

# ANNUAL ACCOUNTS 2020/21

SCOTTISH CHILDREN'S REPORTER ADMINISTRATION



CARE



CONNECT



PROTECT



# Contents

<b>Introduction</b>	<b>3</b>
<b>Chief Executive's Foreword</b>	<b>6</b>
<b>1. Performance and Accounts Report</b>	<b>9</b>
1.1 Overview	
1.2 Financial Performance	
1.3 Performance Review	
1.4 Performance Analysis	
1.5 Summary of Key Performance Indicators	
1.6 Operational Performance	
1.7 Key Issues and Risks	
1.8 2021/22 Planning	
<b>2. Accountability Report</b>	<b>37</b>
2.1 Director's Report	
2.2 Statement of Accountable Officer's Responsibilities	
2.3 Statement of Governance	
2.4 Remuneration and Staff Report	
2.5 Parliamentary Accountability Report	
<b>3. Independent Auditor's Report</b>	<b>61</b>
3.1 Reporting on the audit of the financial statements	
3.2 Reporting on regularity of expenditure and income	
3.3 Reporting on other requirements	
3.4 Use of my report	
<b>4. Financial Statements</b>	<b>66</b>
4.1 Statement of Comprehensive Net Expenditure	
4.2 Statement of Financial Position	
4.3 Statement of Cash Flows	
4.4 Statement of Changes in Taxpayers' Equity	
4.5 Notes to the financial statements	
<b>5. Appendices</b>	<b>89</b>
5.1 Direction by the Scottish Ministers	

## Introduction

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The Scottish Children's Reporter Administration (SCRA) is a national body focused on children and young people most at risk. SCRA was formed under the Local Government (Scotland) Act 1994 and became fully operational on 1st April 1996. The Children's Hearings System provides the operational setting in which SCRA and our partner agencies work. The aim is to provide a safety net for vulnerable children and young people, and deliver tailored solutions which meet the needs of the individuals involved, while helping to build stronger families and safer communities.

### Our main responsibilities as set out in the Act are:

- To facilitate the work of Children's Reporters;
- To deploy and manage staff to carry out that work;
- To provide suitable accommodation for Children's Hearings.

### Our Vision

Children and young people will be listened to, protected and supported to have a positive future where they are safe, valued and respected.

### Our Mission

We protect and support Scotland's children and young people, by making high-quality decisions, upholding their rights and working collaboratively as compassionate, inclusive Corporate Parents to enable the most positive and personalised experience of the Children's Hearings System.

### Our Values

#### Supportive

We work with kindness to support children, young people and families, our partners and each other.

#### Child Centred

Children and young people are at the heart of everything we do.

#### Respectful

Everyone is respected and treated fairly, inclusively and lawfully.

#### Accountable

We are responsible for our decisions, our ethics and our learning.

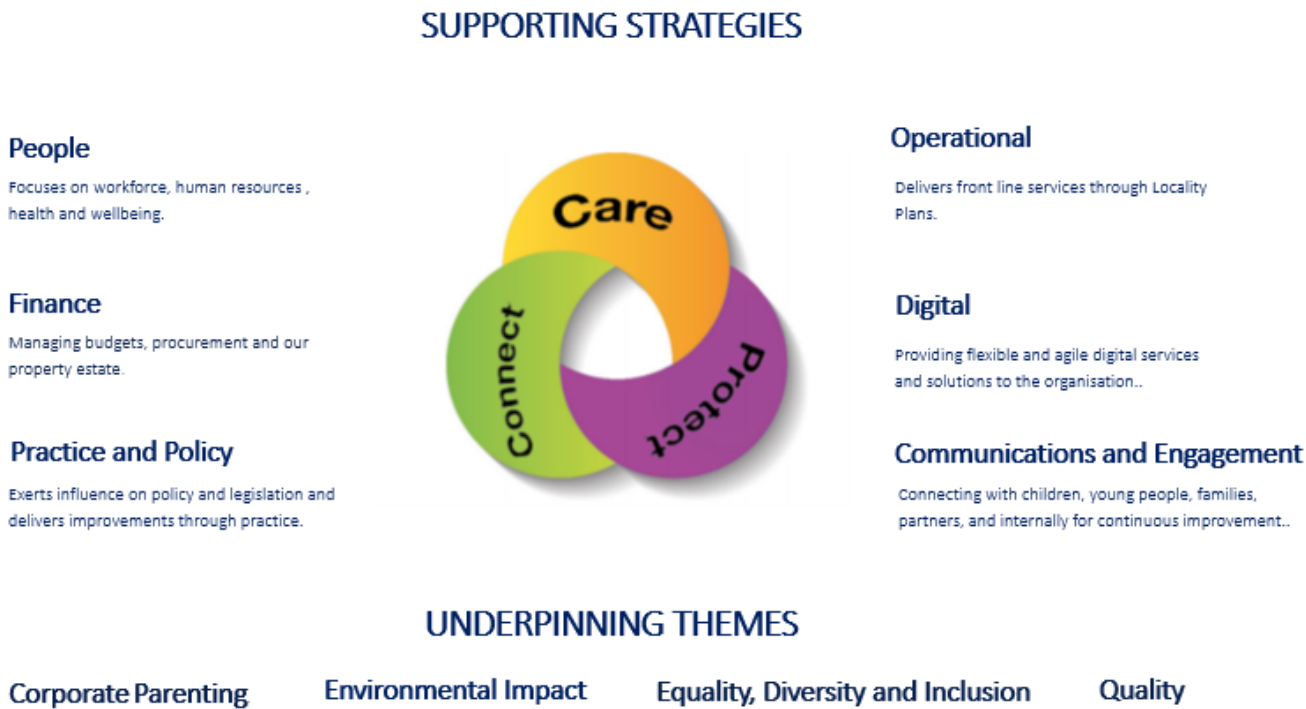
# Strategic Aims

SCRA’s [Corporate Plan](#) for 2020/23 sets out three strategic aims, Care Connect, Protect.

CARE	CONNECT	PROTECT
Delivering a service that feels right for each child, young person and family that experiences it.	Working together to receive the right referrals, for the right children, at the right time.	Making high-quality and timely decisions for children and young people, using the right information that is relevant, clear and secure.

The Corporate Plan’s aims and objectives are delivered through the supporting strategies, which forms the Business Plan. The underpinning themes include; Corporate Parenting, Environmental Impact, Equality, Diversity and Inclusion, and Quality which features across the six strategies.

Figure 1.



## Performance Framework

The Corporate Plan's aims and objectives are delivered through the [Business Plan](#), which combines the Action Plans from the six supporting strategies; People, Finance, Practice and Policy, Operational, Digital, Communications and Engagement, and is underpinned by Corporate Parenting, Environmental Impact, Equality, Diversity and Inclusion, Quality.

We review our strategies and action plans on a regular basis to ensure they are fit for purpose, and report to SCRA's Board on our performance against these plans on a quarterly basis. Outcomes achieved in the Business Plan are detailed in the Annual Report.

Figure 2.



## Chief Executive's Foreword

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Welcome to SCRA's 2020-21 Annual Performance Report, which reflects the first year of our 2020-23 Corporate Plan.

Over the past year we have worked through a pandemic, which has required us to approach our work in different ways and find alternative solutions to undertaking our role. It tested us in extraordinary ways, personally and collectively, taking a toll on the health and wellbeing of everyone across the organisation. We have had to be flexible and adaptable to keep the momentum across our services, whilst delicately balancing our work and life.

The level of commitment and hard work across the organisation has been, and continues to be exemplary. This is evidenced by the sheer determination of our staff to re-open our offices to resume face to face Hearings, whilst working diligently with our partners to keep the momentum of virtual Hearings going, during a very challenging recovery period.

We set ourselves an ambitious Business Plan for 2020-21, incorporating 90 high level strategic and recovery objectives to respond to the impact of the pandemic. 73 objectives were Green (all actions within the objectives were 100% fully completed). 11 objectives were Amber (partially completed objectives, but not fully achieving 100% completion of all associated actions under each objective). 6 objectives were Red (un-completed objectives, but these were carried over into the 2021-22 Business Plan).

The Performance Report provides some key milestones in our work throughout the year. In amongst these, the following are key achievements across the organisation.

### **Health and Wellbeing**

We introduced Wellness Action Plans for staff to use, and for them to be supported to discuss any issues of wellbeing with their manager. The ongoing focus of promoting awareness and understanding of issues relating to staff stress, mood, emotion and psychological functioning is part of our long term plan to reduce stigma and develop effective preventative interventions and support for staff.

### **Virtual Hearings**

We undertook a focussed and rapid programme to test and improve our approach to virtual Hearings, including a rework of and investment in, virtual Hearings support for chairing members and Reporters. This extended to the Hearing itself to try and prevent, mitigate and resolve connectivity issues.

### **Enabling Technology**

We invested in technology, upgrading Hearings room hardware, and Hearing centre Wi-Fi connectivity to allow guest access for Children and Families, Panel Members and partner agencies to sit alongside our secure network, "onSCOTS".

## **Recovery Team**

The recruitment and deployment of our recovery staff generated a positive impact across the service, albeit partly offset by the ongoing capacity challenges made inevitable by the lockdown.

## **Core Systems and Applications (CSAS)**

Planning commenced to secure CSAS stabilisation, optimisation and forward improvement. A rich and useful list of suggested changes and developments was assessed for priority, deliverability and investment for 2021-22.

## **Standard Operating Model**

We commenced work to progress a national operating model in order to optimise how we adapt our office based systems to optimise CSAS, as well as deliver a long sought 'standardisation' of key processes across SCRA nationally.

## **Keeping The Promise**

We established an internal team to give focus and cross organisational energy to how SCRA will progress with the changes recommended by the Independent Care Review. We will prioritise continued short term incremental quality improvement, driven by programmes such as Better Hearings, Our Hearings, Our Voice (OHOV) Calls for Action, Opportunities to Participate for Siblings - changes to procedural rules, Hearing Room improvement programme and Digital Strategy delivery. These short term programmes will likely proceed within the Hearings system based on its current paradigm. A focus on what a new paradigm for the Children's Hearings System between now and 2030 will look like – which may include significant revisions to the underpinning structure of what a Children's Hearing is, what roles and responsibilities support it, its scope and focus – with a presumption of 'shrinkage' to ensure the most complex, contentious and rights driven issues are considered. Consideration of the policy and legislative change that will be required in order to allow immediate tests of change in the underpinning model, as well as long term change in policy and law.

## **Calls for Action - Our Hearings, Our Voice (OHOV)**

In October 2020, OHOV published its Zine which was produced by the young people, with support from an intern from Napier University. SCRA provided communications support to OHOV to promote the Zine on the OHOV website and social media. In addition, we provided a private response to the young people which included a report and a cartoon animation, as well as an external response on our website which we promoted on social media. The publication of the Zine continues to make a real impact with its 40 powerful calls for action – to which SCRA is currently drawing up its response and timeline.

## **Advocacy**

Section 122 of the Children's (Hearings (Scotland) Act 2011, which deals with children's advocacy services came into force in full on 21 November 2020. SCRA is a member of a

number of sub groups developing this work. As part of the Communications sub group, our Press and Communications Team offered to build a website for children and young people providing them with information about the new service. We also designed a leaflet which was customised with the individual provider's contact details. The leaflets along with a poster will be available in Hearing centres. We developed a communications plan to promote the new website and service externally, including a series of social media visuals/animations.

## Research

**Child Sexual Exploitation:** In October, 2020, SCRA published a new ground breaking piece of research with Barnardo's Scotland. 'Sexual exploitation of children involved in the Children's Hearings System' is the first national study of child sexual exploitation in Scotland. As a result, a joint media and communications plan was developed and implemented with Barnardo's Scotland. This led to widespread and positive broadcast and print media with our key messages being featured. We also promoted the study via social media utilising all our online platforms. Again, there was significant coverage with retweets, shares and positive comments.

**Young People's & Parents' Views on Privacy and How this Affects Their Participation in the Children's Hearings System:** In early 2019, SCRA commissioned Who Cares? Scotland to carry out research on privacy and confidentiality within Children's Hearings proceedings and how this impacts on parents and children's ability to participate. Who Cares? Scotland carried out a survey, focus groups and interviews with parents, carers and young people about their experiences of Children's Hearings. A policy paper on the research findings and recommendations was published by SCRA and Who Cares? Scotland on 10th November 2020. There was a communications plan in place to promote this both internally and externally.

**Born into Care Scotland:** SCRA is part of a collaboration with the Universities of Lancaster and Stirling which was commissioned in October 2020 by the Scottish Government to carry out a feasibility study on infants entering care in Scotland. The aims of the study included an investigation as to whether it is possible to use data held by SCRA to investigate the numbers and rates of infants becoming looked after in Scotland, trends over time and regional variation. The study will report by end March 2021.

We have taken a wide-ranging consultation throughout 2020-21 with the full staff group, with partners and with children and young people through linked work and research, to develop the new Business Plan for 2021-22.

**Principal Reporter**  
**Neil Hunter**



# 1. Performance Report

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## 1.1 Overview

SCRA's 2020-23 Corporate Plan sets out an ambitious strategic direction, with aims and objectives being delivered through annual Business Plans.

We use a performance framework to monitor, review and report on our progress throughout the course of our three-year Corporate Plan and Business Plans (Figure 2).

The following sections highlights our key performance outcomes during 2020-21, showing how we have worked collaboratively across the organisation and with partners towards achieving our Corporate Plan's aims and objectives. A substantial review of our progress against our strategic objectives can be found in the SCRA Annual Report 2020-21.

## 1.2 Financial Performance

The following section provides a summary of our financial performance for the year against our annual operating budget. Our operating expenditure for the year was £861k less than budget mainly as a consequence of net staffing savings particularly in a number of Head Office teams, savings on hearing driven cost lines and additional income.

Expense Head	Budget 2020/21 £000	Outturn 2020/21 £000	Variance £000
Staff Costs	19,903	19,494	-409
Property Costs	3,037	2,900	-137
Travel Costs	69	37	-32
Other Operating Charges	2,411	2,266	-149
Capital Financing	3	3	0
Other Income	-343	-481	-145
Total expenditure	25,080	24,219	-861
Revenue Grant In Aid	-25,250	-25,250	0
Net Expenditure	-170	-1,031	-861

The operating budget and outturn above do not include the annual pension adjustments shown in note 11 of the financial statements.

