





Performance Review

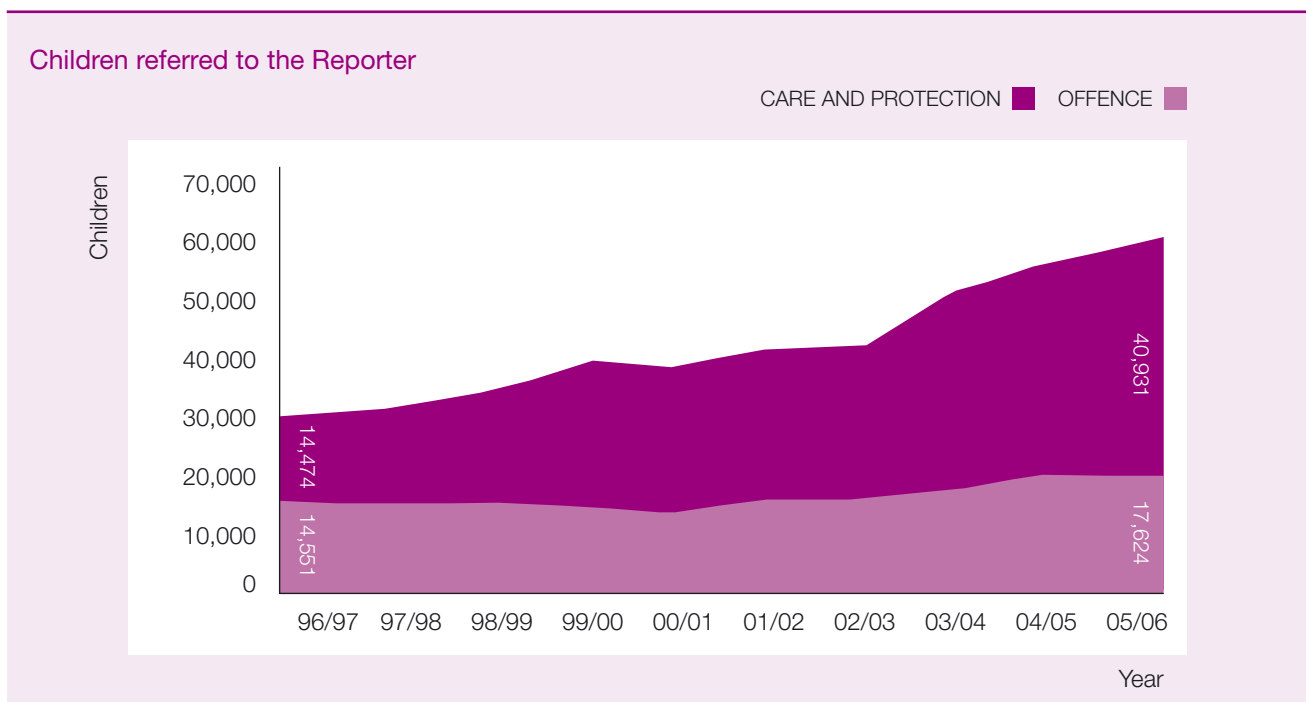
Objective 1: Improving Performance

2005/06 recorded a further significant rise in the number of children referred to the Children's Reporter:

- 53,883 children were referred to the Reporter, up 6.6% from the previous year and representing 6% of all children in Scotland.

The vast majority of children were referred because of concerns about their care and protection with a smaller number referred because of their offending behaviour:

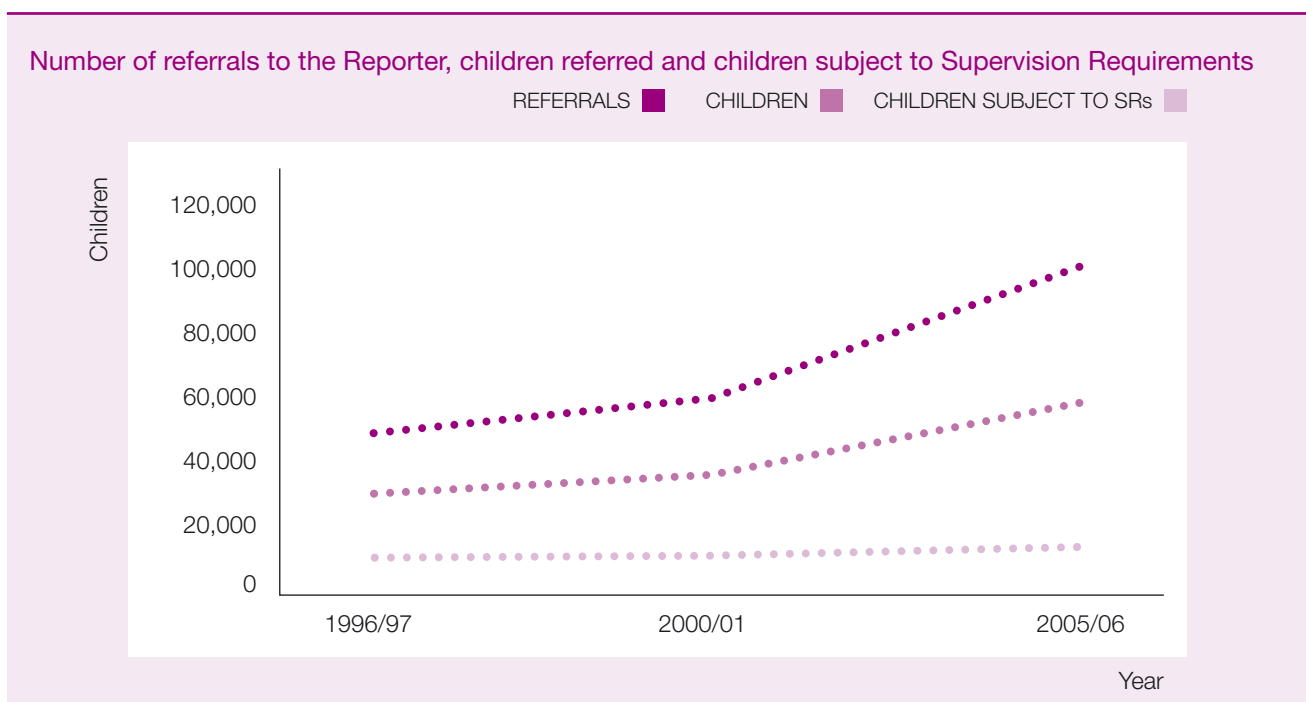
- 40,931 on non-offence (care and protection) grounds, up 9% from 2004/05 and up 179% since SCRA was formed in 1996/97.
- 17,624 on offence grounds, up less than one per cent from 2004/05 and up 29% since SCRA was formed in 1996/97.



Every referral initiates an independent investigation by the Reporter involving requests for background information from partner agencies such as social work, education and health. The Reporter will then take a decision about whether to arrange a Children's Hearing based on an assessment about the need for compulsory intervention in the child's life.

Between 1996/97 and 2005/06, the number of children referred on to a Children's Hearing by the Children's

Reporter increased by 9% (up from 13,112 to 14,282). The number of children made subject to Supervision Requirements (the principal outcome of a Children's Hearing) over the same ten year period rose only by 5% (up from 10,743 in 1996/97 to 11,296 in 2005/06). This suggests that the vast majority of children being referred to the Children's Reporter are not in need of compulsory measures of supervision.



Youth Justice

While the overall increase in the level of offence referrals may appear less significant than the increase in non-offence referrals, it remains clear that a core group of young people are involved in persistent offending. The relatively small number of young people involved in persistent offending (between 1,300 and 1,400), is however responsible for a disproportionate level of crime and antisocial behaviour in a number of local communities throughout Scotland. SCRA continues to support the Scottish Executive's drive to reduce the number of persistent young offenders in Scotland and throughout 2005/06 our role has been to:

- Work locally with partners on the ground to support the development of local youth justice strategies.
- Respond more quickly and speedily to offence referrals, especially referrals involving persistent young offenders.

- Contribute and share locally our data on the numbers of children involved in persistent offending, including information about children who may become involved in persistent offending.
- Publish our youth justice data quarterly and annually within the Scottish Executive's Youth Justice Performance Reports.
- Undertake and publish research to develop greater insight and understanding of the circumstances and backgrounds of children and young people involved in offending to promote the case for earlier intervention.

Influence and Support

Liaison between SCRA teams and local authority youth justice services remains strong. A number of initiatives are ongoing to influence and support youth justice strategy groups and enhance local youth justice strategies:

- Across Scotland, Authority Reporters are actively engaged with partners in Youth Justice Strategy Forums and are working with partners to target potential persistent young offenders. Engagement with partners includes case progression meetings, problem solving meetings and process mapping/improvement activity.
- Additional funding was identified by a number of local authorities to create specific Youth Justice Reporter posts (based within SCRA) with additional support made available for administration.
- A review of the effectiveness of Highland Youth Offender Forums took place and the results informed a larger review of other Youth Justice related groups in Highland. Work is also ongoing with Northern Constabulary to improve the quality of information surrounding youth offending.
- Joint training on the new National Standards for Youth Justice has been completed in every local authority area.
- Authority Reporters and Youth Justice Reporters have been pro-active in their involvement with local authorities, assisting in the development of anti-social behaviour strategies for under 16s and the development of protocols for parenting orders.

Youth Justice Performance Improvements

Improvements have been made in the time taken between receiving an offence referral and Reporter decision making in relation to persistent young offenders.

In 2005/06, a Reporter decision was made within 50 working days for 69% of all offence referrals and 78% for those of persistent young offenders. The average number of days taken for a Reporter decision to be made has reduced to 45 days for all offence referrals and 34 days for those of persistent young offenders. As the table below demonstrates, this is a considerable improvement in performance when compared to previous years.

Year		2003/04	2004/05	2005/06
PYO (Persistent young offenders)	% of Reporter decisions made within 50 days [target 60%]	74%	73%	78%
	Average no of days to Reporter decision	39	40	34
All offence Referrals	% of Reporter decisions made within 50 days [target 60%]	65%	64%	69%
	Average no of days to Reporter decision	53	55	45

In 2005/06 the average number of working days taken to reach a Hearing decision on offence referrals for persistent young offenders was 62 days, compared to 70 days in 2004/05.

Average number of working days from receipt of offence referral to Hearing decision

Year	2003/04	2004/05	2005/06
Persistent young offenders	68	70	62
All children referred on offence grounds	74	75	70

The national target of a 10% reduction in the number of persistent young offenders from the 2003/04 baseline of 1,201 was not achieved. In fact, the number had increased by 10% to 1,388 by the end of March 2006 and efforts continue across many fronts and agencies to achieve a new target reduction of a further 10% by 2008.

Year	2003/04	2004/05	2005/06
No of PYO	1,201	1,260	1,388

Research

In 2005/06, SCRA published research on the backgrounds and circumstances of persistent young offenders in Scotland 'On the Right Track. A Study of Children and Young People in the Fast Track Pilot'. In summary, the research identified that:

- Problematic substance misuse was evident in over half (56%) of the cases studied.
- Almost all of the children studied experienced problematic issues with their schooling or education (93% were failing to achieve in terms of educational attainment).
- Almost three quarters (73%) of the sample were reported to have experienced problems with parental or family relationships.
- One in three children were living with their mother in a single parent household, with a further one quarter residing in some form of residential establishment.
- Almost three quarters (72%) of the sample had been initially referred to the Reporter on a non-offence (care and protection) related matter.

Service Management Improvements

Throughout 2005/06 SCRA initiated a raft of measures designed to improve service delivery arrangements while tackling delays in progressing cases. A Management of Delay Strategy was implemented in all Authority Teams in May 2005. The Strategy was developed to ensure that SCRA has appropriate management arrangements in place, to make sure that cases are progressed without undue delay and that outstanding cases are the subject of regular, on-going review.

Regular data reports were provided to managers throughout the year. As at the end of March 2005, referrals which had been open for more than 49 working days totalled 8,386. As at the end of March 2006, referrals which had been open for more than 49 working days had fallen to 6,472, a 23% reduction. Set in the context of continuing increases in the number of children being referred, the significant reduction in referrals under investigation for more than 49 working days was a considerable achievement at operational level.

A workload measurement formula was developed as a first step towards an enhanced resource allocation model. Monthly workload performance reports are produced to provide management information on which decisions with regards to staffing within the regions and nationally can be made.

Additional areas of significant development in improving service delivery in 2005/06 included:

- Agreeing with partners a set of new national standards for the management of Hearings focusing on time management, best practice, Hearing Centre facilities and support to Panel Members.
- Reviewing the organisational structure of large and conjoined teams (recommendations being taken forward in 2006/07 as determined by funding priorities).
- Completing an audit of every local team by March 2006 (undertaken by the newly established Practice Audit function).
- Completing an initial assessment and review of core operational processes through eleven site visits and interviews with Authority Reporters and Authority Support Managers resulting in clear recommendations for improvement in four areas (investigation streams/risk categorisation, national case processing standards, team working and open case file movement and storage).

Improved Planning

Early in 2005/06 four Planning and Performance Managers were appointed by SCRA, one for each of SCRA's regions. One of their key roles has been to develop and embed SCRA's Planning and Performance Management Framework both within their regions and at corporate level. Excellent progress has been made during the year with:

- Performance management being a standing agenda item at all Regional Management Team meetings.
- Monthly management information reports being made available to Teams.
- Quarterly Regional Performance Reports being reviewed and improved.
- Regional, team and improvement plans being developed at a local level, involving local staff.
- Planning days being held to encourage participation in planning and performance improvement from all staff.
- Regional improvement initiatives being taken forward, encouraging the sharing of good practice.
- Effective two way communication between the central planning team at headquarters and the regions, strengthening SCRA's Planning and Performance Management Framework.
- Developing the corporate planning cycle by involving the Planning and Performance Managers in the development of SCRA's Corporate and Business Plans.

The focus of Regional Management Teams (RMTs) has changed over the last year, with the RMTs developing an enhanced focus on performance and practice issues. Improving the provision and analysis of management information has been viewed as a major benefit to teams with monthly figures now being made available. As a result of performance reports, improvement plans were developed in a number of teams to achieve specific improvement objectives.

Overall Performance

Despite the increased number of referrals to the Reporter both in terms of volume and complexity, SCRA improved its performance compared to 2004/05, on the number of days it took to reach a decision for referrals made on offence grounds, and the percentage of decisions on all referrals in the year made within 50 working days.

Performance	2002/03	2003/04	2004/05	2005/06
Average number of working days for referrals on offence grounds from receipt of referral to Hearing decision	95 days	74 days	75 days	70 days
Average number of working days for referrals on non-offence grounds from receipt of referral to Hearing decision	147 days	130 days	129 days	130 days
The percentage of decisions on all referrals in the year made within 50 working days	61%	58%	56%	63%

In addition, SCRA exceeded the 90% target for the percentage of Hearings scheduled to take place within 30 working days – 92%.

Performance also improved in two further critical areas:

- The percentage of Hearings to take place within 20 working days – now 77%, up from 71% in 2004/05.
- The percentage of children and families who are sent written notification of the outcome of a Hearing within 5 working days – now at 86%, up from 84% in 2004/05.



Objective 2: Working with Partners

Like many agencies and bodies working with vulnerable children and families in Scotland, SCRA responded throughout 2005/06 to a range of new policy initiatives, new legislative requirements and significant consultations. The range of issues included:

- Phase 2 of the Scottish Executive's Review of the Children's Hearings System (Getting it Right for Every Child, GIRFEC).
- Implementation of the new antisocial behaviour and related measures introduced to the Children's Hearings System by the Antisocial Behaviour etc. (Scotland) Act 2004.
- Implementation of the Vulnerable Witnesses (Scotland) Act 2004.
- Development of the SCRA Victim Information Scheme.
- Implementation of the new requirements on public bodies conferred by the Freedom of Information (Scotland) Act 2002.
- Engaging and contributing to the development of Children's Services plans in all 32 Scottish local authorities.