Net capital expenditure, excluding the Digital programme, in the period to March 2021 was £590k against Capital budget of £810k. The capital investments we made in 2020/21 were:

Capital Investments	Cost
Property alterations (Kilmarnock, Dumbarton, Paisley, Irvine)	£97k
Hearing room improvements	£107k
Minor property works and LED lighting retrofits	£141k
Capital element of finance lease (Livingston)	£45k
Purchase of VCs, laptops, enabling technology	£152k
Spraying machines	£40k
Film for Young People	£8k

The Digital Programme Director has overseen a programme of significant delivery in 2020/21 including completion of the CSAS MVP and a number of projects focused on improving technology options in hearing rooms some of which were a response to the pandemic (virtual hearings platform) and some of which were already planned (guest wifi). The SCRA and CHS Boards approved a Digital budget of £1.52m including core funding of £1m, additional in year funding of £400k from Scottish Government and carry forward funding from 2019/20 of £0.12m. The Digital Programme Director recorded commitments of £1.5m against the approved budget of £1.52m.

More detail regarding SCRA's income and expenditure can be found in the financial statements section starting on page 66. The Statement of Comprehensive Net Expenditure shows net expenditure for the year of £29.0m, including pensions and depreciation costs of £3.4m (IAS19 adjustment £2.049m, depreciation & amortisation £1.35m), which are excluded from the table above. It also excludes total Grant in Aid income of £27.1m which under international accounting standards is taken directly to the general fund reserve.

The Statement of Financial Position (page 67) shows SCRA liabilities exceed assets by £51.4m. This is due to the pension liability but the Board believes that SCRA will be able to pay its pension contributions in years to come from future Government grants. Assurance has been provided by the Scottish Government that there is a statutory obligation to provide the services that SCRA deliver and there are no plans to change the existing arrangement. It has accordingly been considered appropriate to prepare these financial statements on a 'going concern' basis.

The three yearly formal valuation of the pension's scheme deficit was completed in 2020 and set the employer's contribution rate for 2021/22, 2022/23 and 2023/24.

A valuation of SCRA's land and buildings was carried out to update the March 2020 full 5 yearly valuation resulting in a total market value of £5.1m (March 2020 £5.1m).

### 1.3 Performance Review

The following section provides a summary of key activities undertaken during 2020-21 (figures 3-6), and the narratives contextualise the breadth of the work across the strategy plans.

## People Strategy

2020-21 was an unprecedented year for our workforce, a year which impacted on our agreed people plan. We immediately turned our focus to supporting our staff to change our service delivery model whilst ensuring that they had the most appropriate support, guidance and advice to continue to deliver their role in the most challenging of circumstances. Our programme of Frequently Asked Questions was a welcomed source of materials that covered a broad range of information from wellbeing tools and support to guidance on using public transport or attending face to face hearings. We worked in partnership with Health Protection Scotland to develop robust risk assessments to support our staff when they returned to office and face to face hearings which ensured that we could make our premises as safe as we possibly could throughout the year. The introduction of working from home risk assessments and the provision of the necessary kit to continue to work flexibly have provided staff with good guidance and direction to ensure that they work comfortably and safely from wherever they work. In addition, the implementation of individual 1:1 return to work plans and Wellness Action Plans means that we are able to work closely with individual staff members to recognise and resolve any areas of challenge for them.

In terms of our resourcing we were able to implement a number of decisions throughout the year that brought improvements to Localities such as the outcomes of the Assistant Reporter review, an element of which was a substantive increase in the number of Assistant Reporters across our Localities, and offered progression opportunities for support staff. We also undertook an equalisation exercise that reshaped some of our Reporter resources across localities in line with our workloading data.

In addition, to support our teams and our planned recovery from the various restrictions and lockdowns, we were successful in a business case to the Scottish Government to fund additional resources for an 18 months period. This led to a significant organisational wide recruitment exercise to implement a recovery team, made up of 9 Assistant Reporter and 5 Reporters, a flexible and agile team that is able to respond to the emerging needs of localities as they manage that recovery.

We made the decision to transition to a new case management system which meant that we had to change our approach to familiarising staff with the new system as a result of the ongoing COVID-19 restrictions. We asked staff to learn the new system remotely using complex materials and there is no doubt that this was challenging for staff. We phased our approach over the transition period and responded as well as we could to the needs of staff through the development of additional guidance and workshops. Staff have all now transitioned and are working well with the system but we must note that this was a particularly difficult time for staff.

We developed and undertook a special staff survey in recognition of the challenges of 2020 and which focused on SCRA's management of COVID-19, wellbeing of staff and the CSAS implementation, the outcomes of which have provided significant learning for our future direction and approaches as well as enabling us to respond directly to the issues staff have raised.

Even during these challenging times, we were still able to implement our new and revised Recruitment and Selection Procedure, which includes a new internal transfer scheme and a probationary policy for new staff. We also relaunched our revised Supervision Framework to include a specific focus on case and court work as well as staff wellbeing and our new, more modernised policy to support learning and development is also now available.

We delivered a pay offer to staff that not only met the SG expectations of basic award but also saw us improve our Grade A pay and implemented a new pay and grading structure for our Senior Practitioners.

### **Practice and Policy Strategy**

The Practice and Policy plans and actions were, like everything else, severely impacted by the impact of the pandemic in 2020-21. Largely we were able to maintain our core services, providing Practice support and training and fully engaging in the policy world. These were, to some extent, harder to achieve due to movement restrictions, e.g. delivery of training had to be re-designed and provided remotely. However, engagement with partners was actually enhanced by switching to remote connections – the ability to facilitate large groups for meetings, and lack of travel to meetings meant that attendance was greatly improved.

The pandemic required us to re-design our whole service, which required significant support from Practice. The move to virtual hearings and virtual court meant that new, bespoke guidance had to be created within tight timescales. Often this guidance required consultation with partners, in particular CHS. There was also a considerable Practice and Policy requirement to help shape the emergency legislation which ultimately became the Coronavirus Act 2020. Our use of the provisions required direction and guidance, and there was also a considerable reporting requirement on our use of the provisions. Within 2020-21, six reports have been produced for the Scottish Government.

Although there was an initial pause in a lot of policy activity, this began to pick up pace again from May 2020 onwards. There has been a huge amount of engagement on many policy agendas – incorporation of UNCRC, implementation and review of the Age of Criminal Responsibility Act, development of the advocacy service for Children's Hearings, Youth Justice Strategy, raising the age of referral to the Reporter, and the development of legislation and rules for the participation of those with a sibling relationship in Hearings. Towards the end of 2020 and into 2021 we also began more significant engagement with the Promise Team. The pace of change has been significant in the context of the pandemic.

During the whole of 2020-21, we have engaged with key partners in discussions around the impact of the pandemic on the Hearing system, and then on recovery out of the pandemic. There have been many levels and forums of engagement, with a key group emerging as the Children's Hearings COVID Recovery Group which has met weekly. This group has created a system wide recovery plan which has been reported to and endorsed by the Children's Hearings Improvement Partnership.

## Digital Strategy

The planning year 2020-21 was a challenging one for the Digital Team. Trying to support the need to move staff to online homeworking providing both the tools and supporting capability was a challenge which the digital team rose robustly in response too. In addition to the staff remote working element there was no choice but to move at a rapid pace to Virtual Hearings by default. This meant SCRA having to develop new processes, new capabilities and the tools to provide a high-quality virtual hearing capability.

As well as supporting all of this change in the early stages of the planning year given the impact of the pandemic the digital team had a heavy digital development portfolio of activity underway and a clear imperative to replace the ageing and fast becoming unsupportable SCRA case management system (CMS). Transitioning it to live with the new Core Systems and Application Services (CSAS) becoming the new business as usual case management capability in this period must be achieved.

The years activity could be broken down in to the following three high level themes and we will provide a summary statement against each theme:

1. **Delivery of the CSAS minimal viable product (MVP) development;**
2. **Transitioning the MVP into Live use; and**
3. **Supporting SCRA digital response to the Pandemic;**

### 1. Delivery of the CSAS MVP

Two years previous development had gone into the CSAS MVP. This was a high value project with a necessary governance and development framework required that provided results as well as managed the overall investment. This was a difficult set of challenges to manage all requiring regular feeding while maintaining a credible rhythm that would see completion of the MVP within a fixed budget envelope while ensuring a high quality of requirements completion within these fixed timelines.

The CSAS MVP was delivered as planned into CHS early June 2020 and into SCRA early September 2020. A Vanguard and second deployment approach was used to implement CSAS with the intention of reducing operational impact and risk. Data migration was a major challenge for SCRA with some one hundred and twenty thousand cases and several million forms of structured and unstructured content being migrated into CSAS from the legacy case management system. This happened over a ten month period given the scale of the migration and the need to bring the use of CSAS forward as a replacement for the existing system.

In terms of the investment in CSAS MVP and transitioning costs for the year 2020-21 the full budget allocation £1.12 million (excluding additional in year funding of £0.4m which was for other Digital projects) was spent and the overall MVP was brought in just outside of the

contingency set at project initiation. The biggest draw on the budget tolerance was in the areas of supporting a five month period of transitioning to live and in additional charges around data migration and supporting its complexity.

## **2. Transitioning the CSAS MVP into Live**

Due to the pandemic, remote working was the norm and there was a need to build additional support wraps around staff to help them move from the old legacy system to CSAS in these circumstances. The digital team were able to find strategies and frameworks to support an unusually longer period of transitioning between systems than is normal. The period was for SCRA between five to six months. This approach led to higher transitioning costs than planned as well as added additional complexity in terms of technical scaffolding to support this extended period of time. Both organisational readiness, the digital technical teams, the supplier and most importantly the operational staff found ways of achieving a robust transition strategy. SCRA are now fully moved onto CSAS and the legacy system is currently being decommissioned which is a significant undertaking in its own right. This decommissioning means that SCRA finite resources can concentrate their energies and time on maximising the quality of CSAS and not maintaining legacy needs.

## **3. Supporting SCRA digital response to the Pandemic**

During this period the digital team designed, procured and deployed an array of digital hardware to support staff remote working and to provide a virtual hearing capability. Some of these deployments were:

### **Laptops for All**

133 laptops were issued to members of staff who did not already have access to one, ensuring that all staff can have the flexibility to work from home. This was carried out across two projects – repurposing devices initially earmarked for hearing rooms (69) and a separate purchase in June (64) Towards the end of this year we also removed work stations from desks for recycling and replaced them with docking stations (134).

### **Chromebooks**

Early in lockdown it was not possible to use video streaming on a SCOTS device. Staff used personal devices to connect to virtual hearings via Vscene. Many staff did not have a suitable personal device in order to do this. Chromebooks were identified as a low cost option to fulfil this and ninety six Chromebooks were purchased.

### **Hearing Room Laptops**

To replenish the stock used for staff in early lockdown a further project purchased seventy devices for deployment to hearing rooms.

## **Recovery, Additional Reporter Recruitment Hardware Support**

A quantity of 39 HP laptops were purchased to provide hardware in order to support the external recruitment exercise intended to aid organisational recovery post COVID.

## **Enabling Technology**

A significant additional investment was made in additional technology to support virtual hearings such as another 32 displays, conference cameras and speakers etc. were deployed.

## **Cloud Conferencing**

As an extension to Enabling Technology project a cost effective cloud based solution was designed, the hardware and software purchased and deployed to some 27 hearing room locations.

## **Guest Wifi**

A significant project was started to consider improving guest Wi-Fi capability within the SCOTS network. The digital team worked closely and collaborated well with the Scottish Government Digital team (iTECS) and a solution was designed for all SCRA main sites. The necessary hardware and software required has been purchased for the initial 16 SCRA sites and was deployed throughout the summer of 2021. There are plans to roll out the same solution to a further 12 SCRA sites during the planning period 2021-22 after assessment of the pilot.

## **Virtual Hearing Collaboration and Administration Platform**

In order to address concerns around the quality of digital provision and the service provided as a first response to the pandemic, a significant further investment was made in developing a Microsoft 365 tenancy to deliver a virtual hearings platform that would provide a consistent level of service quality across those localities where the platform had been deployed for use. A review of the initial deployment and ongoing needs is due to be completed in June 2021, early signs are that the platform or a variant of it has a long term future in the delivery of hearings post pandemic.

## **Closing**

The year 2020-21 was an incredibly challenging one for everyone having to deal with the pandemic. In these extreme circumstances incredibly the digital team and wider supporting staffing groups of which there were many managed to deliver on all its key Aims and Objectives for 2020-21. It also managed to support a significant shift in terms of hearing operational service delivery to digital in this period. We have learned and managed to accelerate organisational learning in terms of how digital can support the delivery of the children's hearings service in the medium to long term post pandemic. As the director for the digital team I can't praise enough the tenacity and resourcefulness of the digital team to support the organisation during the pandemic, I'm truly proud of what they individually and collectively achieved against a back drop of such complexity and difficulty.

## Operational Strategy

Operationally the work of the organisation was dominated and informed by the response to the pandemic, ensuring a continuing service to protect the most vulnerable children and young people and supporting our staff to deliver that service.

In an environment of continuing uncertainty, we were able to implement the initial phases of our recovery work in 2020 only to find ourselves in another lockdown at the start of 2021. From the start of 2020, we have responded with speed and agility to the challenges of the pandemic. We adapted overnight to remote working, delivery of virtual hearings and we learned how to conduct court proceedings remotely. In terms of staffing and partnerships we learned how to be part of a remote team, how to manage and lead remotely and we capitalised on longstanding partnership relationships to maintain a child focused service and prioritise the wellbeing of everyone in our teams.

We have created a Recovery Team of Reporters and Assistant Reporters who can be deployed flexibly across the country to tackle delay. We recruited additional Reporters and Assistant Reporters to provide additional resources in localities with the biggest capacity challenges and to help re-shape staffing models. We reworked physical spaces and deployed additional technology to allow hearings to take place within the limits of physical distancing. At the same time we developed our thinking on working differently while physical distancing remains in place and for the long term piloted a new platform for virtual hearings.

As well as dealing with the challenges that COVID has presented we have successfully managed the transition to a new case management system, CSAS. Undertaking a task of this scale in optimal conditions would have been a tremendous challenge for the organisation but implementing this, when staff were working remotely and dealing with the operational changes brought about by the pandemic, tested the staff's resilience to the limit.

Beginning in the summer of 2020, localities began the process of familiarising themselves with the new system. Three localities, the vanguard, led the way in transitioning to CSAS and played a key role in flushing out bugs and problems in the new system. This smoothed the path for the transition of the remaining localities with all 9 having successfully transitioned by the end of the year.

The beginning of 2021 has primarily focused on staff training and them becoming more skilled and confident with the operation of CSAS. Localities have worked well in supporting each other and ensuring that knowledge transfer has occurred between teams at different stages of their CSAS journey.

The new system presents an opportunity to develop a standard approach to casework and work is underway to develop a standard operating model. This is drawing on the best practice across the country and is user lead and customer focused. The technological capacity in CSAS



presents SCRA with the opportunity to use the most up to date digital technology to enhance how we deliver our service in the future.

All of this have been achieved against a background of constant uncertainty and shifting parameters which make short and long term planning extremely challenging.

## **Communications and Engagement Strategy**

The following provides a synopsis of some areas of work undertaken by the Press and Communications Team.