Getting It Right For Every Child (GIRFEC)

SCRA supports the improvement agenda set out by the Scottish Executive in GIRFEC and its commitment to the underlying principles of the Children's Hearings System:

- the integrated approach to offending and care and protection.
- the independence of the Children's Reporter.
- the distinctive role of Panel Members drawn from local communities.

SCRA's response to the Scottish Executive's consultation reiterated its commitment to work with partners to improve and modernise the Children's Hearings System. SCRA also identified some critical areas that need to be addressed as GIRFEC moves forward:

- Improvements in the Children's Hearings System need to be matched with corresponding improvement and support for children's services more widely.
- A greater focus is needed on the Children's Hearings System's role in dealing with children who require **compulsory** measures of care and supervision.
- Comprehensive change planning is required to deliver the GIRFEC improvement agenda.
- A continued focus on service improvement is needed throughout the period of change.
- The Children's Hearings System needs to formalise best practice in consulting with and responding to communities.

In 2005/06 SCRA's activity on GIRFEC concentrated on three main areas:

- SCRA provided the Scottish Executive with expertise through the secondment of its Practice Manager, to work with officials on drafting the legislation which will implement the GIRFEC proposals.
- The Scottish Executive commissioned SCRA to carry out research on children's participation in Children's Hearings and how advocacy support can facilitate this. This research '*Big words and Big Tables. Children and young people's experiences of advocacy support and participation in the Children's Hearings System*' was published by the Scottish Executive in July 2006.
- Participation in the pathfinder project in Highland Region, which is the pilot for many of the GIRFEC proposals.

Transition Plan and Financial Strategy

In preparation for the substantial programme of change identified in the GIRFEC Proposals for Action document, and in recognition of the increasing rates of referral to the Reporter in the short-term, SCRA commenced a major planning exercise to identify the scale and detail of the changes it would need to make to facilitate the transition to the new GIRFEC arrangements over a 3-4 year period. The resultant planning document, SCRA's Transition Plan and Financial Strategy, was developed also in the context of a standstill budget and the need to accelerate modernisation while protecting frontline services focused on children and families most at risk.

The Transition Plan, which was approved by the SCRA Board and submitted to the Deputy Minister for Education and Young People, sought additional resources of £20m over the next three years to modernise working practices and to strengthen capacity in frontline teams, during a three year transition to the new GIRFEC arrangements.

Scottish Ministers were unable to support the request for additional resources but in an acknowledgement of the pressures facing SCRA, the Deputy Minister for Education and Young People initiated a Ministerial Task Group (involving the Scottish Executive, the police, social work, health, education, CoSLA and SCRA) to try and manage down the level of non-offence referrals to the Reporter. SCRA is committed to this initiative and will continue to work with colleagues in partner agencies to develop new approaches which could make a difference, within the current legislative framework.

In recognition of the increasing levels of operational risk facing children and families at its frontline, and in view of the decision not to provide additional resources in support of

the Transition Plan, SCRA commenced work in developing a Service Prioritisation Plan (SPP) towards the end of 2005/06. The SPP is being taken forward in 2006/07 and will re-prioritise and re-focus all business efforts and resources on the core statutory function of the Principal Reporter in a determined effort to manage down the level of operational risk evident and ensure that decision-making is prioritised on the most vulnerable, most at risk children.

Implementing Policy

Three new pieces of legislation had a major impact on SCRA in 2005/06.

The **Vulnerable Witnesses (Scotland) Act 2004** came into force in April 2005. It introduced special measures, support and assistance for children and vulnerable adult witnesses in court proceedings. SCRA carried out extensive preparatory work to ensure that all Reporters were trained on the new procedures for witnesses in Children's Hearings related court cases. SCRA is building on this to further develop its support of vulnerable witnesses and is working with partners in the Scottish Executive and the Scottish Court Service to monitor and assess the use and effectiveness of measures to protect vulnerable witnesses.

The implementation of the **Antisocial Behaviour etc. (Scotland) Act 2004** (ASB Act) was a key area of activity for SCRA in 2005/06. It introduced new measures to the Children's Hearings System for children and young people who engage in antisocial behaviour (Antisocial Behaviour Orders and Movement Restriction Conditions) and new powers for Children's Hearings regarding local authority accountability and parenting orders.

In 2005/06 SCRA was significantly involved in implementing the measures introduced by the ASB Act and working with partner agencies to address antisocial behaviour by children and young people. In 2005/06:

- All Authority Reporters were involved in the development of strategies and policies to deal with antisocial behaviour in their local areas.
- All staff received training on SCRA's role and responsibilities in implementing the ASB Act. Authority Reporters also assisted in the training of Panel Members in their local areas.
- SCRA's guidance for Reporters on the ASB Act was shared with Panel Members, local authorities and the Scottish Executive.
- SCRA initiated research on young people subject to Movement Restriction Conditions and contributed to Scottish Executive research on antisocial behaviour measures and the impact of ASB Act strategies.

The **Freedom of information (Scotland) Act 2002** (FOI Act) came into force on 1 January 2005 and placed a statutory responsibility on Scottish public bodies to provide information. SCRA dealt with 168 requests for information under the FOI Act in 2005/06. Despite receiving such a large volume of requests, these were dealt with on average in 12 working days, well within the statutory deadline of 20 working days.

Partnership Working

Effective partnership working is key to effective decision-making about addressing the needs and concerns of children, their families and the communities in which they live. SCRA is committed to strengthening its partnership working arrangements as they impact on central decision-making responsibilities about whether a child should be referred to a Children's Hearing. Throughout 2005/06, SCRA accepted its wider responsibility to engage with partners at a strategic level and remains committed to this wider joint planning agenda, as capacity and resources permit.

Partnership Inquiry Initiative

From December 2005 to January 2006 SCRA developed and commenced a Partnership Inquiry Initiative involving Inverclyde Council and Argyll and Bute Council. These local authorities were identified for the first phase of this new approach due to their similarities in contact with SCRA in terms of strategic issues, geography and staff working across council boundaries. This joint initiative involved a series of one-to-one, structured interviews with key strategic and operational partners, along with a dedicated partnership event to review findings and to jointly address the identified issues around communication and information sharing. The evaluation of this initiative will be completed in 2006/07.

Advocacy and Promotion

In 2005/06, SCRA continued to engage more widely with those with interests in child protection and youth justice to raise awareness of the flexibility of the Children's Hearings System and the range of measures available to it to address children's needs and respond to community concerns. Every opportunity was also taken to enhance greater understanding of the circumstances of children referred and their families.

SCRA held an all party briefing event for MSPs at the Scottish Parliament in January 2006. This gave SCRA an opportunity to engage directly with MSPs from all parties as well as independent MSPs. A key objective of the event was to explain to MSPs the roles of the Principal Reporter and SCRA as a Non Departmental Public Body (NDPB). The event was well attended and well received by MSPs. SCRA will continue to hold events with MSPs to inform them on issues related to SCRA and the Children's Hearings System.

The Children's Hearings System was a high profile area in the Scottish Parliament in 2005/06. This is reflected in the number of Parliamentary Questions (PQs) raised and correspondence with Ministers and MSPs. SCRA contributed a considerable amount of information and advice on an extensive range of Parliamentary Questions and issues raised in the Parliament.

In August 2005, SCRA held a joint event with the **Edinburgh International Book Festival**. The event brought together key opinion formers from a range of vocations and interests to raise the profile of the circumstances and needs of vulnerable children. The theme of the event was poverty and lack of opportunity for children from disadvantaged backgrounds. The recently published biography '*Urban Grimshaw and the Shed Crew*' was used to highlight this. Its author Bernard Hare and the Children's Laureate Anne Fine read from their works and led discussions with the audience on the impact of deprivation on children.

Objective 3: An Efficient and Effective Organisation

SCRA is committed to efficiency and effectiveness, demonstrating Best Value, investing in staff, and supporting frontline services for children, their families and communities in which they live.

Data and Information

SCRA is uniquely placed in the Children's Hearings System (due to its national remit and local presence in every local authority area in Scotland), to assemble and appropriately share information and data on children referred to the Reporter. To protect children; to address offending and antisocial behaviour; to ensure children receive the support and service identified; and to assess SCRA's own, it is essential that appropriate information is made available and shared with its partners in the Children's Hearings System.

With support from the Scottish Executive, SCRA has commenced the development and construction of a comprehensive data warehouse to provide consistent, meaningful and accurate information and data. The data warehouse project will transform SCRA's data management and data analysis arrangements and will provide a broad range of standard data reports that will be of value to SCRA's own managers and partners throughout the Children's Hearings System. The data warehouse project commenced in November 2005 and is due to "go live" later in 2006.

Information sharing is essential to ensure that children's needs are properly assessed and that services for children are targeted in an appropriate, proportionate and timely manner. SCRA worked closely with partners in local areas and at a national level throughout 2005/06, to put in place local information sharing protocols and guidance. SCRA participated in the pilot of electronic child protection messaging as part of North and South Lanarkshires' e-Care project. Information sharing has rightly become a major strategic driver for SCRA and efforts to accelerate its work in this area depend on its ability to change and resource its current technology arrangements.

Investing in Staff

SCRA is committed to the recruitment, retention and continued motivation of staff. The ability to manage the increasing workload, while advancing significant changes to working practices, is dependent on the extraordinary commitment of staff throughout SCRA. The fact that SCRA has delivered improved performances throughout a period of unprecedented casework increases, is evidence of the commitment displayed by staff in all parts of the service.

In 2005/06 SCRA sought to improve its commitment to staff development while making important changes to pay arrangements.

A major project to modernise pay and grading arrangements was initiated to provide simpler and more transparent systems and to meet equal pay considerations. A new eight grade structure replaced the previous sixteen grade structure and weaknesses in the current pay system were addressed. Work will continue to ensure that staff are rewarded as fairly as possible and recognised for the contribution that they make, as well as aiming to improve the non-pay benefits package. In line with this, work has been progressing on revising the current performance appraisal scheme to ensure that it is simpler and more user-friendly and this work will continue in 2006/07.

The **Training and Development Forum** is now in its second year and is well established. The remit of the group is to discuss strategic training issues in conjunction with quarterly reviews of activity. 2005/06 saw the completion of the Authority Support Managers' Development Programme and the launch of the Introduction to Management Programme which currently has 15 delegates. Competency based training continues to support personal development including more flexible means of delivery. Greater use of e-learning systems allows staff to learn at their PCs at times that suit them.

Since the launch of the **Advanced Diploma in Children's Reporter Practice (ADCRP) in 2004**, work has been ongoing by the project review group to refocus the programme to ensure that it suits the needs of the organisation and staff. Ten candidates are currently undertaking the diploma in its current form. As the diploma leads to the award of a postgraduate qualification from the Scottish Qualifications Authority, the roles of trained assessors and internal verifiers are key to its success and further training is to be provided to support them in these roles.

The Training and Development Team are also engaged with the Practice Team to ensure that core applied Reporter skills training continues to support the needs of all Reporter staff.

Health and Safety

SCRA is committed to a sensible health and safety management system to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all employees and anyone else who may be affected by SCRA activities. SCRA shares the view of the Health and Safety Commission and the Health and Safety Executive, that sensible health and safety is about managing risks, not necessarily eliminating them.

There have been no reportable injuries or accidents in terms of the Reporting of Injuries Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR) during the year. SCRA has not been the subject of any action by enforcing authorities during the year.

Property

SCRA's facilities must be able to accommodate organisational change and growth, provide an improved working environment for staff and Panel Members while providing comfortable facilities for children and their families.

Over the last 12 months significant work has been undertaken to revise SCRA's entire property strategy. This strategy was approved by the SCRA Board on 15 December 2005. The strategy will ensure that projects are fully aligned with the organisation's strategic needs, are sufficiently flexible to adapt to the changing environment within which SCRA operates and able to deliver enhanced facilities for children and families, staff and partners alike.

The first of these new facilities came on line in March 2006 with the opening of new premises in Aberdeen. The mix of an open plan working environment, enhanced public and staff facilities and increased capacity have all contributed to a significantly improved environment for staff, Panel Members and children and families attending Hearings.

Best Value

SCRA will build in Best Value reviews over the next three years using the new Best Value Guidance for the wider public sector as published by the Scottish Executive in May 2006. This guidance presents an opportunity to formalise SCRA's current approach to continuous improvement by further raising awareness of the underlying principles of Best Value. SCRA has introduced the European Foundation for Quality Management (EFQM) excellence model and used it to inform the 2005/06 planning cycle both regionally and nationally. In SCRA's Annual Accounts for 2005/06, the external auditor commented on SCRA's good progress in planning and implementing Best Value. Their assessment of arrangements to secure Best Value identified that SCRA's arrangements are well developed in eight of the ten areas under review and two were assessed as under development.



Statistical Report

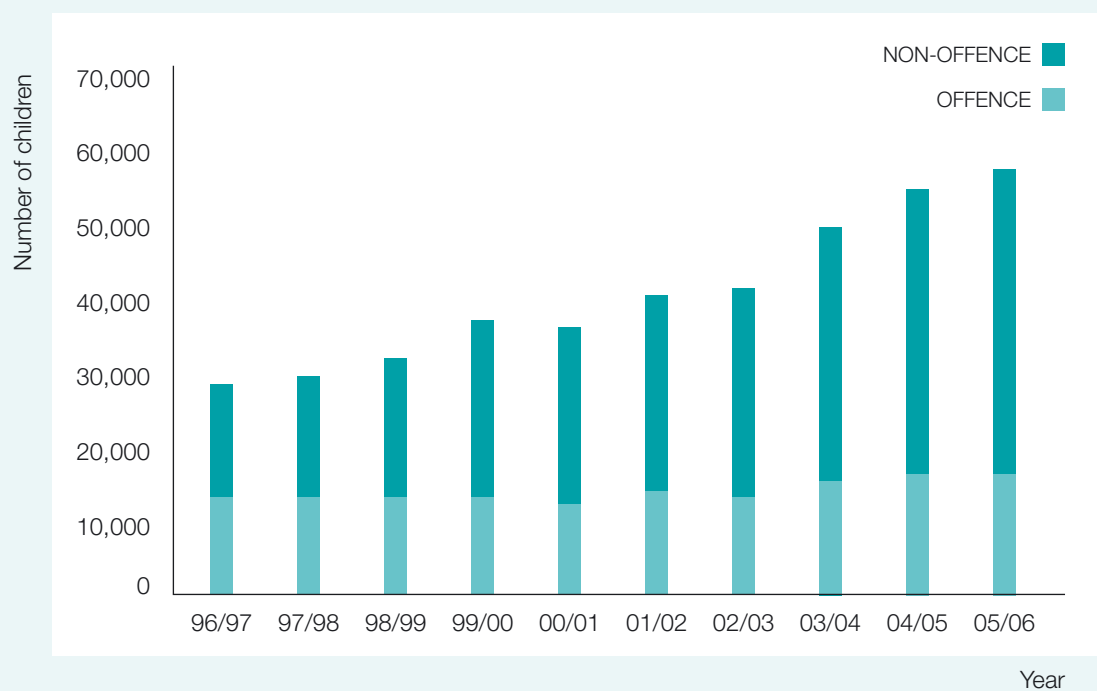
1. Children Referred to the Reporter

In 2005/06, 53,883 children in Scotland were referred to the Children's Reporter:

- 40,931 on non-offence (care and protection) grounds.
 - 17,624 on offence grounds.
- (These figures include children who have also been referred on both grounds – offence and non-offence.)