### **Orkney – 30 years – media**

SCRA received a request from BBC Radio Scotland to take part in a programme to mark the 30<sup>th</sup> anniversary since the Orkney abuse case. SCRA had previously taken part in a similar programme to mark the 25<sup>th</sup> anniversary. Neil Hunter did a pre-recorded interview with BBC presenter Fiona Stalker and it aired on Sunday 28 February as part of a 30 minute long programme. It also included contributions from the NSPCC, as well as archive radio footage. Neil focused on what improvements/changes had been made to child protection since then.

### **Incorporation of UNCRC**

On Tuesday 16 March, MSPs backed the UN Convention on the Rights of the Child Bill. Scotland is to become the first devolved nation in the world to directly incorporate the United Nations Convention on the Rights of the Child (UNCRC) into domestic law. In preparation for the momentous vote, we prepared a series of communications, including a latest news item for our website, for Connect and posts/visuals for social media.

### **International Women's Day**

To celebrate International Women's Day on 8 March we published a series of case studies of inspirational women in the organisation. We posted the case studies, along with a latest news item on our website and on Connect and also promoted International Women's Day on all our social media platforms.

### **Our Hearings, Our Voice**

Our Press and Communications Team continues to support Our Hearings, Our Voice. A new Project Lead started on 1 April. Since January 2 focus groups have been held with young people on advocacy and siblings. In addition, we continue to maintain the OHOV website and social media channels to ensure OHOV remains visible during this interim period. We also maintain contact with the young people through the secure BAND platform.

### **Sign Language Week**

To mark Sign Language Week (15-21 March) we published our new British Sign Language (BSL) action plan. The plan supports commitments in the Scottish Government's British Sign Language Plan 2017 - 2023 and sets out the actions we intend to take to promote BSL and

support BSL users over the period covering 2021 to 2023. We promoted the plan on Connect, our website and social media.

### **Virtual Hearings**

With the majority of Hearings being held virtually, we have introduced a series of communications to publicise/provide information about virtual Hearings. This has included: the creation and launch of RAVHI the robot, a new one stop shop section on our website and the launch of a series of feedback surveys for children, young people and adults who have participated in a virtual Hearing.

### **CSO film for young people**

In January SCRA launched a new film for children and young people about Compulsory Supervision Orders (CSOs). The short film covers what a CSO is, what it means for children and young people and how long it can last. It also covers the right to appeal, advocacy and legal representation and where to get more information. The film was made at the end of last year following strict physical distancing measures. There is also versions available with BSL and subtitles. The idea for a film about CSOs came from young people at Our Hearings, Our Voice and was created in consultation with one of our Hearings-experienced Modern Apprentices.

### **Focus on staff health and wellbeing**

During the first week in February, we launched a week-long focus for staff on mental health and wellbeing. This included promoting a series of new resources on Connect and encouraging staff to take Time to Talk on Thursday 4 February. Neil Hunter recorded a short film to launch the week stressing the importance of staff taking the time to look after their mental health.

### **Finance Strategy**

An updated Financial Strategy for the period 2021/22 to 2025/26 was presented to the SCRA Board in June 2020. It included 3 objectives: to achieve long term financial sustainability, to take a medium to long term view of investment in our key resources and capabilities and new developments and to align the Financial Strategy with other strategies.

The Strategy recognised that the environment in which SCRA operates is continuously changing. Beyond the impact of the pandemic on 2020/21 budget plans the Strategy highlighted the likelihood that a range of policy developments will in due course impact on the overall level of resources required by SCRA and/or the distribution of resources, these include incorporation of UNCRC, changes to the Age of Criminal Responsibility Act, introduction of advocacy services in Hearings, bringing 16 and 17 year olds more into the children's hearings system, participation of those with a sibling relationship in Hearings and short, medium and long term impacts of The Promise.

The Strategy reflects required revenue GiA increases of 3.2% in 2021/22, 2.7% in 2022/23, 2.6% in 2023/24, 2024/25 and 2.5% in 2025/26.

In relation to Digital, the organisation's largest programme, the Strategy reflects the need for ongoing annual investment in CSAS beyond Minimum Viable Product (MVP) of around 5% of gross expenditure to ensure continued investment in the new digital infrastructure and services and regular technology refreshes. Business cases were approved for digitizing hearing room capability and improving connectivity and access across the SCRA sites and to develop virtual hearing tools.

The Strategy also recognises that continued investment in SCRA's estate is critical as it is increasingly viewed as the medium through which SCRA can improve customer care and deliver digital services.

Core funding, excluding additional in year funding, allocated by Scottish Government for 2020/21 was in line with the organisation's assessment of need as follows: Resource – £24.91m, Resource – Digital £0.25m, Capital – Property £0.6m, Capital – Digital £0.75m.

Additional funding of around £1.0m was secured to support the organisations COVID-19 recovery plan and the funding was used in the main to recruit additional staffing (reporters, assistant reporters, Virtual Hearings Team) and to develop hearing room digital solutions.

Regular reporting to the Board throughout the year confirmed that SCRA operated within the resources allocated by the Scottish Government. Whilst the pandemic did not impact on staffing and property costs it did have a significant impact on other planned expenditures and significant savings were generated on travel & subsistence and hearings administrative costs (printing, stationery, postage).

Looking to 2021/22 funding allocated by the Scottish Government is Resource - £25.16m, Capital – Property £0.75m, Capital – Digital £1.15m

## **Underpinning Themes**

In addition to the activities undertaken through the organisational strategies, additional outcomes were achieved through the following underpinning themes.

### **Corporate Parenting**

As the country went into lockdown in March 2020, all face to face Hearings had to move to virtual ones, immediately. Over the course of 2020, SCRA worked with children, families, staff and partners to refine this necessary change, whilst learning and developing plans for the future of Virtual Hearings, in line with Better Hearings work.

We utilised a secure online platform (Vscene) to hold Children's Hearings, testing it with Reporters/Panel Members and Legal Agents to ensure that the platform held up, it was then widened out to families to ensure that along with legal protection, rights were also maintained. We introduced a process for letting children and families know about Virtual Hearings, and developed a new section on our website [Virtual Hearings - SCRA](#) that was kept up to date and provided information in child friendly format.

We conducted internal and external surveys to understand the experience of virtual hearings based on technical issues, support, information, participation and received constructive feedback and suggestions for improvements. The survey findings concluded that Hearings are an individual experience and people need options and choices, and this is what we are going to be working on during 2021/22.

In June 2020, the Scottish Government published their route map giving authority for face to face Hearings to resume, albeit in a planned and staged way with recognition of all of the measures requiring to be in place (cleaning, social distancing, masks, etc.). Ahead of making any plans, we spoke to Our Hearings, Our Voice and they agreed to work with us, helping us consider the things that would be important for Children and Young People to return to Hearings in the current environment. We developed a resource pack for practitioners to use with young people on the areas we were keen to hear from them about. Our Hearings, Our Voice, The Fostering Network, and Aberdeenshire's Young People's Campaigning Group all took part - and we received fantastic responses and brilliant suggestions, which can be accessed via: [OHOV - Feedback](#) and our response back to the Young People with what we are going to do: [SCRA - Response](#)

SCRA worked with **Who Cares? Scotland** to make our information more accessible, particularly for children, young people and Care Experienced people. We launched a new suite of materials to make it easier for people to understand how to make a request to SCRA to access their information and we developed a new web page and easily accessible materials on requesting information from SCRA. The new web page is interactive - [SCRA - Asking for your information](#), that includes an animation, guide for care experienced people and an easy read guide on how to access the information that SCRA holds.

Working closely with the Scottish Government to ensure information about national advocacy services for children and young people is available in multiple formats, including a website, leaflets - all of which SCRA designed and delivered. Please see [www.hearings-advocacy.com](http://www.hearings-advocacy.com). This ensures that children and young people are increasingly aware of their rights to bring an advocacy worker to their Children's Hearing and are supported in exercising their rights during the Hearing.

Working with Hearings-experienced young people, and at their request, we launched a film about Compulsory Supervision Orders in 2020. The script and film design for the film about Compulsory Supervision Orders was designed by a Hearings experienced young person. The films that have been produced by SCRA are rights and support focussed and have helped children and young people to understand and prepare for their Hearing in a variety of different ways.

Throughout 2020-21, we worked with OHOV and Inverclyde Proud To Care to redesign and launch a new form for young people to submit their views to us – this is a significant piece of work and is in response to requests from young people to provide something different for them – something that supports them to say how they feel, to talk about the positive events in their life – school, friends and as well as consider where they are staying and any issues

that they are having that they would like the panel members to know about. The form is now able to be submitted online (or hard copy) – something else that has been requested. We will continue to work with partners around the relationships and support that young people need in place to prepare for hearings and options for provided views for people that would prefer something other than this.

## **Equality, Diversity and Inclusion**

In June 2020, SCRA launched its Equalities and Human Rights Impact Assessments (EHRIA). This approach combines legislative requirements to assess the impact of any new or revised policy, processes or practice against our equality and human rights obligations (Equality Act 2010, Fairer Scotland Duty, UNCRC, ECHR and the Human Rights Act 1998). The EHRIA process is overseen by an internal Equality Review Group (ERG) formed of staff with specific training and experience in human rights and equality, inclusion and diversity. The ERG provides quality assurance of the EHRIA process, as well as transparency and accountability with all the EHRIA's published internally and externally. The EHRIA process was introduced at a time of great change and challenge for SCRA and was a particularly helpful process for assessing the organisation's approach to work and delivering Children's Hearings as a result of the COVID-19 restrictions, most notably to Virtual Hearings, the electronic transfer of Hearing papers and SCRA's approach to training staff on our new computer system, CSAS. At the time of writing, the EHRIA process is undergoing review to ensure continuous improvement from our collective learning since its launch.

During 2020, SCRA has focussed significant time and resources on providing a supportive and inclusive culture for its staff to ensure their mental health and well-being, as well as their personal commitments have been considered in our response to supporting the workforce in the new ways of working brought about by the COVID-19 restrictions. Embedding well-being into our ways of working include a well-being focus in corporate planning, team and line management and supervision processes. To demonstrate our commitment to the well-being of our workforce a festive package of well-being supports was provided for all staff, as well as the introduction of Wellness Action Plans and vicarious trauma counselling as we move towards becoming a trauma informed workplace.

SCRA's new computer system launched at the end of 2020 will, for the first time, capture some protected characteristic data of the children referred to SCRA to ensure that we provide a sensitive needs-based service to all. CSAS has fields for: age; sex; gender identity; disability; race/ethnicity; and religion/faith. Recording options are the same as those in the Census with the view that as recording across the protected characteristics improves, SCRA will have robust data on the children referred which will be comparable to the Census data from the wider population. As CSAS is still very much in its infancy and guidance for staff is to be provided in 2021-2022 to ensure our recording is accurate and appropriate to ensure both data and service improvement.

To mark British Sign Language Week in March 2021, SCRA went beyond our legislative responsibilities and published our British Sign Language Action Plan, which contributes to and supports the commitments of the British Sign Language National Plan.

In our commitment to diversify our workforce, SCRA has commenced targeted recruitment of some under-represented groups. Vacancy advertisements have been placed with LGBT Jobs (the leading LGBTQI+ job board to assist organisations to attract a broad range of candidates to their vacancies to create a more inclusive and diverse workforce). All vacancies advertised with LGBT Jobs are also advertised on [www.BMEjobs.co.uk](http://www.BMEjobs.co.uk) and [www.disabilityjob.co.uk](http://www.disabilityjob.co.uk). SCRA will continue to work towards attracting a more diverse pool of talent to vacancies to improve the diversity of our workforce.

## **Environmental Impact**

SCRA's Corporate Plan 2020-23 more prominently references Climate Change and Environmental considerations in our strategic aims. They also now form part of our organisational values and behaviours. Through these strategic aims and values we have committed to delivering our services in a way that demonstrates Care and kindness to our environment as well as ensuring that the way we Connect, and work together, minimises our impact on the environment.

Property use remains our largest source of greenhouse gas emissions although the overall size of our estate has reduced by around 18.2% between 2010 and 2020. This became possible following changes to our operational delivery model around 2010. The coronavirus pandemic has forced every organisation to work differently and accelerated the uptake of digital services. An increase in home working and less reliance on the traditional office are likely to lead to further estate rationalisation and a review of our need for daily hire hearing premises.

Property projects planned for 2020/21 were refocused to reflect the impact of the pandemic. To facilitate social distancing the size of a number of our hearing rooms was increased. To improve energy efficiency, two of our key office locations were retrofitted with LED lighting systems. Additionally, the refurbishment of six hearing rooms across the estate was completed to create more appropriate facilities for children and young people.

After buildings, business related travel is our second largest category of emissions and is largely related to how we deliver our hearings/ services across the country. The impact of the pandemic has significantly reduced business travel, although our recorded emissions do not currently include journeys to and from employees' place of work.

In December 2020, the Scottish Government published the update to its Climate Change Plan 2018-32. This follows publication of the 2019 Climate Change Act and sets out the revised policies and proposals to work towards Net Zero. This will influence our decisions on operational service delivery and property use in the years ahead. In particular, the coronavirus pandemic has forced change and created new ways of delivering our services. There is an opportunity to develop and improve these new approaches rather than reverting to previous arrangements. Digital solutions offer greater flexibility and reduce the need for travel, our second highest source of emissions.

To work towards achieving Net Zero, SCRA will need to set realistic and achievable targets for reducing greenhouse gas emissions. Innovative solutions and challenging decisions will be required and the transformational change envisaged will impact every part of the organisation.

Figure 3.





Figure 4.