In 2005/06, 6% of children in Scotland were referred to the Reporter. The number of children referred has increased year on year, with 2005/06 seeing the highest numbers ever referred.

Figure 1. Children referred to the Reporter 1996/97 to 2005/06



Aligned to the increasing numbers of children being referred to the Children's Reporter, the numbers of referrals has also increased as shown in Table 1.

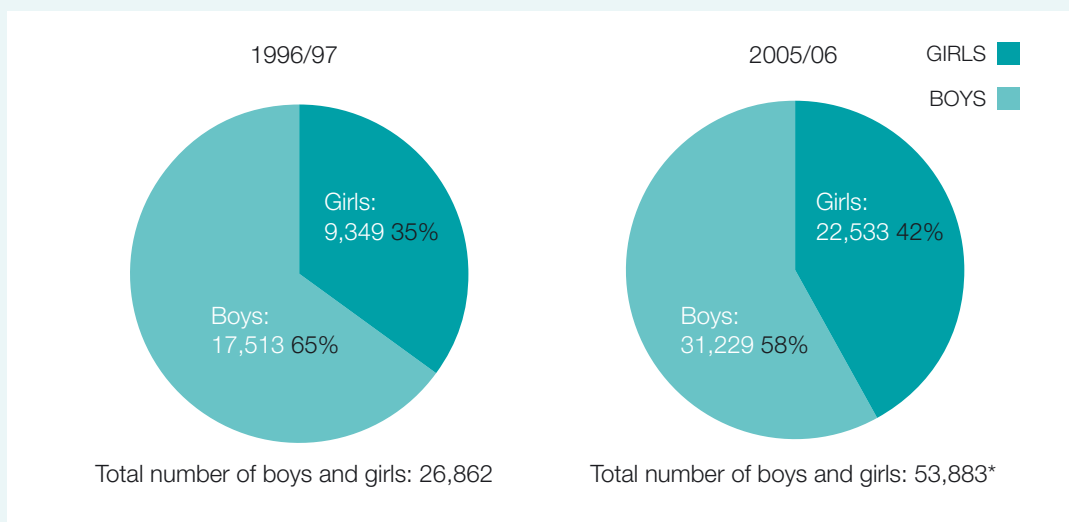
Table 1. Numbers of offence and non-offence referrals to the Reporter

Type of referral	Number of referrals to the Reporter			
	1996/97	2003/04	2004/05	2005/06
Offence	28,105	34,266	36,338	37,916
Non-offence	18,392	46,230	53,685	59,682
Total referrals*	46,497	80,035	89,893	97,607

*Referrals can be received for offence and non-offence grounds on the one referral. The total number of referrals is taken from SCRA overall referral data. Offence referral counts are extracted directly from Scottish Youth Justice Performance reports.

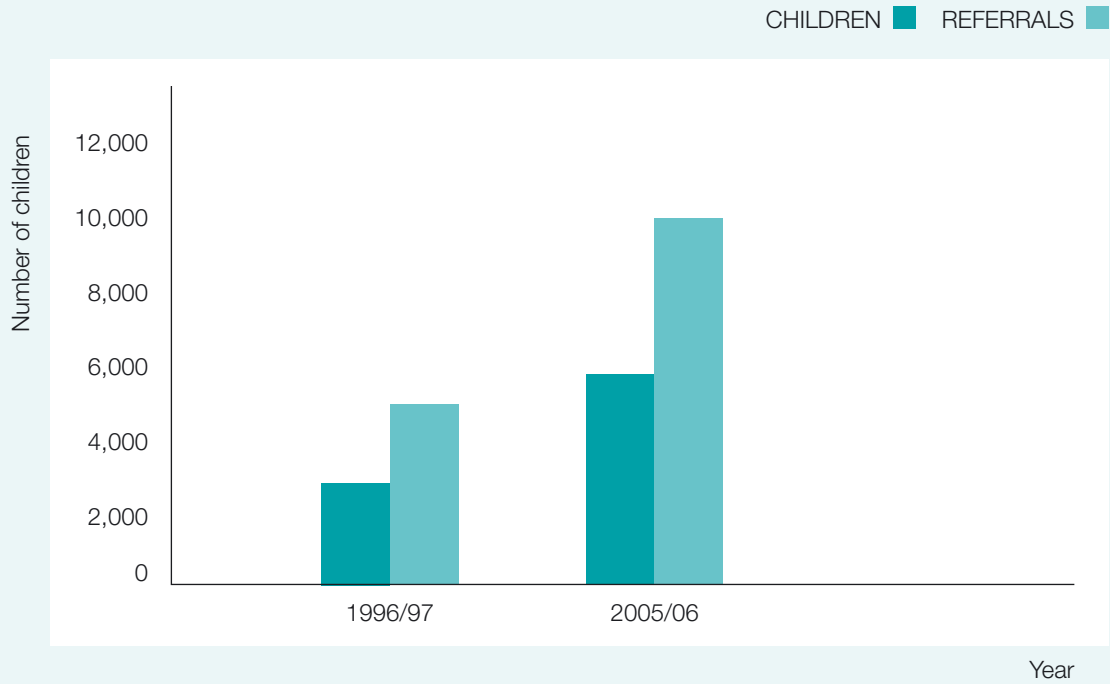
In 2005/06, 22,533 girls and 31,229 boys were referred to the Children's Reporter.

Figure 2. Children referred to the Reporter 1996/97 and 2005/06



*The total for 2005/06 includes 121 children whose gender was not recorded.

Figure 3. Children and Referrals 1996/97 and 2005/06

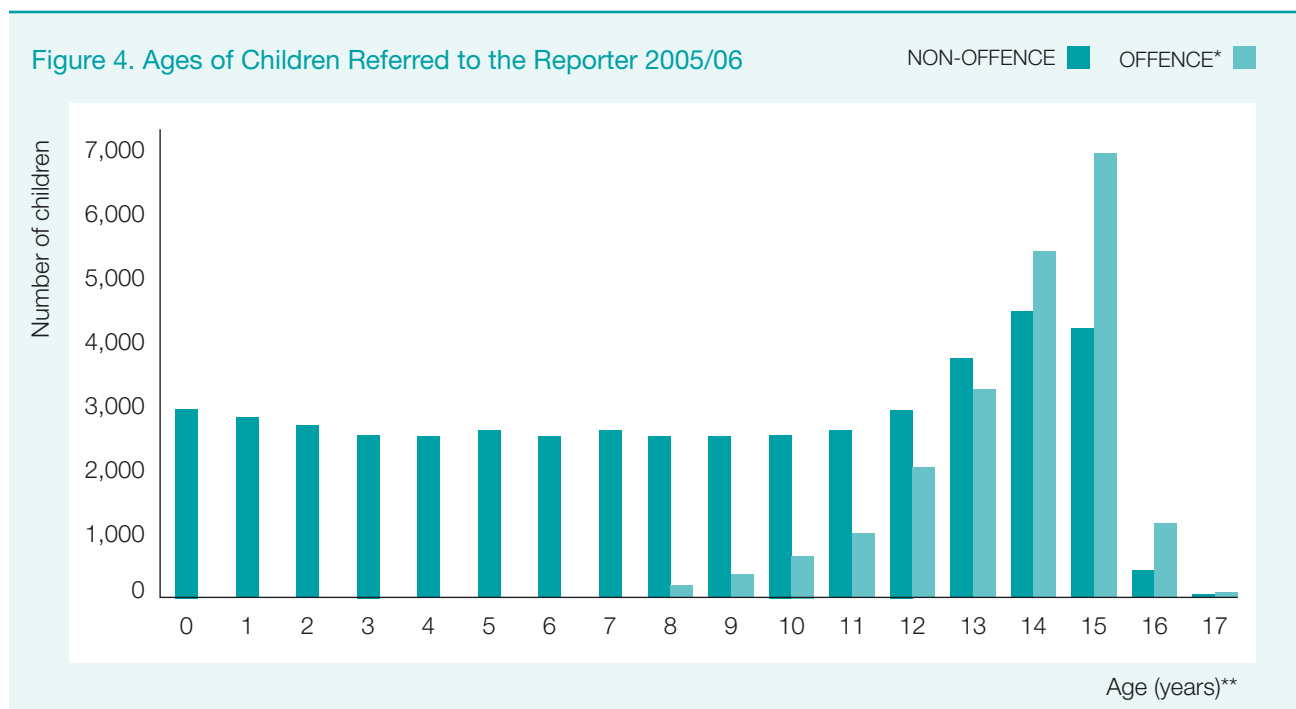


Ages of Children Referred

Over the past ten years, the proportion of pre-school age children being referred to the Reporter on care and protection grounds has doubled. In 1996/97, 2,995 children aged 0 to 4 years were referred, this being 11% of all children referred. In 2005/06, 11,975 children aged 0 to 4 years were referred – 22% of all children referred.

This reflects the changing pattern of referrals with increasing numbers of children being referred because of concerns about their welfare and safety.

The most common age for referral to the Reporter on non-offence and offence grounds are 14 and 15 years. This is the case for both boys and girls.



*Eight years is the age of criminal responsibility in Scotland. Children under 8 years cannot be referred for offending.

**Young people aged 16 and 17 years can be referred to the Reporter if they are still subject to a Supervision Requirement or are remitted from the Sheriff Court.

Table 2. Genders of Children Referred in 2005/06

Number of Children Referred to the Reporter	1996/97 ¹		2005/06	
	Number	% of children referred	Number	% of children referred
All grounds				
Girls	9,349	35%	22,533	42%
Boys	17,513	65%	31,229	58%
Total	26,862	100%	53,883	100%
Non-offence*				
Girls	6,961	48%	19,843	48%
Boys	7,513	52%	20,975	51%
Offence* (8 years and over)				
Girls	2,962	20%	4,222	24%
Boys	11,589	80%	13,392	76%

*Some children are referred on both offence and non-offence grounds.

¹Scottish Children's Reporter Administration (2000). Statistical Bulletin. Referrals of Children to Reporters and Children's Hearings (covering the period 1st April 1996 to 31st March 1997 inclusive).

Children Referred in each Local Authority Area in 2005/06

Table 3. Numbers of children referred to the Reporter in each local authority area in 2005/06

Local authority area	Number of Children Referred to the Reporter		
	Total*	Non-offence	Offence (8 years and over)
Aberdeen City	1,752	1,446	478
Aberdeenshire	1,148	893	336
Angus	533	237	349
Argyll & Bute	1,082	885	297
Clackmannanshire	945	759	280
Dumfries & Galloway	1,644	1,239	546
Dundee	1,437	799	778
East Ayrshire	1,848	1,444	583
East Dunbartonshire	622	489	177
East Lothian	780	681	140
East Renfrewshire	504	358	182
Edinburgh, City of	4,245	3,676	918
Eilean Siar	272	194	110
Falkirk	2,068	1,611	684
Fife	2,456	1,423	1,229
Glasgow City	8,822	6,604	2,913
Highland	2,338	1,762	818
Inverclyde	849	644	290
Midlothian	1,031	859	258
Moray	558	303	288
North Ayrshire	2,223	1,824	644
North Lanarkshire	4,576	3,414	1,518
Orkney	122	89	48
Perth & Kinross	588	243	387
Renfrewshire	1,882	1,538	475
Scottish Borders	865	742	211
Shetland Islands	174	133	63
South Ayrshire	1,209	949	385
South Lanarkshire	2,988	2,076	1,103
Stirling	1,031	827	322
West Dunbartonshire	1,529	1,213	466
West Lothian	1,939	1,698	392
Scotland	53,883	40,931	17,624

*The Scotland total is not the sum of children referred on offence and non-offence grounds as children can be referred on both types of grounds.

Across Scotland in 2005/06, 2.3 times as many children were referred to the Reporter on care and protection grounds as those referred on offence grounds. However, there were differences between local areas. In Angus and Perth and Kinross, the number of children referred to the Reporter on care and protection grounds was significantly less than the national average. In Dundee, almost equal numbers were referred. These local authority areas make up the Tayside police force area.

In 2005/06, the local authority areas making up the Lothian and Borders police force area show the opposite trend as

they had the highest proportions of children referred on care and protection grounds compared to those referred on offence grounds.

A combination of factors is likely to influence these differences including differing referral practices and the availability of services for children and families.

The pattern and ratio of non-offence referrals to offence referrals over the past three years is shown in Table 4.



Table 4. Proportions of Non-Offence and Offence Referrals

	2003/04			2004/05			2005/06		
	Non Offence Referrals	Offence Referrals	Ratio Non Offence: Offence	Non Offence Referrals	Offence Referrals	Ratio Non Offence: Offence	Non Offence Referrals	Offence Referrals	Ratio Non Offence: Offence
Aberdeen City	1,281	902	1.4:1	2,313	909	2.5:1	2,105	1,245	1.7:1
Aberdeenshire	652	403	1.6:1	872	521	1.7:1	1,042	527	2.0:1
Angus	246	831	0.3:1	206	562	0.4:1	269	910	0.3:1
Argyll & Bute	1,088	540	2.0:1	1,218	563	2.2:1	1,377	549	2.5:1
Clackmannanshire	838	635	1.3:1	1,296	682	1.9:1	1,266	687	1.8:1
Dumfries & Galloway	1,604	1,298	1.2:1	1,685	1,397	1.2:1	1,891	1,195	1.6:1
Dundee	1,486	2,178	0.7:1	1,025	1,980	0.5:1	1,035	1,968	0.5:1
East Ayrshire	949	1,033	0.9:1	1,945	1,454	1.3:1	2,259	1,177	1.9:1
East Dunbartonshire	358	422	0.8:1	575	314	1.8:1	631	298	2.1:1
East Lothian	782	162	4.8:1	688	279	2.5:1	894	246	3.6:1
East Renfrewshire	356	268	1.3:1	369	329	1.1:1	478	290	1.6:1
Edinburgh, City of	5,207	2,018	2.6:1	5,334	2,040	2.6:1	5,335	2,318	2.3:1
Eilean Siar	314	242	1.3:1	350	235	1.5:1	273	345	0.8:1
Falkirk	1,643	1,323	1.2:1	1,707	1,773	1.0:1	2,666	1,511	1.8:1
Fife	1,161	1,971	0.6:1	1,518	2,369	0.6:1	1,819	2,319	0.8:1
Glasgow City	8,282	6,586	1.3:1	8,217	5,873	1.4:1	9,251	6,425	1.4:1
Highland	2,110	1,452	1.5:1	2,322	1,814	1.3:1	2,642	1,467	1.8:1
Inverclyde	890	590	1.5:1	1,018	552	1.8:1	978	527	1.9:1
Midlothian	1,186	368	3.2:1	1,021	475	2.1:1	1,115	624	1.8:1
Moray	509	482	1.1:1	543	613	0.9:1	400	779	0.5:1
North Ayrshire	1,539	1,355	1.1:1	2,131	1,487	1.4:1	2,865	1,509	1.9:1
North Lanarkshire	2,530	2,254	1.1:1	4,148	2,681	1.5:1	5,073	3,127	1.6:1
Orkney Islands	97	68	1.4:1	75	84	0.9:1	111	82	1.4:1
Perth & Kinross	547	734	0.7:1	419	807	0.5:1	287	793	0.4:1
Renfrewshire	1,788	859	2.1:1	2,176	787	2.8:1	2,269	816	2.8:1
Scottish Borders	852	522	1.6:1	1,081	450	2.4:1	1,136	501	2.3:1
Shetland Islands	119	82	1.5:1	194	99	2.0:1	208	129	1.6:1
South Ayrshire	830	752	1.1:1	1,458	874	1.7:1	1,501	779	1.9:1
South Lanarkshire	2,078	1,606	1.3:1	2,483	1,950	1.3:1	2,887	2,207	1.3:1
Stirling	1,313	850	1.5:1	1,241	858	1.4:1	1,296	800	1.6:1
West Dunbartonshire	1,634	819	2.0:1	1,841	849	2.2:1	1,823	952	1.9:1
West Lothian	1,961	661	3.0:1	2,216	678	3.3:1	2,498	814	3.1:1
Totals	46,230	34,266	1.3:1	53,685	36,338	1.5:1	59,682	37,916	1.6:1

Children referred as a % of the child population

There are variations between local authority areas in the proportion of the child population that was referred to the Reporter in 2005/06.

Clackmannanshire was the highest – with one in ten of the children in its population being referred to the Reporter. Aberdeenshire was lowest with 2.5% (one in 40) of its child population being referred.

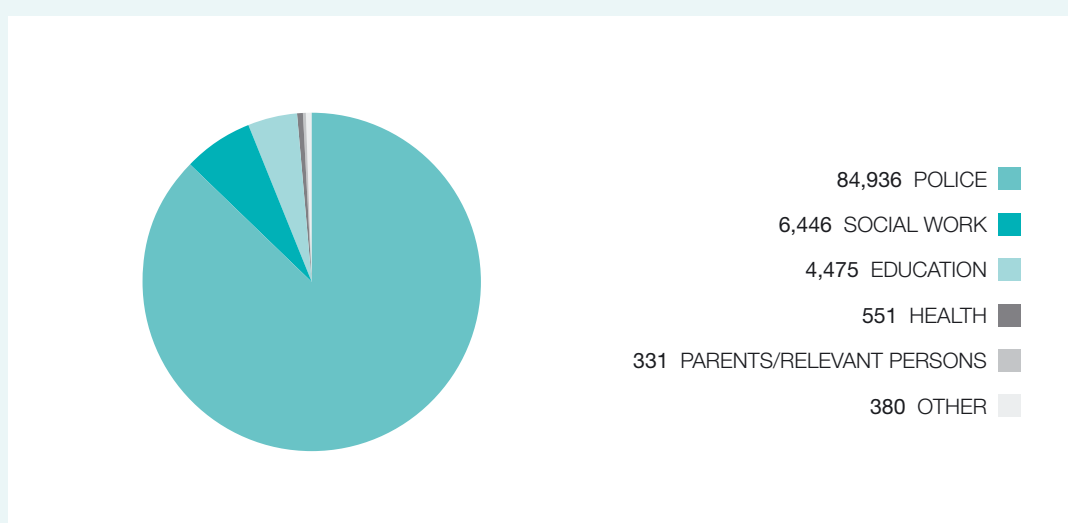
Table 5. Children Referred as a Percentage of Population in each Local Authority Area and Nationally in 2005/06

Local authority area	Children referred as % of population*		
	All	Non-offence	Offence (8 years and over)
Aberdeen City	5.5%	4.5%	2.8%
Aberdeenshire	2.5%	1.9%	1.3%
Angus	2.6%	1.2%	3.2%
Argyll & Bute	6.7%	5.5%	3.3%
Clackmannanshire	10.0%	8.0%	5.4%
Dumfries & Galloway	6.3%	4.7%	3.7%
Dundee	6.0%	3.3%	6.1%
East Ayrshire	8.2%	6.4%	4.7%
East Dunbartonshire	3.1%	2.4%	1.5%
East Lothian	4.2%	3.7%	1.4%
East Renfrewshire	2.7%	1.9%	1.8%
Edinburgh, City of	6.0%	5.2%	2.5%
Eilean Siar	5.7%	4.1%	4.1%
Falkirk	7.3%	5.7%	4.6%
Fife	3.7%	2.2%	3.5%
Glasgow City	9.0%	6.7%	5.8%
Highland	5.9%	4.5%	3.8%
Inverclyde	5.6%	4.3%	3.5%
Midlothian	6.6%	5.5%	3.1%
Moray	3.3%	1.8%	3.1%
North Ayrshire	8.7%	7.1%	4.5%
North Lanarkshire	7.2%	5.3%	4.6%
Orkney	3.3%	2.4%	2.2%
Perth & Kinross	2.3%	1.0%	2.8%
Renfrewshire	6.0%	4.9%	2.8%
Scottish Borders	4.3%	3.7%	1.9%
Shetland Islands	3.8%	2.9%	2.5%
South Ayrshire	6.3%	5.0%	3.6%
South Lanarkshire	5.2%	3.6%	3.6%
Stirling	6.2%	5.0%	3.6%
West Dunbartonshire	9.1%	7.2%	5.1%
West Lothian	5.6%	4.9%	2.2%
Scotland	5.80%	4.40%	3.50%

*% of population aged 0 to 15 years inclusive, based on mid-year estimates for 2005 from the General Register Office of Scotland for each local authority and Scotland as a whole. Children referred on offence grounds as % of population aged 8 to 15 years inclusive, based on mid-year estimates.

Sources of Referral to the Reporter in 2005/06

Figure 5. Most Common Sources of Referrals to the Reporter received in 2005/06



Referrals come from five principal sources – the police, social work, education, health and parents. By far the most common source of offence and non-offence referrals is the police, comprising 87% of all referrals to the Reporter in 2005/06.

There have been significant increases in recent years in the numbers of referrals to the Reporter from the police.

Table 6. Referrals to the Reporter

Source of referral	Number of referrals received by the Reporter			
	1996/97	2003/04	2004/05	2005/06
Police	34,320	68,583	78,377	84,936
Social work	3,949	5,115	5,537	6,446
Education	4,826	4,482	4,196	4,475
Health	143	579	577	551
Parents/relevant persons	486	395	362	331
Procurator Fiscal	2,109	290	195	182
Sheriff Court	N/A	194	205	184
Other relatives	429	99	106	122
Other*	235	298	338	380
Total referrals	46,497	80,035	89,893	97,607

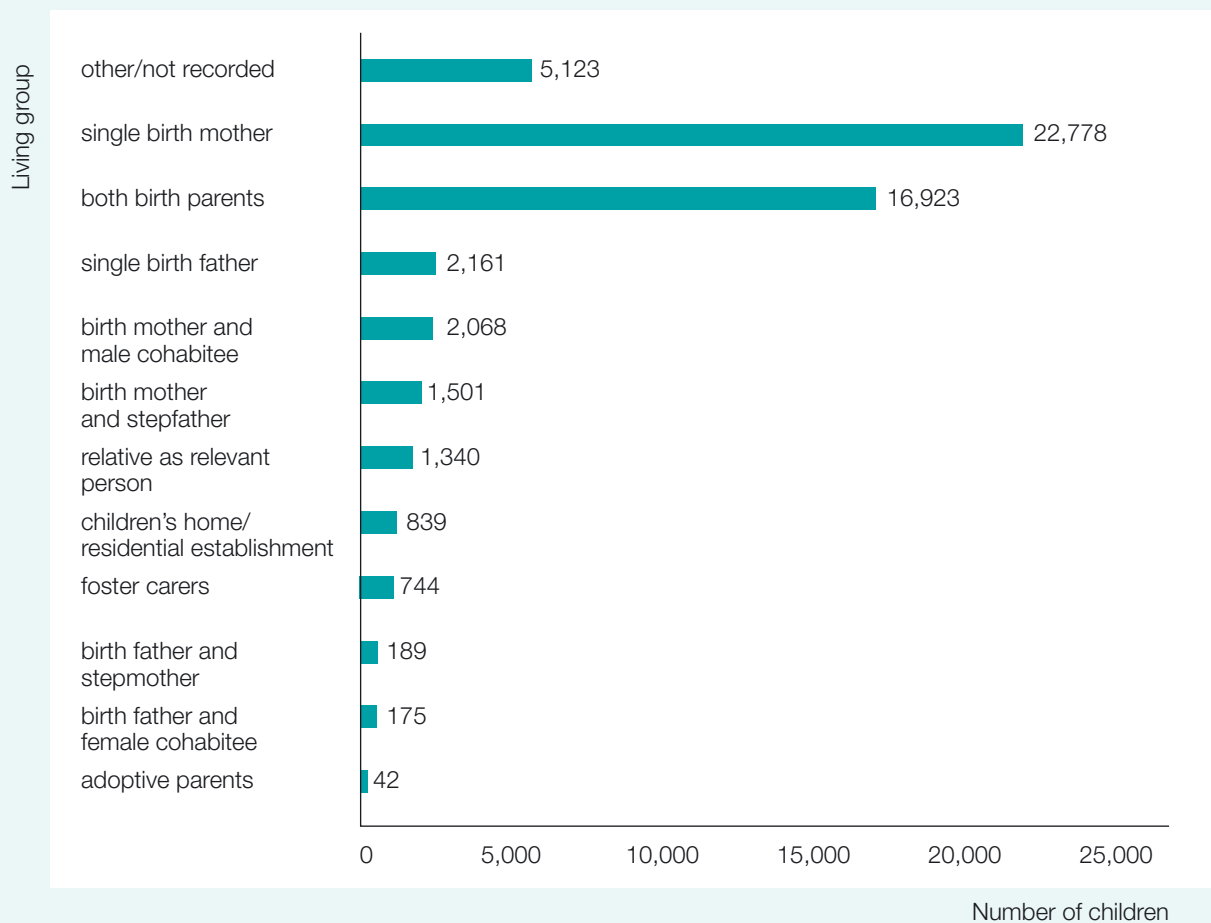
*Other covers any person, child, District Court, Hearing, High Court and the Reporter.

Living Groups of Children Referred in 2005/06

The most common living group of children referred to the Reporter in 2005/06 was with single birth mother. Almost half (46%) of children referred lived in a single

parent household either with their mother or father. In addition, only 31% of children referred lived with both their birth parents.

Figure 6. Living groups of children referred in 2005/06



2. Grounds on which Children were Referred

The reasons (grounds) under which children are referred to the Children's Reporter are those set out in section 52(2) of the Children (Scotland) Act 1995. They are summarised in Table 7 below.

Table 7. Grounds of Referral for Children Referred to the Reporter

Grounds for referral	Number of children referred		
	2003/04	2004/05	2005/06
(a.) Beyond control of any relevant person	4,183	4,558	5,107
(b.) Bad associations or moral danger	2,590	3,083	3,004
(c.) Lack of parental care	16,266	16,781	17,801
(d.) Victim of a Schedule 1 offence*	12,929	16,270	17,331
(e.) Member of the same household as a victim of a Schedule 1 offence	1,788	1,684	1,629
(f.) Member of the same household as a Schedule 1 offender	1,022	816	876
(g.) Member of the same household as an incest victim or perpetrator	23	15	36
(h.) Not attending school	3,407	3,137	3,291
(i.) Allegedly committed an offence	16,470	17,494	17,624
(j.) Misused alcohol or drugs	1,611	1,369	1,426
(k.) Misused solvents	44	29	17
(l.) In the care of the local authority, and special measures are necessary	77	50	36
Total children referred**	45,793	50,529	53,883

*Any of the offences mentioned in Schedule 1 to the Criminal Procedure (Scotland) Act 1995 (offences against children to which special provisions apply).

**These totals count every child referred to the Reporter once for the year. A child may be referred to the Reporter more than once in the year on the same and/or different grounds.

The established trend of more children being referred to the Reporter on non-offence grounds (40,931 children) compared with those referred on offence grounds (17,624 children) continued in 2005/06.

For the first time, the number of children referred on the ground of *lack of parental care* (17,801 children) exceeded the number referred on offence grounds (17,624 children). The third most common ground for referral in 2005/06 was *victim of an offence* (17,331 children).

There has been a marked increase in the numbers of children being referred because they are victims of offences – there was a 34% increase between 2003/04 and 2005/06. In comparison, over the same three-year period, there was a 9% rise in numbers of children referred because of lack of parental care and a 7% increase in children referred on offence grounds.

Children who were victims of Schedule 1 offences

Children referred under section 52(2)(d) have been victims of offences.

In 2005/06, this was the third most common reason why children were referred to the Reporter, when compared with the numbers recorded for offence referrals and the number of children referred because of lack of parental care.

Over the past ten years, there has been a huge increase in the numbers of children being referred because they are victims of offences – 308% increase in the number of children referred since 1996/97 (4,249 children in 1996/97 and 17,331 children in 2005/06).

The types of offences that children were victims of in 2005/06 are shown in Table 8.

Table 8. Children Referred to the Reporter Under Section 52(2)(d) (victim of an offence) in 2005/06

	Number of children		
	Girls	Boys	Total
Ground 'd' (victim of a schedule 1 offence)			
Child victim – incest, sexual offences or homosexual offences	337	83	420
Child victim of begging, burning, performing, etc., 1937 Act	Less than 5	13	17
Child victim of bodily injury	558	744	1,304*
Child victim of lewd, indecent or libidinous practice or behaviour	527	208	737*
Child victim (cruelty) – section 12, 1937 Act***	7,415	7,749	15,217**
Total****	8,632	8,642	17,331

*2 children gender not recorded.

**53 children gender not recorded.

***Children and Young Persons (Scotland) Act 1937, section 12 – Cruelty (including ill-treatment, neglect, abandonment and exposure) to person under 16 years.

****Totals do not equal the sums as children can be referred more than once in the year. Totals count each child once.

The total numbers of boys and girls referred under ground 'd' (victim of an offence) were similar. However, there were differences in the types of offences that girls and boys have been victims of. Girls were more likely to be victims of sexual offences (10% of girls referred under ground 'd') than boys

(3%). More boys, however, were victims of bodily injury (8% of boys referred under ground 'd') than girls (6%). By far the most common reason that children (both boys and girls) were referred under ground 'd' was because of cruelty.

Table 9. Offences Referred to the Reporter

Offence type	Number of alleged offences referred to the Reporter		
	2003/04	2004/05	2005/06
Breach of the peace	10,328	11,191	12,232
Vandalism/malicious mischief	9,379	10,923	11,396
Assault	8,545	10,015	10,156
Theft – other	3,514	3,414	3,262
Theft – shoplifting	2,913	2,987	2,934
Road Traffic Act offence	2,708	2,867	3,439
Carrying an offensive weapon	1,459	1,411	1,701
Possession of drugs	1,235	1,214	1,194
Theft by housebreaking	1,210	1,358	1,268
Wilful and malicious fire raising	727	724	896
All other offences	10,942	10,954	11,122
Total alleged offences*	52,960	57,058	59,600

*The total figures above include offences dealt with by the Procurator Fiscal in the Criminal Justice System. This applies to very serious offences.

In 2005/06, 17,624 children were referred for 59,600 offences. The most common types of offences referred were breach of the peace, assault and vandalism.

Persistent Young Offenders

A persistent young offender (PYO) is defined as a child or young person with five offending episodes within a six-month period, where an offending episode is equal to an offence referral to the Children's Reporter.

In 2005/06, 1,388 of the 17,624 children referred to the Reporter on offence grounds were identified as persistent young offenders². This is 8% of children referred on offence

grounds, 3% of all children referred and 0.3% of children aged between 8 and 16 years in Scotland.