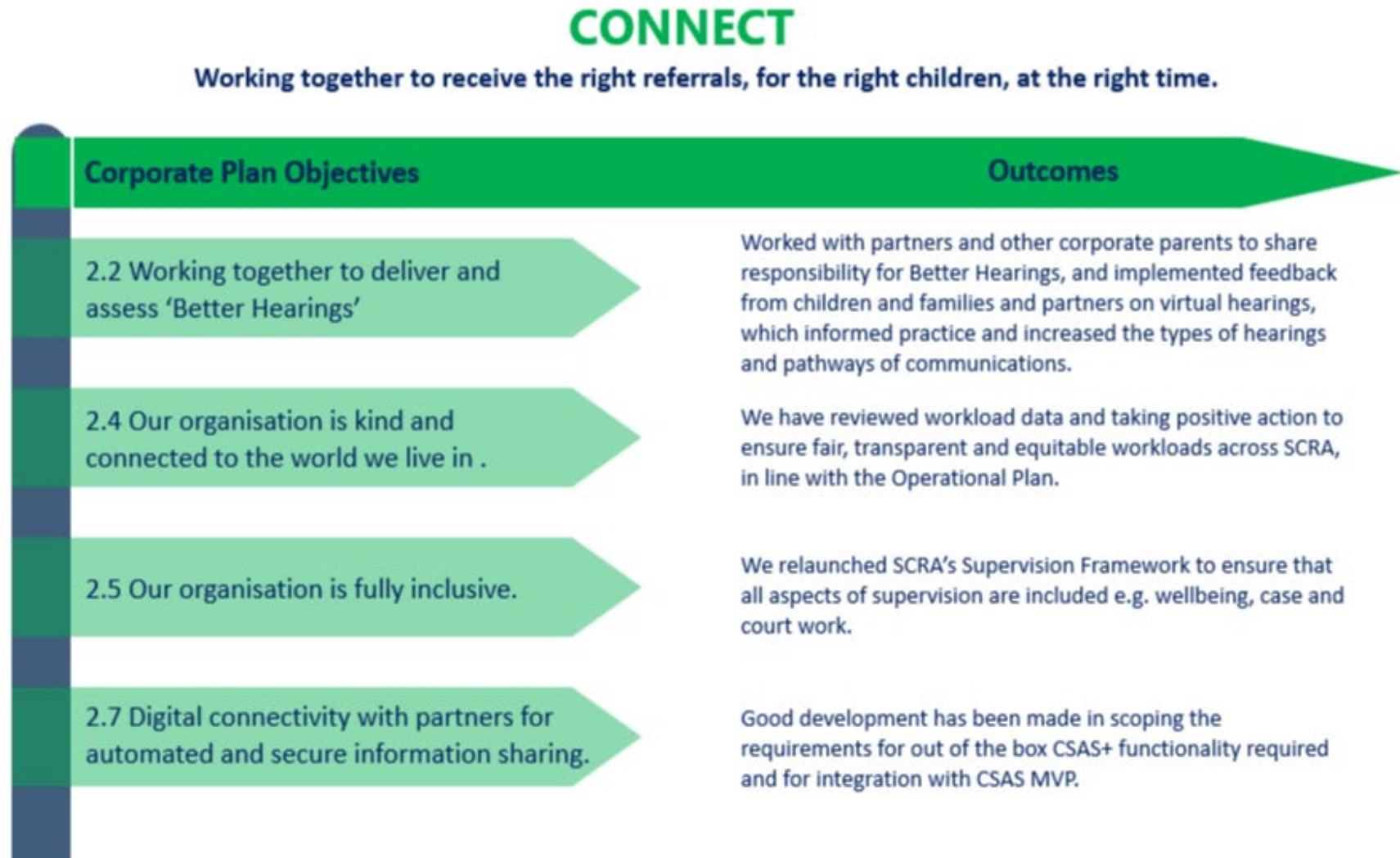


Figure 5.



Figure 6.

## RECOVERY PLANNING OUTCOMES

- ① Phases 1 to 4 of the Recovery Plan completed (re-opening offices, re-starting hearings, hybrid and virtual hearings, cleaning regimes and risk assessments, deployment of enabling tech, premises modifications, workforce planning and recruitment, health and wellbeing).
- ① Phase 5 Recovery Plan was developed and implemented, covering timescale between October 2020 to March 2021 (Operational Recovery, CSAS and CSAS+, Health and Wellbeing, IT and Infrastructure, Practice and Policy, Partnerships).
- ① Worked collaboratively with partner agencies to develop and implement exit and recovery plans.
- ① We worked with Local Authorities, CHS and other corporate parents to ensure effective local recovery planning including provision for increased hearing activity.
- ① We reviewed and amended hearing schedules in consultation with AST to ensure sufficient reporter and Panel Member capacity for additional hearings.
- ① Using existing local mechanisms, worked with partners to ensure appropriate referral priorities are met.
- ① We evaluated our communications activity during the pandemic to determine its effectiveness. The Staff Survey 2020 issued in November has a number of questions on communications during the lockdown and recovery. We will use the findings to evaluate our communications activity/response.
- ① Regularly shared data on increased hearings with local authorities.

## 1.4 Performance Analysis

### Key Performance Indicators

This section will provide detail around SCRA's achievements in the year in terms of its key performance Indicators (summarised in figure 7) and further information is provided below around the operational context that these have been achieved in.

Operational information and the Key Performance indicators derived from them have been significantly impacted by the pandemic in terms of impacts on partners and our ability to deliver services. For most of the period we have been operating under emergency legislation which was designed to reduce pressures on the system in a number of ways including:

- Removing the requirement for 2<sup>nd</sup> working day Hearings for CPOs;
- Extending CSOs for an additional 6 months (over and above the standard 12 month limit); and
- Extending interim orders from 22 to 44 days.

More detail can be found here: [Coronavirus legislation – changes to the law - SCRA](#)

During this year SCRA has also been migrating systems and this has also had an impact on the figures within this report.

## 1.5 Summary of Key Performance Indicators

### Performance Measures

SCRA has 9 key performance indicators which are reported to the Board on a quarterly basis. Targets were not applied to the operational indicators (a) decisions within 50 working days and b) Hearings within 20 working days) due to the impact of the pandemic. These are instead monitored for trends currently with targets to be applied in due course when the situation returns to normal. Due to the impact of Covid on service delivery and on hearings, the target for the percentage of initial hearings proceeding to disposal was unworkable during 2020-21, and therefore was not included within the Performance Measures. The annual outcomes are summarised below.

Figure 7.

Performance measures	Target	Outcome	Prior Year
a) The percentage of decisions on referrals made within 50 working days of receipt	n/a	<b>70%</b>	<b>75%</b>
b) The percentage of Hearings scheduled to take place within 20 working days	n/a	<b>54%</b>	<b>73.9%</b>
c) The percentage of working days lost to short term absence	2%	<b>1.0%</b>	<b>1.9%</b>
d) The percentage of working days lost to long term absence	2%	<b>3.7%</b>	<b>3.3%</b>
e) The percentage of SCRA core properties which comply with SCRA property standards	n/a	<b>n/a</b>	<b>89.7%</b>
f) Variance in annual revenue spends as a percentage of the available revenue budget	1%	<b>3.1%</b>	<b>0.7%</b>
g) Percentage of revenue savings achieved in the year	1.5%	<b>3.4%</b>	<b>2.3%</b>
h) Variance in annual capital spends as a percentage of the available capital budget	5%	<b>27.1%</b>	<b>25.5%</b>
i) The Scottish Government efficiency savings target will be met	0.5%	<b>Met</b>	<b>Met</b>

Key:- Green: Target met or exceeded; Red: Target missed

Due to the impact of covid on service delivery and on hearings, the measure “percentage of initial hearings proceeding to disposal” (80.6% in 2019-20) was unworkable during 2020-21 and therefore is not included within the performance measures above.

b) Hearing scheduling was down 20pp in the year to 54%. There had to be a strict prioritisation approach to allow the core business of Children’s Hearings to continue through the pandemic with reduced availability of Hearing spaces due to social distancing and other constraints. Therefore SCRA focussed only on those Hearings required for the urgent and immediate protection of children, or where required to protect an expiring order. All non-essential Hearings were rescheduled to take place at the earliest date possible. This meant a sudden and considerable decrease in the number of Hearings taking place. This obviously has an impact on the ability to schedule grounds Hearings within the 20 working day timescale and this can be clearly seen through the drop against the prior year.

c) Short term absence was within the 2% target and was 0.9pp lower than the prior year. This is in part due to the fact that when staff are working from home, they are less likely to take a sickness absence day if feeling unwell as they don’t have to travel to work or risk passing on any illness to their colleagues. We anticipate that this level of absence may be retained given the continued focus on flexible working.

d) Long term absence was up 0.4pp from the prior year. There were 6 long term absences in relation to Covid compared to only 1 the year before. Psychological absences also increased significantly and in part

some of this will have been as a result of the challenges staff have faced throughout the year due to personal and work related issues.

e) Due to the high cost and longer term nature of property portfolio changes, setting targets set against them is not always appropriate. This has previously been reviewed by EMT and will continue to be reviewed periodically.

The Property KPI *'The percentage of SCRA core properties which comply with SCRA property standards'* was reviewed and considered to be no longer fit for purpose as a result of the following concerns:

- The KPI used a mix of objective and subjective scores
- The scores are not weighted and can produce anomalous results.
- The majority of unsuitable buildings have been replaced since the scoring system was originally introduced.
- The KPI tried to measure the performance of both hearing centres and staff offices. These perform different functions and it was difficult to arrive at a single score.

SCRA's hearing centres are our main public facing facilities and these are the main focus of our attention. The revised KPI, therefore, considers the operational suitability of our hearing centres. Alongside the quality measures, additional KPI's are now included to measure the efficiency of how we use property and the cost effectiveness of our estate.

#### Quality Measures - 2020/21

- 1 Percentage of hearing centres that comply with our requirements 63.64%
- 2 The average percentage quality score achieved across the estate 88.92%

## 1.6 Operational Performance

### Operational performance

This section provides the operational context for the report, focussing on key aspects of the Children's Hearings System and the changes from the prior year.

Organisational performance was impacted in 2020/21 by a number of factors that came into play following the start of the pandemic. These include general factors such as:

- Lack of resources due to absence and annual leave to deliver the objectives and complete the actions.
- Lack of productivity due to affected health and wellbeing.
- Timescales for the recruitment, training and deployment of new staff affected the time frame for delivering objectives/actions.
- Performance is also affected and impacted by external influences and differing priorities with partner organisations (for instance, availability for hearings).

In addition to these general factors all localities had to focus significant time and effort on the following activities throughout 2020/21:

- Business Continuity/ Pandemic Recovery (staff issues, property, equipment, recovery planning, partnerships)
- CSAS implementation and embedding.
- Staff support and wellbeing

The SOMs and Localities ensured that a continuous service was provided and the most vulnerable children and young people were protected and safeguarded, notwithstanding the significant challenges presented by Covid. Work continued throughout the pandemic across all areas of activity and the focus is now on ensuring recovery across decision making, hearings and court activity in the course of 2021/22.

### Children and young people referred

The reasons (grounds) on which children and young people are referred to the Reporter are those set out in section 67(2) of the Children's Hearings (Scotland) Act 2011, and are summarised below.

Section 67 ground	
(a)	Lack of parental care
(b)	Victim of a Schedule 1 offence
(c)	Close connection with a Schedule 1 offender
(d)	Same household as a child victim of Schedule 1 offender
(e)	Exposure to persons whose conduct likely to be harmful to child
(f)	Close connection with a person who has carried out domestic abuse
(g)	Close connection with Sexual Offences Act offender - Parts 1, 4 & 5
(h)	Accommodated and special measures needed
(i)	Permanence order and special measures needed
(j)	Offence
(k)	Misuse of alcohol
(l)	Misuse of a drug
(m)	Child's conduct harmful to self or others
(n)	Beyond control of a relevant person
(o)	Failure to attend school without reasonable excuse
(p)	Pressure to enter into civil partnership (or same household as such a child)
(q)	Force to marry (or same household as such a child)



For ease of reference, referrals on (j) Offence grounds are classed as offence referrals with the others being classed as non-offence.

In 2020/21, 8,010, children were referred on non-offence grounds this is down 26% from the previous year. Likewise, the number of children and young people referred on offence grounds in the year at 2,215 was down 22%.

There are certain types of referrals that indicate greater or immediate concern about the child or young person's safety. These include Child Protection Orders (CPOs). At 570, 23 more children had CPOs (4.2%) granted in the year.

### **Reporter Decisions**

Reporters investigate where necessary, when a referral is received, to assist them in considering the likely need for compulsory measures. They do so by obtaining information on the child or young person and their circumstances from relevant agencies. Some of this information may now be provided at the point of referral rather than requiring to be requested. In the year, 22% of children with a referral decided, had a decision to arrange a Hearing. This was a 4.7pp drop on the prior year.

### **Pre-Hearing Panels and Hearings**

Pre-Hearing Panels are convened before some Children's Hearings to consider any special arrangements needed for the Children's Hearing. These are:

- whether to deem/undemean an individual as a relevant person; and
- whether to excuse a child or young person or relevant person from the obligation to attend the Children's Hearing.

In addition, Pre-Hearing Panels can also appoint a Safeguarder for the child or young person or arrange legal representation for a child, young person or relevant person. PHPs decreased by 92% to 317 against 3,873 last year.

Children's Hearings decide whether compulsory measures of intervention are necessary (in respect of the child or young person) to protect the child or young person and/or address their behaviour. Hearings decreased by 46% to 16,500 against 30,363 in the prior year, a drop of around 13,860.

### **Applications to the Sheriff for proof**

If the child or young person and/or their relevant persons do not accept some or all of the statement of grounds for referral which form the basis of the Children's Hearing, or the child or young person does not or cannot understand the grounds, the Children's Hearing may direct the Reporter to apply to the Sheriff to establish the statement of grounds for referral (sections 93 and 94 of the Children's Hearings (Scotland) Act 2011). Overall, 1,680 applications were determined in 2020/21 and 86.1% were held to be established by the Sheriff. This was 1,083 fewer applications determined in the year (39%).

### **Compulsory measures of supervision**

Compulsory Supervision Orders are the most common form of compulsory intervention made by Children's Hearings. They are also the only longer-term option available to Children's Hearings. It is the statutory responsibility of local authorities to implement Compulsory Supervision Orders (CSOs). At the year-end,



7,960 children and young people were subject to CSOs. This is around 915 fewer than the prior year end, a decrease of 10%.

## **Appeals**

Children and young people and/or their relevant persons can appeal to the Sheriff against decisions made by Children's Hearings and Pre-Hearing Panels. In 2020/21, around 390 children and young people had appeals concluded, a 30% decrease from the prior year. A child or young person may have multiple appeals within the year. Of these, around 55% of the children had appeals refused by the Sheriff or abandoned by the appellant. This is a 1pp drop from the prior year.

## **Consultation with employees**

SCRA is committed to involving staff throughout the organisation in its decision-making process.

SCRA works in partnership with staff and has a partnership agreement with UNISON as the recognised Trade Union. Working in partnership mainstreams consultation and engagement with staff in all aspects of SCRA's working environment through employment issues to service delivery issues. There is an embedded structure of consultation and engagement through the National Partnership Forum which has a number of sub-groups like the HR Sub Group, Health/Wellbeing and Staff Survey Group, Equalities Network and more standalone networks such as the Joint Negotiating and Consultation Committee, Health and Safety Committee, Participation Group, etc. Staff from across the organisation are represented on each of these groups to ensure that we engage fully. In addition, there are specific consultations and engagement activities that arise as part of programme and strategy work such as consultation on the development of policy and other strategies, review of roles, development of our new case management system and our annual staff survey.

SCRA's People Strategy seeks to develop local organisational conversations to engage with staff on all aspects of organisational development. National and Local Partnership arrangements are the established mechanism for staff engagement and involvement across SCRA. The Partnership model has brought significant benefits to SCRA in the way we listen to and work with our staff and it is now embedded well within our business model.