These 1,388 persistent young offenders were responsible, however, for 32.5% of all the offence referrals to the Reporter in 2005/06. Reducing the number of persistent young offenders by 10% by 2008 is a key target for the Scottish Executive and agencies involved in youth justice.

Table 10. Children Referred on Offence Grounds and as Persistent Young Offenders in 2005/06

Local authority area	Number of children referred		
	On offence	As PYOs	% PYO
Aberdeen City	478	54	11%
Aberdeenshire	336	12	4%
Angus	349	44	13%
Argyll & Bute	297	21	7%
Clackmannanshire	280	24	8%
Dumfries & Galloway	546	44	8%
Dundee	778	80	10%
East Ayrshire	583	48	8%
East Dunbartonshire	177	11	6%
East Lothian	140	5	4%
East Renfrewshire	182	Less than 5	2%
Edinburgh, City of	918	92	10%
Eilean Siar	110	16	14%
Falkirk	684	52	7%
Fife	1,229	78	6%
Glasgow City	2,913	252	8%
Highland	818	37	4%
Inverclyde	290	14	5%
Midlothian	258	28	11%
Moray	288	33	11%
North Ayrshire	644	60	9%
North Lanarkshire	1,518	105	7%
Orkney	48	5	10%
Perth & Kinross	387	28	7%
Renfrewshire	475	26	5%
Scottish Borders	211	21	10%
Shetland Islands	63	Less than 5	6%
South Ayrshire	385	24	6%
South Lanarkshire	1,103	72	6%
Stirling	322	35	11%
West Dunbartonshire	466	37	8%
West Lothian	392	29	7%
Scotland	17,624	1,388	8%

²Scottish Executive and SCRA (2006) Scottish Youth Justice. Performance Report 2003/04 to 2005/06.

3. Decision Making by Reporters

Reporter decisions on children referred

Reporters investigate as necessary when a referral is received. They do so by obtaining information on the child and their circumstances from relevant agencies (e.g. social work, education, health, etc.) before reaching a decision on whether compulsory measures may be necessary to protect the child and/or address their behaviour. Where the Reporter decides that the child requires compulsory measures of supervision, and there is sufficient evidence to support a ground for referral, the child will be referred to a Children's Hearing.

Reporters have other options available to them to find the right help for children. The Reporter may decide, in relation

to a referred child, to ask the local authority to provide voluntary advice, guidance and assistance. The Reporter may also decide that there is insufficient evidence or that another intervention is more appropriate (e.g. family support, diversion).

An additional 5,177 decisions were made by Reporters in 2005/06 than in 2004/05 – this is a 9% increase. In comparison, the number of children referred increased by almost 7%, as shown in Table 7.

Table 11. Reporter Decisions on Children Referred in 2005/06

Reporter decision	Number of children**		
	Non offence	Offence	Total
Arrange Children's Hearing	4,674	2,296	6,255
Custody referral to the Procurator Fiscal	0	230	230
Custody referral to the Reporter	0	6	6
Joint report to Procurator Fiscal	Less than 5	890	891
Measures already in place	4,022	2,921	5,881
Diversion to other measures	191	4,345	4,457
Family have taken action	3,021	947	3,873
Insufficient evidence to proceed	7,918	1,582	9,392
No indication of a need for compulsory measures	20,930	8,573	28,318
Refer to local authority	5,150	1,445	6,035
Total*	40,287	17,755	53,223

*The totals do not equal the sums as children can be referred more than once in the year and may have multiple Reporter decisions. In 37 cases, Reporter decision was not recorded.

**Data in this table relates to cases disposed of in 2005/06 as opposed to referrals received in 2005/06.

Number of Children's Hearings held in 2005/06

There was an overall 9% increase in the numbers of Hearings held in 2005/06. All local authority areas, except four, experienced increases in the numbers of Hearings held between 2003/04 and 2005/06.

Moray and Highland had the greatest increases, both having 29% more Hearings in 2005/06 than 2003/04. The four local authority areas which saw decreases, albeit slight, were Perth & Kinross, Shetland, South Lanarkshire and West Lothian.

Table 12. Number of Children's Hearings

Local authority area	Number of Children's Hearings		
	2003/04	2004/05	2005/06
Aberdeen City	1,385	1,662	1,594
Aberdeenshire	924	888	1,014
Angus	516	639	567
Argyll & Bute	616	676	686
Clackmannanshire	375	364	441
Dumfries & Galloway	1,073	1,030	1,109
Dundee	1,205	1,291	1,313
East Ayrshire	1,199	1,317	1,397
East Dunbartonshire	228	208	239
East Lothian	413	410	496
East Renfrewshire	219	276	250
Edinburgh, City of	2,921	2,940	3,238
Eilean Siar	147	193	162
Falkirk	825	774	980
Fife	1,517	1,701	1,700
Glasgow City	8,056	7,640	8,752
Highland	918	1,138	1,184
Inverclyde	687	734	717
Midlothian	580	575	616
Moray	362	384	468
North Ayrshire	1,637	1,857	1,967
North Lanarkshire	2,121	2,199	2,245
Orkney	78	76	84
Perth & Kinross	441	354	393
Renfrewshire	1,325	1,354	1,378
Scottish Borders	399	460	420
Shetland Islands	61	68	53
South Ayrshire	735	859	807
South Lanarkshire	1,793	1,667	1,722
Stirling	430	384	442
West Dunbartonshire	873	908	938
West Lothian	1,264	1,307	1,245
Scotland	35,323	36,334	38,617

Children's Hearings' Decisions on Grounds Referred

The table below shows the decisions made by Children's Hearings in relation to grounds referred in 2005/06.

Table 13. Hearings' Decisions in 2005/06

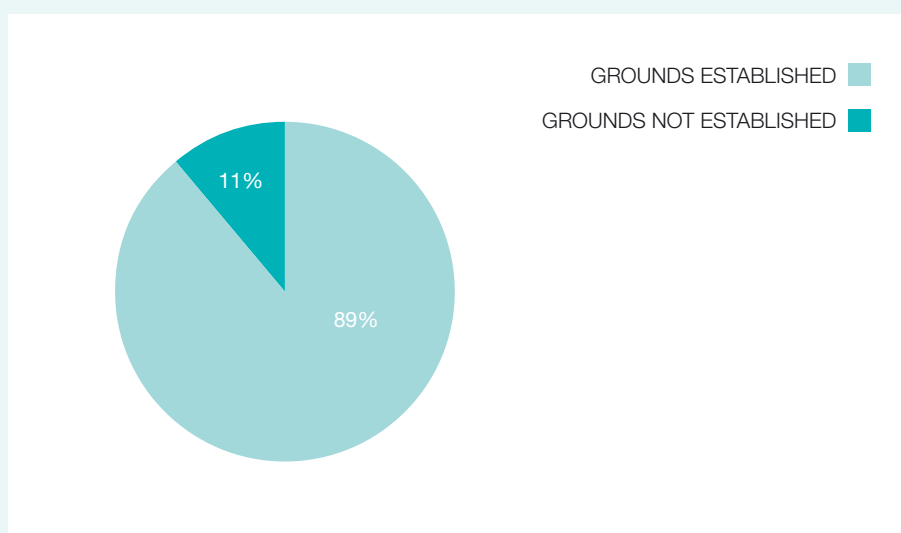
	Number of grounds		
	Non-offence	Offence	Total
Hearing decisions			
Grounds accepted and new Supervision Requirement made	2,292	3,353	5,645
Grounds accepted and considered in review of existing Supervision Requirement	278	4,556	4,834
Grounds established and new Supervision Requirement made	4,179	194	4,373
Grounds denied and discharged	201	1,894	2,095
Grounds accepted and discharged	310	834	1,144
Grounds established and considered in review of existing Supervision Requirement	307	384	691
Grounds established and discharged	394	67	461
Total	7,961	11,282	19,243

Applications to Sheriff Court for Proof

If the child and/or their relevant person(s) do(es) not accept some or all of the grounds for referral forming the basis of the Children's Hearing, or the child does not understand, the Children's Hearing may direct the Reporter to apply to the

Sheriff Court to establish the grounds for referral (section 68 of Children (Scotland) Act 1995). In 2005/06, 3,435 applications were made, and 89% were held to be established by the Sheriff.

Figure 7. Applications to Sheriff Court for Proof in 2005/06



Appeals

Children and/or their relevant person(s) can appeal to the Sheriff against decisions made by Children's Hearings. In 2005/06, 508 appeals were made, with 360 of these Hearings' decisions being upheld by the Sheriff.

Table 14. Appeals to the Sheriff

	Appeals to Sheriff		
	2003/04	2004/05	2005/06
Total appeals	478	463	508
% Hearings' decisions upheld	66%	64%	71%

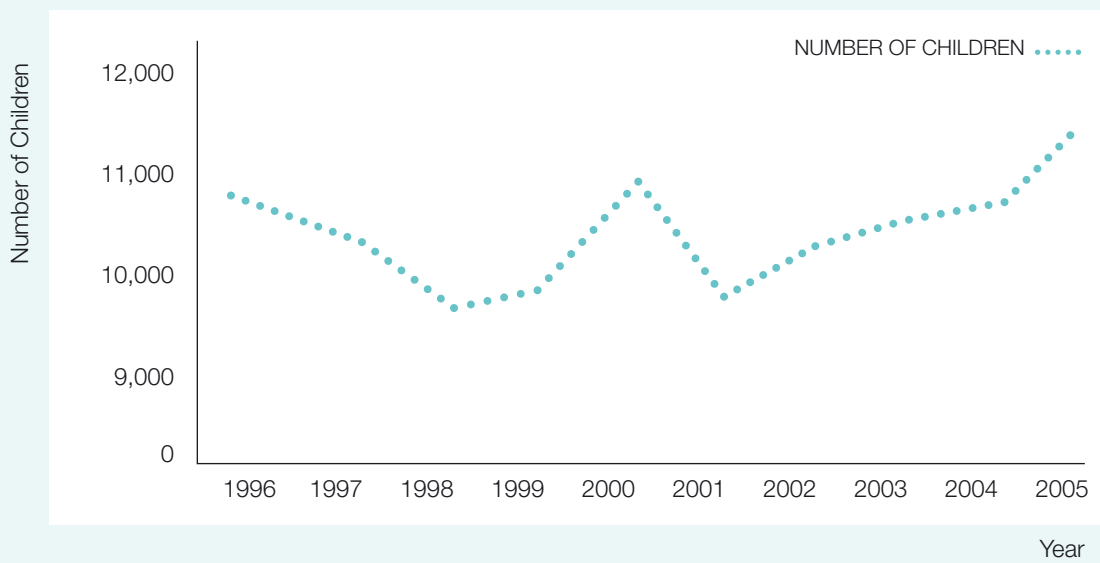
Supervision Requirements

Supervision Requirements are the most common forms of compulsory intervention made Children's Hearings. It is the statutory responsibility of local authorities to implement Supervision Requirements.

Table 15. Supervision Requirements in place on 30 June 2004 and 30 June 2005

Type of Supervision Requirement	Number of Children	
	30/06/04	30/06/05
With parent/relevant person	5,659	6,155
With other approved foster parent	2,277	2,394
With relative/friend – other	880	950
With relative/friend – approved foster parent	573	559
Residential school	516	466
Local authority home	416	413
Other residential placement	49	84
Other	31	33
Special school	19	13
Establishment acting as an assessment centre, in whole or part	8	13
Other non-residential placement	12	6
In hospital	Less than 5	Less than 5
Voluntary home	Less than 5	Less than 5
None recorded	151	176
Total	10,621	11,296

Figure 8. Number of Children Subject to Supervision Requirements



2005 saw the highest numbers of children subject to Supervision Requirements in the history of the Children's Hearings System. For the first time, the number of children subject to Supervision Requirements exceeded 11,000.

Table 16. Numbers of Children Subject to Supervision Requirements at 30 June for each of the last 10 years

Year	Number of children
1996	10,743
1997	10,321
1998	9,707
1999	9,765
2000	10,878
2001	9,728
2002	10,137
2003	10,448
2004	10,621
2005	11,296

Table 17. Number of Children Subject to Supervision Requirements at 30 June 2005 by Local Authority Area

Local authority area	Number of children	% of population*
Aberdeen City	469	1.46%
Aberdeenshire	317	0.68%
Angus	172	0.85%
Argyll & Bute	202	1.25%
Clackmannanshire	128	1.35%
Dumfries & Galloway	326	1.25%
Dundee	395	1.64%
East Ayrshire	338	1.51%
East Dunbartonshire	72	0.35%
East Lothian	142	0.67%
East Renfrewshire	80	0.43%
Edinburgh, City of	1,015	1.44%
Eilean Siar	58	1.22%
Falkirk	259	0.91%
Fife	480	0.72%
Glasgow City	2,484	2.52%
Highland	342	0.86%
Inverclyde	213	1.41%
Midlothian	174	1.11%
Moray	151	0.90%
North Ayrshire	478	1.86%
North Lanarkshire	663	1.04%
Orkney	20	0.55%
Perth & Kinross	119	0.47%
Renfrewshire	461	1.46%
Scottish Borders	133	0.65%
Shetland Islands	23	0.50%
South Ayrshire	242	1.26%
South Lanarkshire	522	0.90%
Stirling	128	0.77%
West Dunbartonshire	305	1.81%
West Lothian	385	1.12%
Scotland	11,296	1.22%

*% of population aged 0 to 15 years inclusive in each local authority area, based on mid-year estimates for 2005 from the General Register Office of Scotland.

Warrants and Child Protection Orders

Children's Hearings also make other decisions often to address emergency situations where measures have to be put in place immediately to protect children or address their behaviour. This may be where the Hearing follows the granting of a Child Protection Order by a Sheriff or in Hearings convened for other reasons.

In 2005/06, Children's Hearings made:

- 2,409 Warrants under sections 66(1)/66(2)(b) and 69(7) of the Children (Scotland) Act 1995.
- 483 Child Protection Orders under section 59(4) of the Children (Scotland) Act 1995.

Table 18. Warrants and Child Protection Orders made by Hearings

	2003/04	2004/05	2005/06
Warrants	2,057	2,082	2,409
Child Protection Orders	491	588	483

Secure Authorisations

Secure Authorisations can be made as part of a Supervision Requirement or Place of Safety Warrant. The inclusion of the Secure Authorisation in the Supervision Requirement or Warrant allows the local authority's Chief Social Work Officer, in consultation with the manager of the secure accommodation, to place the child in a 'secure unit'.

Secure Authorisations were made as conditions of Supervision Requirements.

The numbers of Secure Authorisations made by Hearings have doubled in the last ten years. In 1996/97, 250 Secure Authorisations were made compared with 508 in 2005/06.

In 2005/06, 250 Children's Hearings authorised Secure Authorisations as conditions of Warrants. A further 258

Table 19. Secure Authorisations made by Children's Hearings

	Secure Authorisations made by Children's Hearings			
	1996/97	2003/04	2004/05	2005/06
Total Secure Authorisations	250	550	517	508

4. Time Interval Performances

The time intervals standards for the Children's Hearings System were published by the Scottish Executive in 2001³. There are fourteen standards covering various aspects of

the process within the Hearings System and the different agencies involved. Those of most relevance to SCRA are shown below.

Table 20. National Performance Against Time Interval Targets in 2005/06

	Total number	Number on time	% on time	Average time (working days)
Time Interval Standard – target				
Standard TI3 – All reports* will be submitted within 20 working days of the date of the request from the Reporter.	22,274 communications	7,909 communications	36%	53
Standard TI4 – The Reporter will make a decision about a referral within 50 working days of receipt.	97,384 referrals	61,389 referrals	63%	56
Standard TI5 – The Reporter will inform the child and family of the outcome of a referral within 5 working days of making a decision.	67,799 completed tasks	41,187 completed tasks	61%	11
Standard TI6 – Hearings will be scheduled to take place within a maximum of 20 working days of the Reporter's decision.	14,829 referrals	11,349 referrals	77%	15
Standard TI8 – All relevant people, information and resources will be available to Hearings to ensure that continuations are kept to a minimum.	22,652 Hearings	16,838 Hearings	74%	N/A
Standard TI14 – The child and family will be sent written notification of the outcome of a Hearing within 5 working days of the Hearing.	39,816 completed tasks	34,317 completed tasks	86%	3

*Refers to Social Work reports on children referred – Initial Assessment Reports and Social Background Reports.

³ Scottish Executive (2001) Blueprint for the Processing of Children's Hearings Cases. Inter-agency Code of Practice and National Standards.

Table 21. Local Performance Against Time Interval Targets in 2005/06

	Performance (%)					
	T13	T14	T15	T16	T18	T114
Local authority area						
Aberdeen City	24	52	93	74	68	100
Aberdeenshire	48	67	93	79	82	99
Angus	39	70	82	78	71	90
Argyll & Bute	23	58	82	79	81	96
Clackmannanshire	38	41	25	87	68	100
Dumfries & Galloway	45	88	81	88	80	98
Dundee	25	52	72	73	78	93
East Ayrshire	24	52	37	68	66	69
East Dunbartonshire	52	74	91	98	80	100
East Lothian	55	84	94	76	85	100
East Renfrewshire	73	80	66	71	79	92
Edinburgh, City of	39	55	70	63	80	65
Eilean Siar	36	65	50	97	81	91
Falkirk	40	70	37	82	80	100
Fife	25	44	34	66	73	56
Glasgow City	34	71	65	78	69	89
Highland	37	63	80	78	79	98
Inverclyde	67	42	73	80	80	93
Midlothian	37	82	95	72	75	100
Moray	75	65	49	74	83	94
North Ayrshire	48	76	73	91	63	77
North Lanarkshire	17	54	39	71	67	99
Orkney	33	61	94	86	87	96
Perth & Kinross	37	68	85	91	83	98
Renfrewshire	26	64	69	69	79	81
Scottish Borders	41	76	91	62	88	100
Shetland Islands	63	86	95	52	82	100
South Ayrshire	17	61	53	78	76	82
South Lanarkshire	30	57	25	79	74	72
Stirling	50	81	26	87	72	99
West Dunbartonshire	32	64	68	81	77	84
West Lothian	54	65	57	85	88	90
Scotland	36%	63%	61%	77%	74%	86%

National Performance

SCRA's Time Intervals Performance – comparison with previous years.

SCRA continued its good performance towards meeting the Time Interval targets in 2005/06, despite increased workloads. SCRA's performance exceeded three of the five relevant targets (i.e. T14, T15, T114), and was only 1% below the target for T18.

Table 22. SCRA's Performance Against Time Intervals Targets over 3 years

Standard	Target	Performance		
		2003/04	2004/05	2005/06
T14	60%	58%	56%	63%
T15	60%	70%	65%	61%
T16	90%	73%	71%	77%
T18	75%	73%	73%	74%
T114	60%	86%	84%	86%

Working days from referral receipt to Hearing decision

The average times taken from receipt of referral to Hearing decision have significantly improved in recent years. This is against a background of increasing numbers of referrals to the Reporter and increasing numbers of Children's Hearings held.

This is particularly notable for offence cases, where the average time from referral receipt to Hearing decision has almost halved in the last five years as shown in Table 23.

Table 23. Average Working Days from Referral Receipt to Hearing Decision over 5 years

Year	Average working days	
	Offence cases	Non-offence cases
2001/02	134	168
2002/03	95	147
2003/04	74	130
2004/05	75	129
2005/06	70	130

Youth Justice Standard

The Scottish Executive published its Action Plan on Youth Crime in 2002⁴. This included the target – ‘the time taken from police caution and charge to the implementation of Hearing decision should be reduced to 80 working days by March 2006’. SCRA is responsible for the period from receipt of offence referral to Hearing decision that makes up much of this target period.

Table 24. Average Times from Receipt of Referral to Hearing Decision for Offence Referrals in 2005/06

	Receipt of offence referral to Hearing decision	
	Average (days)	Target (days)
Offence Referrals		
All offence referrals	70	80
Persistent young offenders	62	80

On average, it took 70 days from receipt of the referral by the Reporter to Hearing decision for offence cases. Persistent young offender cases were dealt with on average more quickly, taking 62 days from receipt of offence referral to Hearing Decision.

This means that, on average, offence referrals from receipt to Hearing decision for non-persistent and persistent young offenders were dealt with by SCRA well within the 80 day target.

⁴ Scottish Executive (2002) National Standards for Scotland's Youth Justice Services. A Report by the Improving the Effectiveness of the Youth Justice System Working Group.



Annual Accounts

Management Commentary

1. Background

The Scottish Children's Reporter Administration (SCRA) is a non-departmental public body, which was established under the Local Government Etc. (Scotland) Act 1994. It came into existence on 1 April 1995 and on 1 April 1996 assumed full responsibility for three main statutory functions, which are:

- facilitating the performance by the Principal Reporter of Reporters' statutory functions (1994 Act, Section 128(3))
- managing the staff of the Reporter Service throughout Scotland (1994 Act, Section 128(7))
- providing suitable accommodation and facilities for Children's Hearings throughout Scotland (1994 Act, Section 132(1))

SCRA is accountable to the Scottish Ministers and to the Scottish Parliament through the Scottish Executive Education Department [SEED]. Sponsorship responsibility rests with the Children and Young People's Group of SEED.

SCRA is subject to a Management Statement and Financial Memorandum agreed with its sponsor department. SCRA is financed by grant-in-aid, other than a contribution from some local authorities towards the funding of specific reporter posts.

2. Financial Results

In the year ended 31 March 2006, SCRA reported a surplus of £420,000 (2005: £1,981,000 surplus) on income of £24,862,000 (2005: £21,340,000). The General Fund has a surplus of £1,327,000 as at 31 March 2006 (2005: £907,000).

SCRA has adopted FRS 17 Retirement Benefits in full. This requires the financial statements to reflect at fair value the assets and liabilities arising from SCRA's retirement benefit obligations. As a result SCRA has a deficit of £4,441,000 on its pension reserve.

3. Fixed Assets

SCRA owns property in the form of office and hearing accommodation throughout Scotland. The land and buildings are included on the basis of their valuation on an open market basis as at 31 March 2002, other than new builds which are included at their valuation as at completion.

4. Review of Principal Activities

The main activity carried out during the year was the fulfilment of the Principal Reporter's statutory functions in respect of children referred to the Reporter. Statistical information on children referred and the execution of statutory functions in respect of them are dealt with in SCRA's Annual Report for 2005/06.

The other principal activities carried out in pursuance of SCRA's statutory functions were to:

- Improve our performance and service delivery.
- Focus on partnership working to drive performance across the Children's Hearings System.
- Become more efficient and effective by investing in our staff and our organisation.

In achieving these three objectives, we concentrated on:

- Implementing the National Standards for Scotland's Youth Justice Services.
- Implementing a National Service Management Strategy.
- Developing regional plans to focus on local performance improvement.
- Influencing and responding to the Review of the Children's Hearings System and the national policy agenda in liaison with partner agencies.
- Developing our data and information sharing functionality.
- Implementing a strategic property programme.
- Ensuring compliance with the Best Value agenda.
- Completing a comprehensive pay and grading review.
- Undertaking an initial Investors in People assessment.
- Submitting a Transition Plan and Financial Strategy (2006-2009) to the Scottish Executive outlining the resource requirement of SCRA to secure and modernise front-line services in advance of GIRFEC implementation.

5. Future Developments in Activities

For the financial year 2006/07 SCRA has been allocated grant-in-aid of £22,593,000 (2006: £22,176,000) running costs and £1,600,000 (2006: £1,200,000) for capital expenditure. The major activity for which this grant will be applied is the continuing provision of staff to fulfil the Principal Reporter's statutory functions for children throughout Scotland. Other main activities during 2006/07 will all, either directly or indirectly, support continued improvement in the effectiveness and efficiency of our discharge of those core functions. Specific priority tasks will be to:

- In the context of a standstill budget, focus on the core statutory function of the Principal Reporter within current legislation.
- Prioritise children most at risk and most in need of referral to a hearing.

- Redirect internal resources to support front-line delivery.
- Work with referring agencies to influence change in referral practice.
- Implement a Service Prioritisation Plan (SPP) to encapsulate the service modernisation and operational tasks required to achieve the requisite quality assurance and risk management outcomes.
- A recent review of our best value arrangements by SCRA's external auditors resulted in a very positive assessment with seven out of nine areas being deemed to be 'well developed'. The comprehensive findings in the review will be used to further inform the development of our best value activity in the coming years.

6. Board Members

Board Members in 2005/06	Date of Original Appointment
Douglas Bulloch Chairman	1 April 2002
Margaret Cox Principal Reporter	17 June 2005
Anne McNeill Deputy Chair	1 October 2001
Sheriff Pamela Bowman	18 August 2003
Harry McGuigan	8 October 1999
Dr. Joe Morrow	1 April 2002
Ian Smith	11 May 2000
Margaret Wells	2 July 2004

The Principal Reporter is in effect the Chief Executive of SCRA and serves as a member of the Board. The Principal Reporter also has specific responsibility for the discharge of Reporters' statutory functions.

The Board Members have been appointed by the Scottish Ministers. They are appointed on the basis of having knowledge or experience relevant to the general purpose of SCRA or to the functions of the Principal Reporter.

7. Disabled Persons

One of SCRA's aims is to make sure that no person with a disability is treated less favourably than another, in areas such as recruitment and selection, in line with the provisions of the Disability Discrimination Act 1995.

8. Audit

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for

Scotland to decide who is to undertake the audit of each central government body in Scotland. For the financial years 2001/02 to 2005/06 the Auditor General appointed KPMG LLP to undertake the audit of SCRA. The general duties of the auditors of central government bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

As Accountable officer, I am not aware of any relevant audit information of which our auditors are unaware. I have taken all necessary steps to ensure that I myself am aware of any relevant audit information and to establish that the auditors are also aware of this information.

9. Consultation with Employees

SCRA has confirmed in its Corporate Plan a commitment to involve staff throughout the organisation in its decision making process.

SCRA has an established Recognition and Procedure Agreement with Unison, which governs the negotiations of pay and national conditions of service for all staff. It formally acknowledges the importance of establishing and maintaining confidence in the negotiating arrangements voluntarily established under the Agreement and recognises the need to negotiate in good faith.

10. Payment Performance

In line with Treasury Guidance, SCRA's policy is to pay all invoices, not in dispute, within 30 days or the agreed contractual terms if otherwise specified. SCRA endeavours to comply with the Confederation of British Industry Prompt Payment Code and aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time within these terms.

During the year ended 31 March 2006 SCRA paid 86% (2005: 83%) of all invoices within the terms of its payment policy.

11. Register of Interests

A Register of Interests for Board Members and Senior Staff is maintained at SCRA's headquarters and may be accessed by contacting the Office of the Director of Corporate Development at Ochil House, Springkerse Business Park, Stirling, FK7 7XE.

Margaret Cox
Principal Reporter

Date: 7th September 2006

Remuneration Report

Remuneration Committee

The Remuneration Committee, a sub committee of the full SCRA Board, oversees the remuneration and performance management arrangements of all staff.

Membership of Remuneration Committee

For the Financial Year under review, the Remuneration Committee has consisted of:

Ian Smith (Chair of committee, Non-Executive Member)
Margaret Wells (Non-Executive Member)
Douglas Bulloch (Chair of Board, Non-Executive Member)

Policy on Remuneration of Senior Managers

Proposals on the remuneration of the Principal Reporter are made by Remuneration Committee and form the basis of recommendations to the Scottish Executive. Proposals in relation to all other senior managers' and all other members' of staff remuneration are included in a pay and grading remit, which is submitted to the Scottish Executive for approval following approval by the Remuneration Committee.

SCRA's overall remuneration policy aims to:

- Attract, retain and motivate competent and skilled staff at all levels of the organisation;
- Ensure that salaries are as competitive as possible; and
- Reward staff for their contribution to SCRA by arrangements which are simple, fair and transparent.

Performance Assessment Methods

Performance is measured in accordance with a negotiated Performance Appraisal scheme that includes annual objective setting and performance review. For senior managers, these objectives relate to both individual performance and corporate performance.

Proportion of Remuneration Covered by Performance Conditions

SCRA operates a performance related pay scheme which is applied to all members of staff. Annual increases and bonuses are subject to meeting the predefined performance criteria determined under performance appraisal arrangements.

Policy on Duration of Contracts, Notice Periods and Termination Payments

It is SCRA's policy to normally offer open-ended appointments subject to operational and resource considerations. The notice period for senior managers is 3 months. Any payment in relation to termination of employment through retirement or redundancy is governed by SCRA's relevant policies and procedures. Any discretionary payment made to any member of staff on termination is subject to approval by the Board and/or Scottish Executive.

Senior Managers Service Contracts

	Date of Contract	Unexpired Term	Notice Period
Margaret Cox Principal Reporter	17 June 2005		
Thomas Philliben Director of Reporter Operations	16 November 2005		
Edward McConnell Director of Corporate Development	15 September 2000	All Senior Managers have open ended contracts	All Senior Managers are required to give 3 months' notice of resignation
Edward Morrison Director of Finance	31 January 2000		
Marion Riddell Head of HR	1 July 2004		

No payments were made in respect of compensation for early termination in 2005-06.

Significant awards made to past senior managers

None

Senior Managers Remuneration

	Salary and Allowances 2006 £'000	Salary and Allowances 2005 £'000	Benefits in Kind 2006 £	Benefits in Kind 2006 £
Non Executive Board Members				
Douglas Bulloch	20-25	20-25	-	-
Anne McNeill (Deputy Chair)	5-10	5-10	-	-
Sheriff Pamela Bowman	-	-	-	-
Dr. Joe Morrow	0-5	0-5	-	-
Harry McGuigan	0-5	0-5	-	-
Ian Smith	0-5	0-5	-	-
Margaret Wells	0-5	0-5	-	-
Executive Management Team Members				
Margaret Cox Principal Reporter	75-80	75-80	-	-
Thomas Philliben Director of Reporter Operations	55-60	-	-	-
Edward McConnell Director of Corporate Development	50-55	50-55	-	-
Edward Morrison Director of Finance	50-55	45-50	-	-
Marion Riddell Head of HR	45-50	-	-	-

At the time of finalisation of the accounts the Principal Reporter's salary was still under review. The impact of this review is not reflected in these accounts. Prior year comparatives have not been disclosed for Thomas Philliben and Marion Riddell as they were not in these posts in 2005.

Senior Managers non-cash remuneration

Senior Managers did not receive any non-cash remuneration.

Senior Managers Pension Entitlements

	Real increase in pension and lump sum £'000	Total accrued pension at 31/3/2006 £'000	Cash equivalent transfer value at 31/3/2005 £'000	Real increase in cash equivalent transfer value during year £'000
Executive Management Team Members				
Margaret Cox Principal Reporter	2.5-5.0	10-15	396	36
Thomas Philliben Director of Reporter Operations	-	5-10	-	28
Edward McConnell Director of Corporate Development	2.5-5.0	0-5	33	10
Edward Morrison Director of Finance	2.5-5.0	5-10	136	18
Marion Riddell Head of HR	-	0-5	-	7

Prior year comparatives have not been disclosed for Thomas Philliben and Marion Riddell as they were not in these posts in 2005. SCRA does not make any contribution to the Local Government Pension Scheme, or provide any other form of pension benefit, in respect of any Non Executive Board member.