As part of the Partnership Agreement with UNISON, SCRA has an established Recognition and Procedure Agreement, 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.

## **Payment Performance**

In line with the Scottish Government guidance, SCRA's policy is to pay all invoices, not in dispute, within the lesser of 10 working days and the agreed contractual terms. During the year ended 31 March 2021, SCRA paid 68% (31 March 2020: 70%) of all invoices within the terms of its payment policy. SCRA will continue to reduce its volume of invoices and work to improve the processing time of invoices in order to improve performance in 2021/22.

## Anti-bribery

SCRA's Executive Management Team and Board have taken steps to ensure SCRA has policies in place to guard against corruption and bribery, including SCRA's procurement policy, Financial Regulations and Fraud and Corruption Policy

## Environmental Performance

As a public body, SCRA must comply with the Climate Change Duties introduced by the Scottish Government. The main piece of environmental legislation is the Climate Change (Scotland) Act 2009 which has been amended by subsequent legislation. This legislation requires public sector bodies to contribute towards government targets and to take steps to adapt our services to a changing climate.

Annual reporting supports compliance with the public bodies' duties and consolidates climate change information from the public sector. The Public Bodies Climate Change Duties report for 2019/20 was submitted at the end of November 2020 and then reviewed by the Scottish Sustainability Network.

Reports submitted for last year and previous years can be found at

<https://sustainablescotlandnetwork.org/reports>

Emissions from our most recent climate change report (for 2019/20) shows a further overall reduction but there was a slight increase in Scope 1 and 3 emissions. The breakdown of our emissions data is as follows:

<u>Emission Source</u>	<u>Scope</u>	<u>2019/20</u> <u>(tCO2e)</u>	<u>Emission Source</u>	<u>2018/19</u> <u>(tCO2e)</u>
Heating (Oil & Gas)	1	283.1	Buildings – Heat & Power	556.0
Electricity (generation)	2	221.9	Transport – Business Travel	87.2
Electricity (transmission)	3	19.1	Waste Produced	6.5
Business Travel	3	82.7	Water Provision	4.7
Waste – Recycled	3	1.3		
Waste – Landfill	3	29.0		
Water Provision	3	4.5		
	Total	641.6	Total	654.4

The main areas identified for organisational action, which are consistent with the strategic aims of the Corporate Plan, are as follows:

- Property Use
- Energy Consumption
- Business Travel
- Waste Minimisation
- Sustainable Procurement
- Biodiversity
- Staff Awareness, Engagement and Behaviour Change
- Improving Data Capture & Analysis

## 1.7 Key Issues and Risks

The key strategic risks tracked throughout 2020/21 included:

- IT Security measures are insufficient to prevent a successful cyber-attack on SCRA case information which results in loss of data which cannot be recovered;
- SR2019 does not deliver level of resources required for medium term financial sustainability; and
- The optimum model for CSAS ownership and accountability and a joint future partnership between SCRA and CHS is not adequately defined and agreed.
- Organisational recovery plan fails to deliver operational stability within an acceptable timeframe.

The IT security risk was primarily linked to the now decommissioned Case Management System so has now been effectively mitigated on completion of transition to CSAS, a major organisational objective for 2020/21. In relation to the Spending Review 2019 risk SCRA was successful in securing the required level of resources to deliver a balanced budget and all key organisational objectives albeit in year funding was required to meet revised objectives to meet the challenge of the pandemic. The ownership of CSAS lies with SCRA and an MOU/SLA will be developed to govern the digital relationship between SCRA and CHS mitigating the third risk above. Finally an extensive action plan was put in place to support organisational recovery. The key components of the plan (budget, staffing, hearings, technology, partnerships) were captured in the risk register with associated risk mitigation actions. This strategic risk has now been closed with a small number of outstanding actions tracked on the Operational Risk Register.

The Executive Management Team have identified a number of emerging risks which are being assessed, including:

- Learning & Development (L&D) – there are a significant number of L&D objectives in the 2021/22 Operational Plan (practice training, digital skills, management development, health & safety, wellbeing, equalities, trauma. There is a concern over resources/capacity to identify training priorities/needs and then deliver all the training.
- Property Strategy – there has been a very different operating context over the last 15 months and a significant range of new drivers which may mean significant changes to the estate.
- Agile working – although not starting with a blank sheet of paper the move to agile working as the norm will require culture change and support to managers to ensure new policies are applied fairly and consistently.
- Financial sustainability including pay – temporary funding and a higher ratio of temporary to permanent staffing in 2021/22 creates uncertainty in planning for 2022/23 and beyond.

## **1.8 2021/22 Planning**

The Business Plan objectives for 2021-22 were designed to be flexible and amenable to unpredicted changes or factors affecting the organisation, particularly in light on any further disruption that may be caused to service delivery by the ongoing pandemic. The 2021-22 Business Plan and all other related strategy and locality plans are reviewed on a regular basis, and modified if required, should there be any significant changes that would impede delivering the objectives.

The recruitment of additional operational staff during 2020-21, to form the Recovery Team, and increased Virtual Hearings and the implementation of CSAS has and continues to enable greater flexibility in how the service is delivered. Agile working is providing a greater scope for managing operations, whilst creating a flexible working environment that aids staff's health and wellbeing.

Financial investment for the recruitment of additional staff to aid the delivery of SCRA's Keeping The Promise Plans will enable the organisation to meet its commitments for the recommendations of the Care Review.

**Neil Hunter**  
**Accountable Officer**  
**22 September 2021**

## 2. Accountability Report

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### 2.1 Director's Report

The table below shows the date of appointment for Board members in 2020/21.

Board Member	Appointment Date
Michelle Miller (Chair)	01 May 18
Sam Anderson	01 Jun 16 – 31 May 2020
Anela Anwar	01 Dec 14
Tam Baillie	01 Sep 18
James Edgar	01 Oct 17
Catherine Robertson	01 Nov 13
Martin Teye	01 Jun 16
Suzanne Vestri	01 Oct 16

All Board members have fixed term contracts and of the above five are female and three are male.

SCRA agreed with the Scottish Government to carry the vacancy left by Sam Anderson as a result of other pressures due to the COVID 19 public health crisis.

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/Chief Executive.

The table below shows the date of appointment for Executive Management Team members in 2020/21.

EMT Member	Job Title	Appointment Date
Neil Hunter	Principal Reporter/Chief Executive	04 Apr 11
Edward Morrison	Head of Finance and Resources	01 Dec 10
Thomas Philliben	Senior Operational Manager	05 Oct 09 – 31 Jun 20
Alistair Hogg	Head of Practice and Policy	01 Jun 19
Susan Deery	Head of Human Resources	01 Oct 14
Lisa Bennett	Head of Strategy and Organisational Development	14 Sep 15
Helen Etchells	Senior Operational Manager	12 Aug 19
Paul Mulvanny	Senior Operational Manager	12 Aug 19
Lawrie McDonald	Head of Information Technology (SCRA/CHS)	01 Sep 15

All EMT members have permanent UK contracts and of the above three are female and seven are male. The Principal Reporter/Chief Executive has specific responsibility for the discharge of Reporters' statutory functions.

## 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 2016/17 to 2020/21 the Auditor General appointed Audit Scotland to undertake the audit of SCRA. The appointment was extended to cover the 2021/22 financial year as a result of the COVID 19 public health crisis . 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.

## Register of Interests

A Register of Interests for Board members and senior staff is maintained by SCRA and may be accessed by contacting the Governance Officer at Ochil House, Springkerse Business Park, Stirling, FK7 7XE, or on SCRA's website, <https://www.scra.gov.uk/about-scra/our-board/> and <https://www.scra.gov.uk/about-scra/senior-management/>

## Report of personal data incidents

SCRA reports all reportable breaches to the Information Commissioner's Office (ICO) in compliance with data protection legislation. There were a total of 13 breaches reported to the ICO in 2020-21. In accordance with guidance and advice from the ICO, the most significant factor in determining which breaches to report is the assessment of risk of harm. Where there is assessed to be a realistic risk of harm to anyone, a risk assessment is completed. The ICO has not taken any formal action against SCRA in relation to any of the reported breaches, but has made some recommendations for improvement which we have accepted and implemented.

## Non-Disclosure Orders

A Non-Disclosure Order is a special provision attached to a child's case in instances when it is considered necessary to protect the whereabouts of a child, or person(s) with whom the child is residing, due to significant concerns about their safety.

There were a total of 29 incidents in 2020-21 where Non-Disclosure Orders were breached. SCRA was responsible for 19 Non Disclosure breaches, and five of these were reported to the ICO. The main cause of the SCRA breaches was SCRA failing to redact documents correctly.

In comparison, there were a total 44 Non Disclosure breaches in 2019-20 and 20 in 2018-19.

## Case Information

SCRA holds information on children and their families, who are involved in the Children's Hearings System. Much of this information is special category data as defined by the UK GDPR and by the Data Protection Act 2018. In 2020-21, SCRA reported eight case information breaches to the ICO.

SCRA continues to monitor breaches of personal data as part of its activities to improve information security and data protection compliance. Each Locality has an Information Governance Lead and the Information Governance Leads Group meets regularly to monitor activity, including lessons learnt from breaches. All staff have been trained on GDPR; they are also required to do annual GDPR refresher training and role specific data protection training. The Board's Audit and Risk Committee receives six monthly report on Information Governance. In 2020-21 SCRA's internal auditors carried out an audit on SCRA's Data Protection compliance.

During 2020-21 the challenges met by SCRA were very different from previous years. Due to the national lockdown, there was a significant reduction in the number of Children's Hearings taking place in the first quarter of the year. The majority of case information breaches occurred during the second half of the year, when staff were not only dealing with home/office hybrid working, virtual Hearings and limited face to face Hearings but also the introduction of a new case management system.

The most common cause of case information breaches (41%) was information being sent to an incorrect address because relevant parties failed to inform the SCRA of the change. The next most common causes of breaches involved Hearings documents being issued by SCRA to an incorrect recipient (24%) and emails being sent to incorrect trusted third parties (e.g. safeguarders, solicitors) (11%). The remaining breaches were mainly related to virtual Hearings, Panel Members, or Royal Mail delivery issues.

## **2.2 Statement of Accountable Officer's Responsibilities**

Under Schedule 3 of the Children's Hearing Scotland Act (2011), the Scottish Parliament has directed the SCRA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of SCRA and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Scottish Parliament, 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 as set out in the Government Financial Reporting Manual (FReM) have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis

Under section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Accountable Officer of the Scottish Government Directorate with responsibility for sponsorship of SCRA designated the Principal Reporter/Chief Executive of SCRA as the Accountable Officer for the Administration. The Head of Finance and Resources is designated as Depute Accountable Officer. The responsibilities of an

Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Administration's assets, are set out in *Managing Public Money* by the HM Treasury.

As Accountable Officer, I confirm that:

- as far as I am aware, there is no relevant audit information of which the auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.
- the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

## 2.3 Statement of Governance

### 2.3.1 Scope of responsibility

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 the Memorandum to Accountable Officers for Other Public Bodies.

### 2.3.2 Governance framework

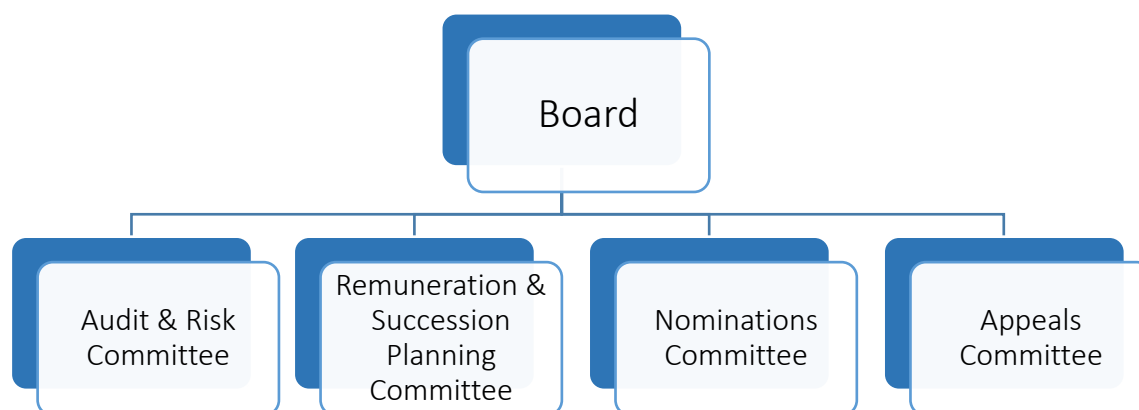
SCRA's governance framework accords with generally accepted best practice principles and guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and has been in place for the year ended 31 March 2021 and up to the date of the approval of the financial statements. The SPFM provides guidance to the Scottish Government, and other relevant bodies, on the proper handling of public funds. It is designed to ensure compliance with statutory and parliamentary requirements, promote value for money, high standards of propriety, effective accountability and robust systems of internal control.

The impact of COVID-19 throughout 2020/21 did not lead to any relaxation of key aspects of the governance framework and statutory duties continued to be fulfilled albeit in the context of applying the full range of options in SCRA's Business Continuity Plan and the Scottish Government's COVID-19 guidance for public bodies.



### 2.3.3 Board and committee structure

The Board Committee structure encompasses an Audit and Risk Committee, a Remuneration and Succession Planning Committee, a Nominations Committee and an Appeals Committee. The Committees report into the Board, on a routine basis, on the business conducted at their meetings.



### Operation of the board

SCRA's Board comprises the Chair and seven non-executive members. The Principal Reporter/Chief Executive attends ex-officio. Members of the Board are appointed by Ministers and the normal term of office for a non-Executive member is four years. Board members may serve for a maximum of eight years. The Board has responsibility for ensuring that SCRA fulfils the aims and objectives set by Scottish Ministers.

The role of the Board is to:

- Establish the overall strategic direction within the policy and resources framework agreed with the Scottish Government;
- Ensure that the organisation meets its objectives;
- Demonstrate high standards of corporate governance at all times;
- Ensure that any statutory or administrative requirements for the use of public funds are complied with.

The Board met five times during 2020/21 (June 2020, September 2020, December 2020, January 2021 and March 2021) on regular business. As a result of COVID 19 and in order to keep the Board up to date on all business continuity and recovery activity being undertaken by SCRA in order to fulfil core statutory functions, additional meetings were held (April 2020, May 2020 and August 2020). One Board Development day was held in November 2020.

The Board regularly review the organisation's key policies which include the Human Resources Policies, Health & Safety Policies, Information Security Policies, Data Protection Policies, Risk Management Policy, Fraud Policy, Location Policy (part of Property Strategy), Procurement Policy, Media Handling Policy, Environmental Policy and Complaints Policy.