Compensation Payable to Former Senior Managers

There was no compensation payable to former senior managers in 2005-06.

Amounts payable to Third Parties for the Services of a Senior Manager

There were no amounts payable to third parties for the services of a senior manager in 2005-06.

Margaret Cox
Principal Reporter

Date: 7th September 2006

Statement of Board's and Principal Reporter's Responsibilities

Section 136(3) of the Local Government etc. (Scotland) Act 1994 requires SCRA to prepare a statement of accounts for each financial year in the form and on the basis determined by the Scottish Ministers. The accounts are prepared on an accruals basis and must show a true and fair view of SCRA's state of affairs at the year-end and of its income and expenditure, total recognised gains and losses, and cash flows for the financial year.

In preparing the accounts SCRA is required to:

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

Under section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer of the SEED designated the Principal Reporter of the SCRA as the Accountable Officer for the Administration. Her relevant responsibilities as Accountable Officer, including her responsibility for the propriety and regularity of financial transactions under her control and for the economical, efficient and effective use of resources placed at her disposal, are set out in the memorandum to Accountable Officers of other Public Bodies issued by the Scottish Executive.

Margaret Cox
Principal Reporter

Date: 7th September 2006

Statement on the System of Internal Control

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of SCRA's policies, aims and objectives, as set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

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

Established System of Internal Control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of SCRA's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. A robust system of internal control has been in place in SCRA throughout the year ended 31 March 2006 and up to the date of the approval of the annual report and accounts, and accords with HM Treasury Guidance.

The following processes have been established throughout the financial year:

- A Board which meets regularly to consider the plans and strategic direction of the organisation;
- Regular reports to the Board on progress in relation to achievement of corporate objectives, performance targets and implementation of key strategic projects;
- The Audit Committee reviews the adequacy of the arrangements for ensuring sound internal control and in particular scrutinises all audit reports and the actions taken by managers in response to audit recommendations;
- Regular review of the Strategic Risk Register by the Executive Management Team. Strategic risk management is now fully established in the corporate planning and decision making processes of SCRA;
- A significant programme of work undertaken by the Practice Audit and Development Unit which is responsible for providing assurance on the effectiveness of the arrangements within SCRA for discharging the Principal Reporter's statutory responsibilities towards children in the Children's Hearings System. The Unit provides regular reports to the Audit Committee which monitors the actions taken by managers in response to recommendations made;

- In addition to the Practice Audit and Development Unit, SCRA has an internal audit service provided under contract, which operates to standards defined in the Government Internal Audit Manual. They submit regular reports to the Audit Committee which include an independent opinion on the adequacy and effectiveness of SCRA's system of internal control together with recommendations for improvement.

Internal Control Enhancements Undertaken During the Current Year

It is however recognised that any system of internal control should be subject to ongoing improvement and development to meet the changing needs and requirements of the organisation. SCRA management endorse this view and are committed to a programme of continuous improvement. During 2005/06 the following steps were taken to further enhance the internal control framework.

Corporate Planning, Project Management and Performance Management

- The Board have established a Data and Performance Committee which considers the Quarterly Integrated Performance Report and Executive Summary. The Executive Summary is then noted by the full Board and shared with the Scottish Executive and made available to SCRA staff.
- Revised management arrangements are now in place which ensure clear decision making arrangements are in place as well as a clear communication framework. Performance against agreed objectives is discussed at each Regional Management Team meetings with exception based monthly performance reporting to the Executive Management Team.
- A robust approach to project management, based on Prince2 software, has been developed to support forward planning and in particular the development and subsequent implementation of the 2006/07 Business Plan.

Risk Management

- A framework for measuring, controlling and monitoring operational risks was introduced during the year and a series of facilitated risk workshops undertaken to identify key operational risks. A process for the escalation of operational risks deemed to be significant has also been developed to enable such risks to be considered for inclusion within the Strategic Risk Register. Further work will take place in 2006/07 to fully embed the operational risk management process.

Review of Effectiveness of the System of Internal Control

As Accountable Officer, I also have responsibilities for reviewing the effectiveness of the system of internal control.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Practice Audit and Development Unit, the executive managers within SCRA who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters and other reports.

SCRA submitted a signed Certificate of Assurance for 2005/06 to the Sponsor Division as part of the Scottish Executive's Certificates of Assurance process.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and Audit Committee and a plan to address weaknesses, and ensure continuous improvement of the system is in place.

Margaret Cox
Principal Reporter

Date: 7th September 2006

Independent Auditors' Report

Independent Auditors' Report to the members of the Scottish Children's Reporter Administration, the Auditor General for Scotland and the Scottish Parliament.

We have audited the financial statements of the Scottish Children's Reporter Administration for the year ended 31 March 2006 under the Local Government Etc. (Scotland) Act 1994. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the Scottish Children's Reporter Administration and to the Auditor General for Scotland in accordance with sections 21 and 22 of the Public Finance and Accountability (Scotland) Act 2000. Our audit work has been undertaken so that we might state to those two parties those matters we are required to state to them in an auditor's report and for no other purpose. In accordance with the Statement of Responsibilities of Auditors and of Audited Bodies prepared by Audit Scotland, this report is also made to the Scottish Parliament, as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scottish Children's Reporter Administration and the Auditor General for Scotland, for our audit work, this report, or for the opinions we have formed.

Respective Responsibilities of the Board, the Principal Reporter and Auditors

The Board and Principal Reporter are responsible for preparing the annual report and the financial statements in accordance with the Local Government Etc. (Scotland) Act 1994 and directions made thereunder by the Scottish Ministers. The Principal Reporter is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statement of Accountable Officer's Responsibilities.

Our responsibility is to audit the financial statements 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.

We report our 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 Local Government Etc. (Scotland) Act 1994 and directions made thereunder by the Scottish Ministers. We 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. We also report if, in our opinion, the Management Commentary is not consistent with the financial statements, if the body has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

We review whether the Statement on Internal Control reflects the body's compliance with the Scottish Executive's guidance. We report if, in our opinion, it does not comply with the guidance or if it is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the statement covers all risks and controls. Neither are we required to form an opinion on the effectiveness of the body's corporate governance procedures or its risk and control procedures.

We 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 the Management Commentary. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinions

We conducted our 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. It also includes an assessment of the significant estimates and judgements made by the Board and Principal Reporter 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.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us 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 our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

Financial statements

In our opinion

- The financial statements give a true and fair view, in accordance with the Local Government Etc. (Scotland) Act 1994 and directions made thereunder by the Scottish Ministers, of the state of affairs of the body as at 31 March 2006 and of its surplus, total recognised gains and losses and cash flows for the year then ended; and
- The financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Local Government Etc. (Scotland) Act 1994 and directions made thereunder by the Scottish Ministers.

Regularity

In our 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.

KPMG LLP
Chartered Accountants
Registered Auditor
 191 West George Street
 Glasgow G2 2LJ

Date: 8th September 2006

Income and Expenditure Account for the year ended 31 March 2006

	Notes	2006 £'000	2005 £'000
Income			
Scottish Executive Grant-in-Aid	2	24,628	21,174
Other income	3	234	166
Total		24,862	21,340
Expenditure			
Staff costs	4	14,126	11,563
Depreciation	9	537	594
Other operating charges	7	9,584	7,002
Total		24,247	19,159
Operating surplus		615	2,181
Interest payable	8	(70)	(95)
Interest receivable		35	42
Other finance costs	5(v)	(160)	(147)
Retained surplus for the year	17	420	1,981

Statement of Total Recognised Gains and Losses for the year ended 31 March 2006

	Notes	2006 £'000	2005 £'000
Surplus for the financial year		420	1,981
Actuarial (loss)/gain on pension fund	5(vi)	(21)	780
Actuarial gain on group assurance		2	3
Total recognised gains and losses relating to the year		401	2,764

The results for the year derive from the ordinary activities of SCRA, all of which are continuing. The notes on pages 58 to 68 form part of these accounts.

Balance Sheet as at 31 March 2006

	Notes	2006 £'000	2005 £'000
Fixed Assets			
Tangible assets	9	8,206	8,616
Current assets			
Debtors	10	1,454	1,623
Cash at bank and in hand		1,669	114
Total		3,123	1,737
Creditors: Amounts falling due within one year	11	2,407	1,481
Net Current Assets		716	256
Total Assets Less Current Liabilities		8,922	8,872
Creditors: Amounts falling due after more than one year	12	403	682
Provision for liabilities and charges			
Provision for unfunded pension charges	13	534	526
Accruals and deferred income			
Deferred government grant	14	5,765	5,883
Deferred income	15	13	175
Deferred rent	16	95	102
Total		5,873	6,160
Net Assets excluding pension liability		2,112	1,504
Pension fund liability	5(i)	(4,124)	(3,917)
Net Liabilities including pension liability		(2,012)	(2,413)
Reserves			
General fund	17	1,327	907
Pension reserve	17	(4,441)	(4,422)
Revaluation reserve	17	1,102	1,102
Total		(2,012)	(2,413)

The notes on pages 58 to 68 form part of these accounts.

Cash Flow Statement for year ended 31 March 2006

	2006 £'000	2005 £'000
Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities		
Operating Surplus	615	2,181
Deferred Rent	(7)	(5)
Deferred Income	(162)	163
Depreciation Charges	537	594
Permanent Diminution	1,048	-
Gain on Sale of Asset	(26)	(24)
Provision for unfunded pension contribution	8	(1,151)
Decrease/(Increase) in Debtors	169	(247)
Increase/(Decrease) in Creditors	950	(197)
Increase/(Decrease) in pension fund liability	207	(1,031)
(Increase)/Decrease in pension reserve	(19)	783
Transfer from Deferred Government Grant	(1,519)	(522)
Net cash inflow from operating activities	1,801	544
Returns on Investments and Servicing of Finance		
Interest received	35	42
Interest paid	(69)	(145)
Net interest return on pension asset	(160)	(147)
Total	(194)	(250)
Capital Expenditure	(1,401)	(2,558)
Capital Receipts	252	68
Financing		
Deferred Grant-in-aid received	1,401	2,558
Repayment of Loans	(304)	(418)
Increase/(Decrease) in cash	1,555	(56)

The notes on pages 58 to 68 form part of these accounts.

The Financial Statements set out on pages 55 to 68 were approved by the Board on 7 September 2006 and signed on its behalf by

Margaret Cox
Principal Reporter

Douglas Bulloch
Chairman

1. Statement of Accounting Policies

(a) Basis of Preparation

The financial statements are prepared under the historical cost convention, modified by the inclusion of fixed assets at their value to the business by reference to current costs. These accounts have also been prepared in accordance with applicable Accounting Standards and in accordance with the Accounts Direction dated 10 January 2006, given by the Scottish Ministers which is reproduced as Annex 1 to the Accounts.

At 31 March 2006, the SCRA Balance Sheet records negative reserves of £2,012,000 (2005: £2,413,000). This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from SCRA's other sources of income, may only be met by future grants or grants-in-aid from SCRA's sponsoring department, SEED. This is because, under the normal conventions applying to Scottish Executive control over income and expenditure, such grants may not be paid in advance of need.

Grant in aid for 2006/07, taking into account the amounts required to meet SCRA's liabilities falling due in that year, has already been included in SEED's estimates for that year, which have been approved by the Scottish Parliament, and there is no reason to believe that SEED's future sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt going concern basis for the preparation of these financial statements.

(b) Fixed Assets

Land and Buildings owned at 31 March 2002 are included at their open market valuation at that date. Land and Buildings acquired after that date are included at open market valuation at completion of construction. Other fixed assets are stated at their value to the business by reference to current costs. In accordance with FRS 15 a full external valuation of Land and Buildings is carried out every 5 years with an internal interim review in year 3. An internal impairment review of Land and Buildings is performed in other years. In 2005/06 this review resulted in no adjustment to Land and Buildings. Other fixed assets are stated at cost as the effect of revaluing fixed assets as at 31 March 2006 would make no material difference to the results for the year nor to the financial position at the year end.

(c) Depreciation

Depreciation is not provided on land. On other assets it is provided to write off evenly the cost or revalued amounts in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Buildings	10 - 50 years;
Office equipment	4 years;
Furniture & Fittings	4 years;
Plant & Machinery	10 years;
Leasehold improvements	over the life of the lease.

(d) Government Grants

Government grants of a revenue nature are credited to income in the year to which they relate. Government grants receivable for capital expenditure are credited to a Deferred Government Grant account and released to the income and expenditure account over the expected useful lives of the relevant assets.

(e) Pensions

SCRA has an agreement with Falkirk Council under which all staff are eligible to enter the Local Government Pension Scheme managed by the Council in accordance with the rules thereof. It is a defined benefit scheme providing pension benefits and life assurance for all permanent staff.

FRS17 has been implemented, the effect of which is that the defined benefits pension scheme's assets are included at market value and this is compared to the present value of the scheme liabilities using a projected unit method and discounted at a rate prescribed by the Government Actuary Department. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected accrued benefit method. The most recent valuation was at 31 March 2005. Details of this valuation will be included in a report published by Falkirk Council in November 2006.

The contribution rates for 2005/06 were 6% by employee and 15% by employer.

(f) Operating Leases

SCRA has acquired a variety of assets including offices and hearing centres by means of operating leases. The risks and rewards of ownership remain with the lessors along with title

to the goods. Payments made under operating leases have been charged to the income and expenditure account as incurred.

(g) Private Finance Initiative

SCRA follows HM Treasury's "Technical Note 1 (Revised) How to Account for PFI Transactions" which provides guidance for the application of the FRS 5 Amendment. Under a PFI scheme LogicaCMG provides SCRA with the majority of its IT requirements including hardware, software and support.

(h) Provisions

SCRA is required to meet the additional costs of benefits beyond the normal pension scheme benefits in respect of employees who retire early. SCRA provides in full for these costs when the early retirement has been agreed.

Other provisions for liabilities and charges are recognised in accordance with the criteria and measurement bases of FRS 12 – Provisions, Contingent Liabilities and Contingent Assets.

(i) Other Income

SCRA recognises other income in the year to which it relates.

2. Scottish Executive Grant-in-Aid

	2006 £'000	2005 £'000
Funds from Scottish Executive	24,510	23,210
Transferred to deferred government grant account	(1,401)	(2,558)
Transferred from deferred government grant account	1,519	522
Total	24,628	21,174

3. Other Income

Other income of £234,000 (2005: £166,000) mainly comprises contributions from three councils towards the funding of youth/restorative justice reporter and support posts.

4. Employment Costs and Employees

	2006 £'000	2005 £'000
(i) Salaries and Related Costs		
Salaries and Wages	11,659	10,903
Employer's National Insurance	845	820
Net contributions to pension scheme	1,583	951
Costs of early retirement	-	14
Provision for Unfunded Pension Liability	39	(1,125)
Total	14,126	11,563

(ii) Number of Employees

The average FTE number of persons employed on permanent UK contracts in the year by occupational group.