## Board programme of business:

Standing Items	Specific Items for 2020/21
<ul style="list-style-type: none"> <li>• Committee Minutes</li> <li>• Chief Executive's Report</li> <li>• Budget Monitoring</li> <li>• Organisational Performance (Modified while in business continuity and recovery mode, presented as Data Report).</li> <li>• New Risks</li> </ul>	<ul style="list-style-type: none"> <li>• Digital Strategy Update</li> <li>• Financial Strategy</li> <li>• Corporate Plan consultation and 2020-23 Plan</li> <li>• Draft Business Plan 2021/22</li> <li>• Finance and Resources <ul style="list-style-type: none"> <li>◦ Budget Planning 2021/22</li> </ul> </li> <li>• Property Strategy</li> <li>• Communications and Engagement Strategy</li> <li>• Organisational Change Policy</li> <li>• Equalities and Inclusion Mainstreaming report</li> </ul> <p>COVID 19 Specific Items</p> <ul style="list-style-type: none"> <li>• Data and Performance Report</li> </ul>
Annual	
<ul style="list-style-type: none"> <li>• Budget</li> <li>• Draft Accounts</li> <li>• Annual Accounts and Management Representation Letter</li> <li>• Annual Report</li> <li>• Corporate and Business Plans</li> <li>• Complaints</li> <li>• Environmental Report</li> <li>• Committee Annual Reports</li> <li>• Health &amp; Safety</li> <li>• Workforce Report</li> <li>• Overview of Policies</li> <li>• Research Programme</li> <li>• Equalities Network Annual Report</li> <li>• Annual Procurement Report</li> <li>• Board and Committee ToR Review</li> </ul>	
Bi-annual	
<ul style="list-style-type: none"> <li>• Influencing Report</li> <li>• Strategic and Operational Risk Registers</li> </ul>	

## 2.3.4 Board Development Meetings

Business conducted at the Board Development Day (November 2020) included:

- Board Members Performance Review Framework
  - Performance Management Framework Components
  - Setting Board Objectives
  - Personal Development Needs
  - Internal Audit – Board Effectiveness
- Joint Board
  - Governance
  - Frequency
  - Added Value
  - Agenda Focus

## 2.3.5 Audit and Risk Committee

The Audit and Risk Committee comprises the Chair and three non-executive members. The Principal Reporter/Chief Executive attends ex-officio. It meets quarterly and 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.

Audit and Risk Committee Programme of Business (meetings held May 2020, August 2020, November 2020 and February 2021):

Standing Items	Other Business Items
<b>Information Governance</b> <ul style="list-style-type: none"> <li>Data Protection and Information Governance Six-monthly Report</li> </ul>	<b>Annually</b> <ul style="list-style-type: none"> <li>Report to the Board on the Audit and Risk Committee's business</li> <li>Meeting with Internal/External Auditors</li> <li>Fraud Report</li> <li>External Audit Report to those charged with Governance on the Audit Management Representation Letter</li> <li>Annual Accounts, Governance Statement, Accounting Policies</li> <li>Internal and External Audit Plans</li> <li>Quality Assurance Programme</li> <li>Joint Inspection of Children's Services – Overview</li> </ul>
<b>Quality Assurance and Performance</b> <ul style="list-style-type: none"> <li>Case Sampling Reports (On hold as agreed by the Committee)</li> </ul>	
<b>External Audit</b> <ul style="list-style-type: none"> <li>Update on Topical/Regulatory Issues</li> </ul>	
<b>Internal Audit</b> <ul style="list-style-type: none"> <li>Reports on fieldwork</li> <li>Annual Plan Progress</li> </ul>	
<b>Digital Strategy</b> <ul style="list-style-type: none"> <li>Update from Digital Oversight Committee</li> </ul>	

<b>Risk Management</b>	
<ul style="list-style-type: none"> <li>• New Risks</li> </ul>	
<b>Topical/Regulatory/Governance Issues</b>	
<b>Specific Items during 2020/21 (in addition to above)</b>	
<ul style="list-style-type: none"> <li>• None</li> </ul>	
	<b>Bi-annual</b>
	<ul style="list-style-type: none"> <li>• Review of Strategic and Operational Risk Registers</li> <li>• Internal Audit Recommendations Follow-up</li> <li>• Pensions Update</li> </ul>

The Audit and Risk Committee carries out an annual self-assessment and reports annually on its activities to the Board. The Audit and Risk Committee receives regular updates from the Digital Strategy Oversight Committee which meets quarterly and comprises the Chairs of Audit of SCRA and CHS and an independent member.

### 2.3.6 Remuneration and Succession Planning Committee

The Remuneration and Succession Planning Committee comprises the Chair and two non-executive members. It is responsible for governance of the pay and remuneration policy for the organisation and the approval of Principal Reporter/Chief Executive appraisal and pay. It also monitors progress on the organisation's succession planning arrangements.

Although one member of the Committee left in May 2020 the Committee remained quorate at all times and was able to operate as required during 2020/21. The Board Chair attended all committee meetings during 2020/21 to ensure appropriate board membership.

Business dealt with during 2020/21 (meeting held March 2021):

- Pay Award Development 2021/22
- Succession Planning Update

### 2.3.7 Nominations Committee

The Nominations Committee comprises the Chair, two non-executive members and one Sponsor Team official and meets as required. The role of the Committee is to:

- Lead the process for Board appointments and make recommendations to the Board;
- Offer advice to the Board on future Board appointments;
- Review and evaluate skills, knowledge, expertise of current Board Members.

Business dealt with during 2020/21 (meeting held January 2021):

- SCRA Board Recruitment – Lessons Learned

### 2.3.8 Appeals Committee

The Appeals Committee comprises a Chair and two non-executive members and meets as required. Its remit is to:

- hear appeals from SCRA staff in respect of any of the matters set out in SCRA's Manual of Personnel Policies & Procedures and in accordance with the arrangements set out therein;
- come to a substantive decision on any appeal; and
- report the outcome to the Board at its next meeting following any appeal.

The Committee did not meet in 2020/21.

### 2.3.9 Executive management

The Executive Management Team (EMT) comprises the senior managers in the organisation who are responsible for establishing and maintaining a sound internal control system. The EMT meets monthly and is supported by a Health and Safety Committee, Equalities Group, an Information Governance Leads Group and a Digital Delivery Board. The EMT receives regular reports on budget management, organisational performance and changes in strategic/ operational risks, whereas the Board focuses on strategy, performance and behaviour. The Principal Reporter advises the Board on all matters and is solely responsible for operational issues. Board members have no authority to instruct the Principal Reporter/Chief Executive or any member of staff on operational matters.

### 2.3.10 Internal controls

The internal control framework comprises a network of systems designed to provide assurance that organisational objectives will be achieved, with particular reference to:

- risk management;
- the effectiveness of operations;
- the economical and efficient use of resources;
- compliance with applicable policies, procedures, laws and regulations;
- safeguards against losses, including those arising from fraud, irregularity or corruption; and
- the integrity and reliability of information and data.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise the risks, evaluate the likelihood of those risks being realised and the impact should they be realised. The system of internal control has been in place in SCRA for the year to 31 March 2021, and up to the date of approval of the annual report and accounts.

The following internal control systems are assessed annually as part of the Scottish Government Certificates of Assurance process which must be completed by the Chief Executive. This process was completed in May 2021 and no major control gaps have been identified.

- Risk Management
- Business Planning
- Major Investment
- Project Management
- Financial Management
- Fraud
- Procurement
- Human Resources
- Equality and Diversity
- Information
- Health & Safety
- Compliance

### 2.3.11 Risk management arrangements

A framework for measuring, controlling and monitoring strategic risks has been in place throughout the financial year. A regular review of the Strategic Risk Register is undertaken by the Executive Management Team and the Strategic Risk Register is reported to the Audit and Risk Committee and Board every six months. Strategic risk management is fully established in the corporate planning and decision making processes of SCRA. The Operational Risk Register is overseen by the Senior Operational Managers. Localities maintain their own Risk Registers and these were comprehensively reviewed and updated in line with development of 2021/22 Locality Plans. Digital Strategy risks are monitored by the Digital Delivery Board. EMT is supported in discharging its risk management responsibilities by the Planning and Performance Network.

The key strategic risks tracked throughout 2020/21 included:

- IT Security measures are insufficient to prevent a successful cyber-attack on SCRA case information which results in loss of data which cannot be recovered;
- SR2019 does not deliver level of resources required for medium term financial sustainability; and
- The optimum model for CSAS ownership and accountability and a joint future partnership between SCRA and CHS is not adequately defined and agreed.
- Organisational recovery plan fails to deliver operational stability within an acceptable timeframe.

SCRA's internal auditors are BDO, appointed for the period 1 July 2017 to 30 June 2020 with an option to extend to 30 June 2021 which was exercised. The Internal Auditor facilitated a risk management workshop in 2020/21 which was attended by risk leads in the organisation.

### 2.3.12 Digital programme

In November 2017 a joint meeting of Children's Hearings Scotland (CHS) and SCRA Boards approved a joint digital delivery plan and the award of contract to an identified supplier, following a competitive tender exercise. The main focus of activity throughout 2020/21 has been on the implementation phases of the services that comprise the new Core Systems and Applications (CSAS). A vanguard phase comprising three Localities was followed by a second deployment phase comprising the remaining six localities, all concluded by December 2020. A daily integrated team comprising product owner, in-house technical team, business readiness staff and operational manager and the supplier supported the

implementation. Additional activity was focused on supporting virtual hearings, creating wireless connectivity with guest/public access in all SCRA core hearing centres and establishing infrastructure and hardware to increase digital capability in hearing rooms.

### **2.3.13 Information governance**

All Information Governance duties are carried out by Information Governance (IG) Leads who meet frequently as a Group with the SCRA Senior Information Risk Officer (SIRO) as Chair. A Board Member has been nominated to link with the IG Leads Group. The day to day work of the Information Governance Team includes General Data Protection Regulation (GDPR) compliance.

### **2.3.14 Data security**

A total of thirteen data breaches, including breaches of non-disclosure orders, have been reported to me by SCRA's SIRO who also ensures appropriate reporting to the Information Commissioner's Office. Further details are on page 38. The main cause of non-disclosure breaches is failing to redact documents correctly and the main cause of case information breaches is information being sent to an incorrect address because relevant parties failed to inform SCRA of the change. Controls are in place to mitigate the risk of information loss. SCRA works proactively with partners to highlight information security and assist them in managing their information more securely in their own locations/settings. Additional details are provided on page 39.

### **2.3.15 Quality and performance**

SCRA's Quality Assurance and Performance Team is responsible for providing assurance on the effectiveness of the arrangements within SCRA for discharging the Principal Reporter/Chief Executive's statutory responsibilities towards children referred to the Reporter and meeting agreed quality standards. In agreement with the Audit & Risk Committee the Quality Assurance case sampling programme was put on hold in recognition of the impact of the Covid-19 pandemic and the implementation of CSAS on Localities. The Audit and Risk Committee considered an annual report on 2019/20 case sampling activity and received update reports on plans to resume the programme in 2021/22. The Practice and Quality networks meet throughout the year with a purpose to share best practice and to help improve the quality of the service provided to children and young people. The networks have been unable to meet due to the restrictions imposed during the pandemic, the suspension of case sampling, and the acute pressure on the workforce. They will commence again in 2021/22.

### **2.3.16 Internal audit**

In addition to the Quality Assurance and Performance Team, SCRA has an internal audit service provided under contract, which operates to the Public Sector Internal Audit Standards. They submit regular reports to the Audit and Risk Committee which include an independent opinion on the adequacy and effectiveness of SCRA's system of internal control together with recommendations for improvement.

No high risk recommendations were identified by the auditors in 2020/21. In the auditors' opinion, the risk management activities and controls in the areas which they examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. Based on their verification reviews and sample testing the risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review.

### **2.3.17 Assessment of corporate governance arrangements**

As Accountable Officer, I have reviewed the effectiveness of corporate governance arrangements. My review is informed by:

- the executive managers within SCRA who have responsibility for the development and maintenance of the internal control framework, including the organisation's Senior Information Risk Officer;
- the work of the internal auditors and the Quality Assurance and Performance Team who submit to the Audit and Risk Committee regular reports which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of SCRA's system of internal control together with any recommendations for improvement;
- comments made by the external auditors in their management letters and other reports;
- assurances from senior staff in SCRA's 2020/21 Internal Control Checklist which will be submitted to the Sponsor Division as part of the Scottish Government's Certificates of Assurance process;
- a range of other accountability mechanisms including quarterly organisational performance reviews, end to end process reviews, regular assessment of management of key risks, regular review of organisational policies and potentially, information from whistle-blowers in line with the Whistleblowing Policy.

During the financial year 2020/21, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control.



## **2.4 Remuneration and Staff Report**

### **2.4.1 Unaudited remuneration report**

#### **Remuneration and Succession Planning Committee**

The Remuneration and Succession Planning Committee, a sub-committee of the full SCRA Board, oversees the remuneration and succession planning arrangements of all staff.

For the financial year under review, the Remuneration and Succession Planning Committee consisted of:

- Catherine Robertson (chair)
- Sam Anderson (left SCRA 31/05/20)
- Suzanne Vestri

Michelle Miller attended Remuneration and Succession Planning Committee meetings in her capacity as chair of the Board.

#### **Policy on remuneration**

SCRA's overall remuneration policy aims to:

- attract, retain and motivate competent and skilled staff at all levels of the organisation
- 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 performance appraisal scheme that includes annual objective setting and performance review. For senior managers these objectives relate to both individual performance and corporate performance.

Where performance is satisfactory, staff not at the maximum of their salary scale will progress to the next step in the scale.

#### **Policy on duration of contracts, notice periods and termination payments**

It is SCRA's policy normally to offer open-ended appointments, subject to Probationary Policy criteria, operational and resource considerations. The notice period for senior managers is three 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 the Scottish Government.

#### **Staff Absence**

In the year to 31 March 2021 average staff absence was 4.7% (31 March 2020: 5.2%). The target for the year to 31 March 2021 was 4% (31 March 2020: 4%). Further detail can be found in the Performance Report.

## 2.4.2 Audited remuneration report

### Senior managers' service contracts

In the event of early termination of a senior manager service contract and subject to SG advice and necessary approvals, a payment in lieu of notice up to a maximum of 3 months' salary may be made.

	Date of contract	Unexpired term	Notice period
Neil Hunter	04 April 2011	Open-ended contract	3 months
<i>Principal Reporter/Chief Executive</i>			
Edward Morrison	01 December 2010	Open-ended contract	3 months
<i>Head of Finance and Resources</i>			
Susan Deery	01 May 2016	Open-ended contract	3 months
<i>Head of Human Resources</i>			
Helen Etchells	12 August 2019	30 December 2021	3 months
<i>Senior Operational Manager</i>			
Paul Mulvanny	12 August 2019	30 December 2021	3 months
<i>Senior Operational Manager</i>			
Thomas Philliben	01 May 2011	30 June 2020	3 months
<i>Senior Operational Manager</i>			
Alistair Hogg	01 June 2019	Open-ended contract	3 months
<i>Head of Practice and Policy</i>			
Lisa Bennett	14 September 2015	Open-ended contract	3 months
<i>Head of Strategy and Organisational Development</i>			
Lawrie McDonald	01 April 2020	Open-ended contract	3 months
<i>Head of Digital Delivery</i>			

## Board members' and Senior Managers' remuneration

Non-executive Board Members	Salary and allowances 2020-21 £000	Salary and allowances 2019-20 £000
Michelle Miller (Chair)	20-25	20-25
Sam Anderson	0-5	0-5
Anela Anwar	0-5	0-5
Tam Baillie	0-5	0-5
James Edgar	0-5	0-5
Catherine Robertson	0-5	0-5
Martin Toye	0-5	0-5
Suzanne Vestri	0-5	0-5

SCRA does not make any contribution to the Local Government Pension Scheme, nor provide any other form of pension benefit, in respect of any Non-Executive Board Member.

	Salary and allowances 2020-21 £000	Pension benefits 2020-21 £000	Single total figure of remuneration 2020-21 £000	Salary and allowances 2019-20 £000	Pension benefits 2019-20 £000	Single total figure of remuneration 2019-20 £000
<b>Executive Management Team Members</b>						
Neil Hunter	120-125	36	155-160	115-120	32	145-150
<i>Principal Reporter/Chief Executive</i>						
Edward Morrison	85-90	37	120-125	80-85	30	110-115
<i>Head of Finance and Resources</i>						
Susan Deery	85-90	36	120-125	80-85	58	140-145
<i>Head of Human Resources</i>						
Helen Etchells <sup>1</sup>	75-80	46	120-125	45-50	6	50-55
<i>Senior Operational Manager</i>						
Paul Mulvanny <sup>2</sup>	75-80	58	135-140	20-25	-5	15-20
<i>Senior Operational Manager</i>						
Thomas Philliben <sup>3</sup>	35-40	5	40-45	80-85	32	110-115
<i>Senior Operational Manager</i>						
Alistair Hogg	85-90	32	115-120	80-85	29	110-115
<i>Head of Practice and Policy</i>						
Malcolm Schaffer <sup>4</sup>	n/a	n/a	n/a	10-15	15	25-30
<i>Head of Practice and Policy</i>						
Lisa Bennett	85-90	29	110-115	80-85	27	105-110
<i>Head of Strategy and Organisational Development</i>						
Lawrie McDonald	90-95	24	110-115	n/a	n/a	n/a
<i>Head of Digital Delivery</i>						

<sup>1</sup> Appointed 12 August 2019

<sup>2</sup> Appointed 12 August 2019 and held two part-time posts within SCRA until 31 March 2020: only remuneration relating to the Executive Management Team post is shown here.

<sup>3</sup> Left office on 30 June 2020

<sup>4</sup> Left office on 31 May 2019

	2020-21	2019-20
Mid-point of highest paid Executive Management Team member's total remuneration*	£98,163	£96,163
Median total remuneration*	£31,459	£30,543
Ratio	3.1 : 1	3.1 : 1

\* Remuneration figures exclude cash equivalent transfer values and these figures exclude employer pension contributions.

The full-time equivalent remuneration paid to SCRA staff, excluding the highest-paid Executive Management Team member, ranged from £16,991 to £74,660 (2019-20: £16,443 to £68,602).

No senior manager received any benefits in kind or non-cash remuneration in 2020-21 (2019-20: £nil).

## Senior managers' pension entitlements

	Real increase in pension in year to 31 March 2021	Real increase in lump sum in year to 31 March 2021	Total accrued pension at 31 March 2021	Total accrued lump sum at 31 March 2021	CETV* at 31 March 2020	CETV* at 31 March 2021	Real increase in CETV* during year
	£000	£000	£000	£000	£000	£000	£000
<b>Executive Management Team Members</b>							
Neil Hunter	0-2.5	0	20-25	0	256	301	32
<i>Principal Reporter/Chief Executive</i>							
Edward Morrison	0-2.5	0-2.5	35-40	60-65	640	693	41
<i>Head of Finance and Resources</i>							
Susan Deery	0-2.5	0-2.5	35-40	60-65	601	651	38
<i>Head of Human Resources</i>							
Helen Etchells	2.5-5	0	20-25	0	257	297	32
<i>Senior Operational Manager</i>							
Paul Mulvanny	2.5-5	0-2.5	25-30	35-40	405	465	50
<i>Senior Operational Manager</i>							
Thomas Philliben	(7.5)-(5)	125-127.5	30-35	200-205	874	900	16
<i>Senior Operational Manager</i>							
Alistair Hogg	0-2.5	0-2.5	25-30	25-30	389	429	29
<i>Head of Practice and Policy</i>							
Lisa Bennett	0-2.5	0-2.5	15-20	10-15	205	229	16
<i>Head of Strategy and Organisational Development</i>							
Lawrie McDonald	0-2.5	0	0-5	0	n/a	23	17
<i>Head of Digital Delivery</i>							

\* Cash Equivalent Transfer Value

## Senior managers' pension entitlements: prior year comparatives

	Real increase in pension in year to 31 March 2020	Real increase in lump sum in year to 31 March 2020	Total accrued pension at 31 March 2020	Total accrued lump sum at 31 March 2020	CETV at 31 March 2019	CETV at 31 March 2020	Real increase in CETV during year
	£000	£000	£000	£000	£000	£000	£000
<b>Executive Management Team Members</b>							
Neil Hunter	0-2.5	0	15-20	0	206	256	37
<i>Principal Reporter/Chief Executive</i>							
Edward Morrison	0-2.5	0-2.5	30-35	60-65	562	640	63
<i>Head of Finance and Resources</i>							
Susan Deery	2.5-5	2.5-5	30-35	60-65	501	601	85
<i>Head of Human Resources</i>							
Helen Etchells	0-2.5	0	20-25	0	248	257	2
<i>Senior Operational Manager</i>							
Paul Mulvanny	(2.5)-0	(2.5)-0	20-25	35-40	393	405	4
<i>Senior Operational Manager</i>							
Thomas Philliben	0-2.5	0-2.5	35-40	70-75	781	874	74
<i>Senior Operational Manager</i>							
Alistair Hogg	0-2.5	0-2.5	20-25	25-30	332	389	46
<i>Head of Practice and Policy/Senior Operational Manager</i>							
Malcolm Schaffer	0-2.5	0-2.5	40-45	85-90	828	869	27
<i>Head of Practice and Policy</i>							
Lisa Bennett	0-2.5	0-2.5	15-20	10-15	163	205	33
<i>Head of Strategy and Organisational Development</i>							

## Amounts payable to and from third parties for the services of a senior manager

SCRA paid Children's Hearings Scotland (CHS) £nil in 2020/21 in respect of senior management services (2019/20: £nil).

CHS paid SCRA £18,751, £8,492 and £25,032 in 2020/21 in respect of senior management services from Edward Morrison, Susan Deery and Lawrie McDonald respectively (2019/20: £18,273, £7,040 and £nil respectively).

## Significant awards made and compensation payable to former senior managers

Tom Philliben, Senior Operational Manager, left SCRA as part of a Voluntary Efficiency Retiral with Redundancy exercise on 30 June 2020. SCRA made a redundancy payment of £66,604 in this case. No senior managers received redundancy in accordance with SCRA's policy in 2019/20. There was no compensation payable to former senior managers in 2020/21 (2019/20: none).

## Staff numbers and related costs

### (i) Staff costs – staff with a permanent (UK) employment contract

	2020-21 £000	2019-20 £000
Salaries and wages	13,157	12,608
Social security costs	1,275	1,205
Contributions to pension scheme	2,223	2,470
Cost of early retirement	(82)	192
IAS 19 adjustment to pension scheme contributions	2,049	3,887
	<b>18,622</b>	<b>20,362</b>

### (ii) Staff costs – other staff

	2020-21 £000	2019-20 £000
Salaries and wages	2,022	1,592
Social security costs	205	172
Contributions to pension scheme	391	311
	<b>2,618</b>	<b>2,075</b>

The increase from 2019-20 is attributable to the Organisational Recovery Plan.

### (iii) Staff costs – all staff

	2020-21 £000	2019-20 £000
Salaries and wages	15,179	14,200
Social security costs	1,480	1,377
Contributions to pension scheme	2,614	2,781
Cost of early retirement	(82)	192
IAS 19 adjustment to pension scheme contributions	2,049	3,887
	<b>21,240</b>	<b>22,437</b>



(iv) Average number of employees

The average number of whole-time persons employed during the year was as follows:

	2020-21	2019-20
Staff with permanent contract - Male	46	49
Staff with permanent contract - Female	309	304
Agency staff/staff with short-term contract - Male	8	5
Agency staff/staff with short-term contract - Female	52	42
<b>Total</b>	<b>415</b>	<b>400</b>

Average numbers are calculated using actual whole-time person equivalents at 1 April 2020, 30 June 2020, 30 September 2020, 31 December 2020 and 31 March 2021. The increase across most categories is attributable to the Organisational Recovery Plan.

(v) Exit packages

SCRA agreed no exit packages during 2020/21. A summary of exit packages agreed during 2019/20 is as follows:

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed (total cost)	Total number of exit packages by cost band (total cost)	Number of departures where special payments have been made (special payment element totalled)
< £20,001	0	1 (£17k)	1 (£17k)	0
£20,001 - £40,000	0	1 (£28k)	1 (£28k)	0
£40,001 - £60,000	0	1 (£43k)	1 (£43k)	0
£60,001 - £80,000	0	0	0	0
£80,001 - £100,000	0	0	0	0
> £100,001	0	1 (£122k)	1 (£122k)	0
<b>Total number of exit packages by type</b>	<b>0</b>	<b>4 (£210k)</b>	<b>4 (£210k)</b>	<b>0</b>

(vi) Consultancy

In 2020/21, SCRA spent £3,660 on consultancy (2019/20: £4,509).

## Disability

SCRA are a Disability Confident Employer. We are working with ENEI on our portfolio for assessment to become a Disability Confident Leader. Being a Disability Confident Leader means that we will support aspiring Disability Confident Employers to progress their journey. Currently, as a disability confident employer means we are committed to and can demonstrate the following:

- We provide a fully inclusive and accessible recruitment process
- We offer an interview to disabled people who meet the essential criteria for the role
- We are flexible when assessing people so disabled job applicants have the best opportunity to demonstrate that they can do the job
- We plan for, and make reasonable adjustments to, the assessment and interview process
- We make sure people involved in the interviewing process understand the Disability Confident commitment and know how to offer and make reasonable adjustments
- During employment, we proactively offer and make reasonable adjustments as required
- We have appointed Disability Inclusion Ambassadors and have provided them with the appropriate awareness raising/training
- We provide paid employment both on a permanent and fixed term basis, including Modern Apprenticeships, to employees with a wide range of disabilities
- We engage with Jobcentre Plus, Work and Health Programme providers to provide training and/or access support as required
- We provide an environment that is inclusive and accessible for staff and children, young people and their families
- We support employees to manage their disabilities or health concerns
- We ensure there are no barriers to development and progression for disabled staff
- We ensure managers are aware of how they can support staff who are sick or absent from work
- We promote information and advice on mental health conditions
- We have signed up to the Mental Health at Work Standards and Commitments and have developed an action plan of activity to improve mental health supports to all staff
- We provide occupational health services and an employee assistance programme
- We have a Disability Leave Policy which supports staff with a disability in managing their time off related to their disability

## Facility time

Under the Trade Union (Facility Time Publication Requirements) Regulations SCRA is required to publish the following information.

### *Relevant union officials*

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
11	9.49

### *Percentage of time spent on facility time*

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	2
1%-50%	8
51%-99%	1
100%	0

Formal partnership meetings continued without interference from the pandemic. There was a decision not to proceed with formal absence/capability reviews from a pastoral basis, which would have UNISON involvement albeit this would have only been a small number of meetings. Due to UNISON Stewards working from home/virtually, they were not requesting time off to attend meetings that they would normally do when out of the office. As such recording of UNISON time/involvement is less for 2020/21. This position will be rectified and UNISON stewards will re-commence recording all UNISON activity for 2021/22.

### *Percentage of paybill spent on facility time*

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

Provide the total cost of facility time	£55,261
Provide the total paybill	£19,273k
Provide the percentage of the total paybill spent on facility time, calculated as: (total cost of facility time ÷ total paybill x 100)	0.29%

### *Paid trade union activities*

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%
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## **2.5 Parliamentary Accountability Report**

SCRA is required to report on any high-value losses and special payments incurred in the financial year, any fees and charges receivable in the financial year and any remote contingent liabilities as at the date the accounts were signed by the Accountable Officer.

- No reportable losses were incurred in the financial year to 31 March 2021.
- No reportable special payments were made in the financial year to 31 March 2021.
- No reportable fees or charges were received in the financial year to 31 March 2021.
- There are no remote contingent liabilities as at the date the accounts were signed.

Neil Hunter  
Accountable Officer  
22 September 2021

### 3. Independent Auditor's Report

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#### Independent auditor's report to the members of Scottish Children's Reporter Administration, the Auditor General for Scotland and the Scottish Parliament

##### Reporting on the audit of the financial statements

##### Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Scottish Children's Reporter Administration for the year ended 31 March 2021 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2021 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 FReM; and
- have been prepared in accordance with the requirements of the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers.

##### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 26 January 2018. The period of total uninterrupted appointment is 4 years. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Conclusions relating to going concern basis of accounting

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

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

### **Risks of material misstatement**

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

### **Responsibilities of the Accountable Officer for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Reporting on regularity of expenditure and income**

### **Opinion on regularity**

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

### **Responsibilities for regularity**

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities to detect material misstatements in the financial statements in respect of irregularities, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## **Reporting on other requirements**

### **Opinion prescribed by the Auditor General for Scotland on audited part of the Remuneration and Staff Report**

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers.

### **Statutory other information**

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

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to

a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers.