Category of Staff	Headquarters	2006 Region	Total	2005 Total
Senior Managers	4	4	8	8
Function Managers/Authority Reporters	12	32	44	49
Reporters	7	131	138	134
Admin. & Support Staff	53	208	261	238
Total	76	375	451	429

5. (i) Retirement Benefits

Financial Reporting Standard 17 Retirement Benefits ('FRS17') has changed fundamentally the calculation and reporting of the cost of retirement benefits. The defined benefit of the scheme was valued using the basis prescribed by FRS 17. The principal assumptions used by the independent qualified actuary in updating the most recent valuation to 31 March 2006 for FRS 17 purposes were:

Assumptions as at	31 March 2006 % p.a.	31 March 2005 % p.a.	31 March 2004 % p.a.
Price Increases	3.1%	2.9%	2.9%
Salary Increases	4.6%	4.4%	4.4%
Pension Increases	3.1%	2.9%	2.9%
Discount Rate	6.0%	6.5%	6.5%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and are thus inherently uncertain, were:

	31 March 2006		31 March 2005		31 March 2004	
	Long Term Return % p.a.	Assets £'000	Long Term Return % p.a.	Assets £'000	Long Term Return % p.a.	Assets £'000
Assets (Employer)						
Equities	7.4%	25,628	7.7%	19,736	7.7%	17,516
Bonds	4.6%	4,574	4.8%	2,939	5.1%	2,121
Property	5.5%	3,617	5.7%	2,860	6.5%	2,007
Cash	4.6%	1,122	4.8%	1,140	4.0%	987
Total	6.7%	34,942	7.0%	26,674	7.2%	22,631

	31 March 2006 £'000	31 March 2005 £'000	31 March 2004 £'000
Net Pension Asset as at			
Estimated Employer Assets (A)	34,942	26,674	22,631
Present Value of Scheme Liabilities	37,877	29,582	26,577
Present Value of Unfunded Liabilities	1,189	1,010	1,002
Total Value of Liabilities	39,066	30,592	27,579
Net Pension Liability	(4,124)	(3,917)	(4,948)

The amount of this net pension liability has had a consequential effect on reserves.

5. (ii) Movement in Surplus/Deficit during the Year

	31 March 2006 £'000	31 March 2005 £'000
Deficit at beginning of the year	(3,917)	(4,948)
Current Service Cost	(1,567)	(1,144)
Employer contributions	1,480	1,500
Contributions in respect of unfunded benefits	61	58
Past service costs	-	(16)
Impact of settlements and curtailments	-	-
Net return on assets	(160)	(147)
Actuarial (loss)/gain	(21)	780
Deficit at end of year	(4,124)	(3,917)

5. (iii) History of Experience Gains and Losses

	31 March 2006 £'000	31 March 2005 £'000	31 March 2004 £'000	31 March 2003 £'000
Difference between the Expected and Actual Returns on Assets	4,686	784	3,251	9,593
Value of Assets	34,942	26,674	22,631	16,350
Percentage of Assets	13.4%	2.9%	14.4%	(58.7%)
Experience Gains/(Losses) on Liabilities	217	(4)	122	(588)
Total Present Value of Liabilities	39,066	30,592	27,578	24,031
Percentage of the Total Present Value of Liabilities	0.6%	(0.0%)	0.4%	(2.4%)
Actuarial Gains/(Losses) Recognised in STRGL	(21)	780	3,373	(10,181)
Total Present Value of Liabilities	39,066	30,592	27,578	24,031
Percentage of the Total Present Value of Liabilities	(0.1%)	2.5%	12.2%	(42.4%)

5. (iv) Analysis of other Pension Costs Charged in Arriving at Operating Profit

	31 March 2006 £'000	31 March 2005 £'000
Current Service Cost	1,567	1,144
Past service costs	-	16
Curtailments and Settlements	-	-
Total Operating Charge	1,567	1,160

5. (v) Analysis of Amounts Included in Other Finance Income/Costs

	31 March 2006 £'000	31 March 2005 £'000
Expected return on pension scheme assets	1,939	1,683
Interest on Pension Scheme Liabilities	(2,099)	(1,830)
Net Return	(160)	(147)

5. (vi) Analysis of Amount Recognised in Statement of Total Recognised Gains and Losses

	31 March 2006 £'000	31 March 2005 £'000
Actual return less expected return on pension scheme assets	4,686	784
Experience gains and losses arising on the scheme liabilities	217	(4)
Changes in financial assumptions underlying the present value of the scheme liabilities	(4,924)	-
Actuarial (loss)/gain recognised in statement of total recognised gains and losses	(21)	780

6. Board Members' Remuneration

	2006 £'000	2005 £'000
Fees and Expenses	56	50
Employer's National Insurance	2	2
Total	58	52

7. Other Operating Charges

The operating surplus for the financial year is stated after charging:

	2006 £'000	2005 £'000
Travel & Subsistence	342	322
Auditor Remuneration	31	31
Internal Auditors' Remuneration	47	44
Legal Fees	723	90
Rents	787	799
Other Property Costs	1,577	1,377
Permanent Diminution	1,048	-
Gain on Disposal	(26)	(24)
Board Fees and Expenses	56	52
Hearing Costs	168	197
Equipment	266	82
PFI Transactions	2,624	2,134
Postage	375	339
Printing, Photocopying & Stationery	221	202
Telephones	164	123
Books & Publications	44	39
Training, Recruitment & Other Staff Costs	572	577
Corporate Services	565	618
Total	9,584	7,002

8. Interest Payable

On loans wholly repayable:

	2006 £'000	2005 £'000
Within one year	1	-
Within 2-5 years	66	-
Greater than 5 years	3	95
Total	70	95

9. Tangible Fixed Assets

	Land & Buildings £'000	Assets Under £'000	Leasehold Improvements £'000	Fixtures & Fittings £'000	Other Equipment £'000	Plant & Machinery £'000	Total £'000
Tangible Fixed Assets							
At Cost/Valuation 1 April 2005	4,987	1,901	2,040	506	875	137	10,446
Additions	-	416	785	74	126	-	1,401
T/F Assets under construction	2,317	(2,317)	-	-	-	-	-
Disposals	(250)	-	-	(2)	(50)	-	(302)
Permanent Diminution	(1,048)	-	-	-	-	-	(1,048)
31 March 2006	6,006	-	2,825	578	951	137	10,497
Depreciation							
1 April 2005	357	-	431	402	613	27	1,830
Provided in year	147	-	201	45	129	15	537
Withdrawn on disposal	(26)	-	-	(2)	(48)	-	(76)
31 March 2006	478	-	632	445	694	42	2,291
Net Book Value							
31 March 2006	5,528	-	2,193	133	257	95	8,206
Net Book Value							
31 March 2005	4,630	1,901	1,609	104	262	110	8,616

(i) Land and Buildings owned at 31 March 2002 are included on the basis of their valuation at that date by Gerald Eve, Chartered Surveyors on an open market basis with vacant possession. Land and Buildings acquired after that date are included at open market valuation at completion of construction. In accordance with FRS 15 an interim review of the value of Land and Buildings was carried out with an effective date of 31st March 2005 and a review for Land and Building impairment as at 31st March 2006. Other assets

are included at historical cost, as the effect of revaluing assets would make no material difference to the results for the year.

(ii) The Permanent Diminution charge of £1,048,000 was the result of the calculated valuation placed on 6 Commercial Street, Dundee on the completion of construction and occupation in July 2005.

10. Debtors

	2006 £'000	2005 £'000
Other Debtors	83	375
Prepayments	180	127
ChRIS Prepayment	1,191	1,121
Total	1,454	1,623

ChRIS prepayment is in respect of invoices from LogicaCMG Limited, dated pre 31 March 2006, for services which will be delivered during 2006/07, and beyond.

11. Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Trade Creditors	273	202
Loans Repayable	140	165
Loan Interest	2	-
Tax and Social Security	276	269
Other Creditors	268	190
Accruals	1,448	655
Total	2,407	1,481

12. Creditors: amounts falling due after more than one year

	2006 £'000	2005 £'000
Loans		
At 1 April	847	1,265
Repaid in year	(304)	(418)
Loans outstanding at 31 March	543	847
Less amounts due within one year included in Creditors (Note 11)	(140)	(165)
Total	403	682
Falling due between 1-2 years	279	279
Falling due 2-5 years	87	279
Falling due greater than 5 years	37	124
Total	403	682

The average interest rate payable on loans is 8.9% per annum. All loans are from the Public Works Loan Board.

13. Provision for Liabilities and Charges

	2006 £'000	2005 £'000
Unfunded Pensions		
At 1 April	526	1,677
Provisions arising/(released) during the year	39	(1,125)
Provisions utilised during year	(31)	(26)
At 31 March	534	526

SCRA, rather than the pension scheme, is liable for that portion of pensions relating to early retirement. In accordance with FRS12 (provisions) the accounts reflect

a policy of recognising the full liability at the time decisions are made on early retirement.

14. Deferred Government Grant

	2006 £'000	2005 £'000
Reserve as at 1 April	5,883	3,847
Transferred from Grant-in-Aid	1,401	2,558
Credited to Income and Expenditure Account	(1,519)	(522)
Balance as at 31 March	5,765	5,883

15. Deferred Income

	2006 £'000	2005 £'000
Deferral as at 1 April	175	12
Released to Income and Expenditure Account	(194)	-
Income received	32	163
Balance as at 31 March	13	175

Deferred income comprises contributions from three councils towards the funding of youth justice reporter and support posts.

16. Deferred Rent

	2006 £'000	2005 £'000
Accrual as at 1 April	102	107
Credited to Income and Expenditure Account	(7)	(5)
Balance as at 31 March	95	102

SCRA has a 25 year lease on Ochil House, Stirling. No rent was paid in respect of this for the first 18 months of the lease. SCRA accrued the full amount of rent which would have been paid and this is being credited to the Income and Expenditure account over the period of the lease.

17. Reserves

	2006 £'000	2005 £'000
(i) General Fund		
At 1 April	907	(1,074)
Surplus for the year	420	1,981
At 31 March	1,327	907
(ii) Pension Reserve		
At 1 April	(4,422)	(5,205)
Actuarial (loss)/gain on pension reserve	(21)	780
Actuarial loss on group assurance	2	3
At 31 March	(4,441)	(4,422)
(iii) Revaluation Reserve		
At 1 April	1,102	1,102
Arising on revaluation	-	-
At 31 March	1,102	1,102

18. Operating Leases

	2006 £'000	2005 £'000
(i) Annual commitments under non-cancellable operating leases were as follows:		
Operating leases which expire		
Within one year	105	52
In 2-5 years	135	179
In over 5 years	547	539
Total	787	770

All leases relate to property.

(ii) Private Finance Initiative (PFI) Commitment

On 1 July 1998 SCRA transferred responsibility for the provision of all IT systems and hardware to LogicaCMG Limited. This was originally a 10 year contract which has been extended to 12 years, with an end date of 11 June 2010. The total cost of the contract is £24,067,000.

At 31 March 2006 SCRA had annual commitments under the Children's Reporter Information Systems "ChRIS" contract as follows:

	2006 £'000	2005 £'000
Expiring in 2 – 5 years	2,016	-
Expiring in over five years	-	1,943

19. Related Party Transactions

SCRA is a Non-Departmental Public Body (NDPB) sponsored by Scottish Executive Education Department (SEED). SCRA receives funding from SEED which is regarded as a related party.

None of the Board members, key managerial staff or other related parties has undertaken any material transaction with SCRA during the year.

20. Capital Commitments

SCRA has no capital commitments as at 31 March 2006.

21. Special Payments

A £29,500 payment in respect of Compensation for Loss of Office was made during 2005/6 (2005: nil). This amount is included in Training, Recruitment & Other Staff Costs within Other Operating Charges.

Annex 1

Direction by the Scottish Ministers

1. The Scottish Ministers, in pursuance of Section 136(3) of the Local Government Etc (Scotland) Act 1994, 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 (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 2nd October 2002 is hereby revoked.

Signed by Stella Perrott
10th January 2006

Signed by the authority of the Scottish Ministers



SCRA Board



Standing, left to right:
 Sheriff Pamela Bowman
 Ian Smith
 Douglas Bulloch
 Dr. Joe Morrow

Seated, left to right:
 Margaret Wells
 Anne McNeill
 Margaret Cox

SCRA operates under the direction of a eight person Board with a vast range of experience of working on behalf of children and young people. The SCRA Board plays a significant role in setting the strategic direction for SCRA and in challenging the organisation to deliver. The Board is made up of:

Chair

Douglas Bulloch (appointed 2002, re-appointed 2006)

Deputy Chair

Anne McNeill (appointed 2001, appointed Deputy Chair 2003, re-appointed 2005)

Principal Reporter

Margaret Cox (appointed 2005)

Ian Smith (appointed 2000, re-appointed 2004)

Dr. Joe Morrow (appointed 2002, re-appointed 2006)

Sheriff Pamela Bowman (appointed 2003)

Harry McGuigan (appointed 1999, re-appointed 2003) (not pictured)

Margaret Wells (appointed 2004)

SCRA maintains a full Register of Interests for our Board members.
 This information is available on request from SCRA headquarters.

SCRA Board

Contacting SCRA – In the Regions

Reporter Manager	West Region	Reporter Manager	Central West Region
Jackie Robeson	0141 567 7970	Brian Lister	01698 281903
Service Development Manager		Service Development Manager	
Jim Doherty	0141 567 7966	Joe Scanlon	01698 422781
Authority Teams		Authority Teams	
Argyll and Bute	01546 606937	Dumfries and Galloway	01387 255734
Glasgow East	0141 567 7905	East and South Ayrshire	01563 555838
Glasgow North and East Dunbartonshire	0141 567 7957	Falkirk	01324 626996
Glasgow North East	0141 567 7909	North Ayrshire	01294 278151
Glasgow South	0141 567 7947	North Lanarkshire	01698 746771
Glasgow Support	0141 567 7928	South Lanarkshire	01355 232145
Glasgow West	0141 567 7916	Stirling and Clackmannanshire	01786 476400
Inverclyde	01475 720221		
Renfrewshire and East Renfrewshire	0141 843 2452		
West Dunbartonshire	01389 764268		
Reporter Manager	East Region	Reporter Manager	North Region
Malcolm Schaffer	0131 667 0284	Evelyn Grant	01463 246861
Service Development Manager		Service Development Manager	
Maggie Taylor	0141 567 7966	David Crines	01463 246864
Authority Teams		Authority Teams	
Angus and Dundee	01382 315700	Aberdeenshire	01224 565191
City of Edinburgh East	0131 667 9431	City of Aberdeen	01224 565152
City of Edinburgh West	0131 662 3023	Eilean Siar	01851 706317
Fife	01592 414919	Highland	01463 245301
Mid and East Lothian	01875 613355	Moray	01343 550015
Perth and Kinross	01738 620950	Orkney Islands	01856 873238
Scottish Borders	01750 20372	Shetland Islands	01595 692436
West Lothian	01506 632741		

Contacting SCRA – At Headquarters

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 Stirling, FK7 7XE
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<p>Principal Reporter Margaret Cox 01786 459502</p>	<p>Director of Reporter Operations Tom Philliben 01786 459503</p>
<p>Director of Corporate Development Eddie McConnell 01786 459509</p>	<p>Director of Finance Ed Morrison 01786 459510</p>
<p>Head of HR and OD Marion Riddell 01786 459520</p>	<p>Head of Operational Development Gillian Crompton 01786 459530</p>
<p>Head of Practice Alison Wright 01786 459506</p>	<p>Head of Policy Gillian Henderson 01786 459531</p>
<p>Head of Planning Elliot Jackson 01786 459578</p>	<p>Head of Property (Under recruitment) 01355 590295</p>

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 Shona Jack
 01786 459508

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 01786 459575

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Care and Justice for Children.