### **Matters on which I am required to report by exception**

I am required by the Auditor General for Scotland to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

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



## Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Alasdair Craik FCCA  
Senior Audit Manager  
Audit Scotland  
4th Floor  
102 West Port  
Edinburgh  
EH3 9DN

22 September 2021

## 4. Financial Statements

### 4.1 Statement of Comprehensive Net Expenditure for year ending 31 March 2021

	Note	2020-2021	2019-2020
		£000	£000
<b>Expenditure</b>			
Staff costs	3	21,240	22,437
Other expenditure	4	6,035	6,121
Depreciation and amortisation	5, 7	1,350	1,266
		<u>28,625</u>	<u>29,824</u>
<b>Income</b>	2	<u>(481)</u>	<u>(442)</u>
<b>Net expenditure</b>		28,144	29,382
Interest payable		3	5
Interest receivable		-	-
Pension scheme finance cost	11	849	1,108
<b>Net expenditure before Scottish Government funding</b>		<u>28,996</u>	<u>30,495</u>
<b>Other comprehensive net expenditure</b>			
Items which will not be reclassified to net expenditure:			
Actuarial loss/(gain) on pensions	11	22,278	(13,195)
Revaluation (surplus)/loss on property	5	(273)	(1,277)
<b>Comprehensive net expenditure for the year</b>		<u>51,001</u>	<u>16,023</u>

## 4.2 Statement of Financial Position as at 31 March 2021

	Note	31 March 2021 £000	31 March 2020 £000
<b>Non-current assets</b>			
Property, plant and equipment	5	7,408	7,467
Intangible assets	7	4,679	4,553
<i>Total non-current assets</i>		<u>12,087</u>	<u>12,020</u>
<b>Current assets</b>			
Trade and other receivables	8(i)	607	717
Cash and cash equivalents	9	1,008	294
Assets held for sale	6	0	0
<i>Total current assets</i>		<u>1,615</u>	<u>1,011</u>
<b>Total assets</b>		13,702	13,031
<b>Current liabilities</b>			
Trade and other payables	10(i)	2,344	2,437
Other provisions	14	156	50
Finance lease	13(ii)	46	44
<i>Total current liabilities</i>		<u>2,546</u>	<u>2,531</u>
<b>Non-current assets less net current liabilities</b>		11,156	10,500
<b>Non-current liabilities</b>			
Payables	10(ii)	98	116
Pension liability	11	60,981	36,298
Provision for unfunded pensions	12	325	434
Finance lease	13	1,150	1,197
<i>Total non-current liabilities</i>		<u>62,554</u>	<u>38,045</u>
<b>Assets less liabilities</b>		<u>(51,398)</u>	<u>(27,545)</u>
<b>Taxpayers' equity</b>			
General fund	19	(9,577)	(7,729)
Pension reserve		(44,299)	(22,021)
Revaluation reserve		2,478	2,205
<b>Total taxpayers' deficit</b>		<u>(51,398)</u>	<u>(27,545)</u>

The Accountable Officer authorised these financial statements for issue on 22 September 2021.

Neil Hunter  
Accountable Officer  
22 September 2021

### 4.3 Statement of Cash Flows for year ending 31 March 2021

		2020-2021 £000	2019-2020 £000
<b>Cash flows from operating activity</b>			
Net expenditure		(28,144)	(29,382)
Adjustments for non-cash items			
Increase/(Decrease) in pension fund liability		24,683	(8,359)
(Decrease)/Increase in pension reserve		(22,278)	13,194
Depreciation and amortisation charges		1,350	1,266
Permanent diminution	4	52	0
Loss on disposal of tangible non-current assets	4, 5	11	9
Decrease in revaluation reserve		0	0
<i>Movements in working capital</i>			
Decrease/(Increase) in trade and other receivables	8(i)	110	(194)
Decrease in trade and other payables	10, 13(ii), 14	(50)	(219)
<i>Movements in provisions</i>			
Provision for unfunded pension contribution	12	(109)	(55)
<b>Net cash outflow from operating activities</b>		<b>(24,375)</b>	<b>(23,740)</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	5	(669)	(665)
Purchase of intangible assets	7	(333)	0
Purchase of assets under construction	5, 7	(205)	(1,799)
Proceeds of disposals of property, plant and equipment		0	0
Interest received		0	0
<b>Cash flow from financing activities</b>			
Scottish Government funding for year		27,148	26,669
Interest paid		(3)	(5)
Net interest expense on pension asset	11	(849)	(1,108)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>714</b>	<b>(648)</b>
<b>Opening Cash Balance</b>		<b>294</b>	<b>942</b>
<b>Closing Cash Balance</b>		<b>1,008</b>	<b>294</b>

As stated on page 83, a revised actuarial report was obtained in autumn 2020 which reduced the pension fund liability. The 2019/20 accounts were not restated and therefore the increase in pension fund liability and decrease in pension reserve above are £333k different to the movements recorded in note 9 of the financial statements.

#### 4.4 Statement of Changes in Taxpayers' Equity

	General Fund £000	Pension Reserve £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2019	(3,903)	(35,216)	929	(38,190)
<b>Changes in taxpayers' deficit for 2019-20</b>				
Net gain on revaluation of property	0	0	1,276	1,276
Actuarial gain on pension reserve	0	13,194	0	13,194
Actuarial gain on group assurance	0	1	0	1
Net expenditure for the year	(30,495)			(30,495)
Total recognised income and expense for 2019-20	(34,398)	(22,021)	2,205	(54,214)
Funding from Scottish Government	26,669	0	0	26,669
<b>Balance at 31 March 2020</b>	<b>(7,729)</b>	<b>(22,021)</b>	<b>2,205</b>	<b>(27,545)</b>
<b>Changes in taxpayers' deficit for 2020-21</b>				
Net gain/(loss) on revaluation of property			273	273
Actuarial gain/(loss) on pension reserve		(22,278)		(22,278)
Actuarial gain on group assurance		0		0
Net expenditure for the year	(28,996)			(28,996)
Total recognised income and expense for 2020-21	(36,725)	(44,299)	2,478	(78,546)
Funding from Scottish Government	27,148			27,148
<b>Balance at 31 March 2021</b>	<b>(9,577)</b>	<b>(44,299)</b>	<b>2,478</b>	<b>(51,398)</b>

## 4.5 Notes of the financial statements

### 1. Statement of accounting policies

#### 1 Statement of accounting policies

The financial statements have been prepared in accordance with the 2020-21 *Government Financial Reporting Manual* (FReM) issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of SCRA for the purposes of giving a true and fair view has been selected. The particular policies adopted by SCRA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### a. Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, investment properties, plant and equipment and intangible assets to fair value as determined by the relevant accounting standard. The financial statements have been prepared on a going concern basis. This is in line with the underlying assumption in the FReM that Government accounts are prepared on a going concern basis.

#### b. Employee benefits

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 staff members.

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 in accordance with the FReM and consistent with IAS 19. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to net expenditure. 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 pension scheme finance cost. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to reserves and are recognised in the Statement of Comprehensive Net Expenditure.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected accrued benefit method. The valuation used was at 31 March 2017. Details of this valuation are included in a report published by Falkirk Council. The 31 March 2020 valuation was published in August 2020 and will inform employer contributions from 1 April 2021.

The contribution rates for 2020-21 were an average of 6.3% by employee and 19.9% by employer.

### c. Property, plant and equipment

SCRA's policy is to carry out a full external valuation of land and buildings every five years supplemented by annual desktop valuations. The full estate of Land and Buildings was valued on an open market basis as at 31 March 2020 and re-valued, due to uncertainties in the 2020 valuation arising from the pandemic, as at 31 March 2021. The valuers recommend a further revaluation in 12 months due to ongoing uncertainty.

Other property, plant and equipment are stated at depreciated historical cost as a proxy for fair value as the assets in this category have a low value and short useful life. It is SCRA's policy to capitalise assets which have an expected useful life in excess of one year and cost more than £1,000 including VAT. Purchases as part of a project are considered together when applying the £1,000 minimum limit.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to SCRA, and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Net Expenditure during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to revaluation reserve. Decreases that offset previous increases of the same asset are charged against revaluation reserve; all other decreases are charged to the Statement of Comprehensive Net Expenditure.

### d. Depreciation

Depreciation is provided on property, plant and equipment on a straight-line basis at rates sufficient to write down their cost or revalued amounts to their residual values over their estimated useful lives. The depreciation rates for the principal categories of assets are as follows:

• Land	Not depreciated
• Assets under construction	Not depreciated
• Buildings	5 – 50 years
• Fixtures & Fittings	4 years
• Plant & Machinery	10 years
• Computer Equipment	2 – 4 years
• Software (including Developed Software)	2 – 10 years
• Other Equipment	4 years
• Leasehold Improvements	over lesser of 10 years or the remaining term of the lease

### e. Impairment

Assets which are subject to amortisation or depreciation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised by the amount by which the carrying amount exceeds its recoverable amount.

**f. Assets held for sale**

A property is derecognised and held for sale under IFRS 5 when all the following requirements are met:

- A management decision has been made to dispose of the property;
- The property is being actively marketed for sale;
- The sale is highly probable within 12 months of classification as held for sale.

**g. Government grants**

It is SCRA's policy to credit all government grants and grant-in-aid to the General Reserve in line with the FReM.

**h. Liabilities**

All material amounts outstanding as at 31 March 2021 have been included in the Statement of Comprehensive Net Expenditure irrespective of when actual payment was made.

**i. Provisions**

Provision is recognised in the Statement of Financial Position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**j. Other income**

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

**k. Leases**

Where substantially all the risks and rewards of a leased property are borne by SCRA it is recorded as a non-current asset and a corresponding creditor recorded in respect of debt due to the lessor, with the interest element of the finance lease payment charged to the Statement of Comprehensive Net Expenditure. Payments made under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease. IFRS 16 is not effective, the impact will be in relation to recording of assets and liabilities in the Statement of Financial Position.

**l. Intangible assets**

Intangible assets are stated at historic purchase cost less accumulated amortisation. Acquired computer software licences and developed software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over the asset's useful life.



**m. Other administration and programme costs**

The costs reported in the Statement of Comprehensive Net Expenditure include other administration costs but there is no specific expenditure on programme costs.

**n. Pensions**

The accounts have been prepared incorporating the requirements of *International Accounting Standard 19 - Employee Benefits* (IAS 19) and include an actuarial valuation of the pension scheme liability as explained in note 11 to the accounts. This reflects the inclusion of liabilities falling due in future years in respect of pension liabilities arising from the application of IAS 19 to SCRA. Hymans Robertson, the actuary to the pension scheme who has collated the information from the various Local Government Pension Scheme (LGPS) funds in which SCRA participate, has calculated the liability arising under IAS 19. The actuary to each of the LGPS funds in which SCRA participate conducts a triennial review of the funding basis of the pension scheme, along with yearly reviews when appropriate. The last formal valuation of the funds was conducted as at 31 March 2020. In preparing the projected pension expense for the year to 31 March 2021, the actuary has assumed employees continue to earn new benefits in line with the regulations as they currently stand and that the pensionable payroll remains stable with new entrants replacing leavers. The other main financial assumptions are set out in note 11.

To the extent that the pension deficit is not met from SCRA's sources of income it may only be met by future grant in aid from SCRA's sponsoring department, the Scottish Government Education Department. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be paid in advance of need.

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. SCRA, rather than the pension scheme, is liable for that portion of pensions relating to early retirement.

**o. Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Currently SCRA has no trade payables classified as non-current liabilities.

**p. Value Added Tax**

SCRA is not registered for VAT and all costs are shown inclusive of irrecoverable VAT.

**q. Review of accounting policies and estimation techniques**

These financial statements have been prepared under International Financial Reporting Standards (IFRS).

Areas of judgement in how SCRA's accounting policies are applied include:

- the fair values of properties; and
- pension estimation technique.

#### Sensitivity Analysis

The most significant financial impact arising by assumptions are those used to calculate the pension's deficit. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 March 2021	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.5% decrease in Real discount Rate	10%	19,441
0.5% increase in the Salary Increase Rate	1%	2,761
0.5% increase in the Pension Increase Rate (CPI)	9%	16,203

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, it is estimated that a one year increase in life expectancy would approximately increase SCRA's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

In order to quantify the impact of a change in the financial assumptions used, the value of the scheme liabilities as at 31 March 2021 have been calculated and compared on varying bases. The approach taken is consistent with that adopted to derive the IAS19 figures provided in these financial statements.

The above figures have been derived based on the membership profile of SCRA as at the date of the most recent actuarial valuation.

The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

#### r. Accounting standards not yet adopted

As at the date of authorisation of these financial statements, the following key standards were not yet adopted:

- IFRS 16 - Leases

The FReM, issued by HM Treasury, interprets and adapts IFRSs for the public sector. IFRS 16, as adapted and interpreted by the FReM, was to be effective from 1 April 2020, however, in light of Covid-19 pressures, HM Treasury and the Financial Reporting Advisory Board initially decided that IFRS 16 implementation was to be deferred until 1 April 2021, before deferring implementation by one further year to 1 April 2022. While the impact on the financial statements has yet to be fully determined, lease obligations (£4.194m, without discounting at 31 March 2021, and as disclosed in note 13) will be recognised as right of use assets at 1 April 2022.

## 2. Income

Income of £481k (2019-20: £442k) is comprised mainly of shared services income, including rents.

## 3. Staff Costs

A detailed breakdown of Staff Costs and Numbers is contained within the Remuneration and Staff Report section of the Accountability Report.

## 4. Other expenditure

	2020-21	2019-20
	£000	£000
Other property costs	1,887	1,926
Running costs	2,579	2,218
Rentals under operating leases	1,013	1,079
Hearing and legal costs	235	423
Training, recruitment and other staff costs	151	356
Board Fees and Expenses	45	46
Auditor remuneration	34	33
Internal auditors' remuneration	28	31
Loss on disposal of non-current assets	11	9
Loss on revaluation	52	0
	<b>6,035</b>	<b>6,121</b>

## 5. Property, plant and equipment

	Land	Buildings	Assets under Construction	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Other Equipment	Plant and Machinery	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost/Valuation</b>									
At 1 April 2020	1,465	5,410	15	4,335	1,299	833	2,279	145	15,781
Additions	0	156	4	92	98	206	117	0	673
Transfers	0	4	(12)	0	0	0	0	0	(8)
Disposals	0	0	0	(4)	(1)	(51)	(18)	0	(74)
Transferred from asset group classified as Held for Sale	0	0	0	0	0	0	0	0	0
Transferred from asset group classified as Investment Assets	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Indexation / Revaluation	8	(138)	0	0	0	0	0	0	(130)
At 31 March 2021	1,473	5,432	7	4,423	1,396	988	2,378	145	16,242
<b>Accumulated depreciation</b>									
At 1 April 2020	0	707	0	3,631	1,111	575	2,169	121	8,314
Provided in year	0	401	0	232	69	162	50	21	935
Withdrawn on disposal	0	0	0	(1)	0	(47)	(15)	0	(63)
Withdrawn on revaluation	0	(352)	0	0	0	0	0	0	(352)
At 31 March 2021	0	756	0	3,862	1,180	690	2,204	142	8,834
<b>Net Book Value</b>									
At 31 March 2021	1,473	4,676	7	561	216	298	174	3	7,408
At 31 March 2020	1,465	4,703	15	704	188	258	110	24	7,467

The net book amount of property, plant and equipment at 31 March 2021 includes £1,031k (2020: £1,074k) in respect of a building held under a finance lease. All other assets noted above are owned.

Land and buildings were valued on an open market basis as at 31 March 2021 by independent RICS registered valuers from Ryden LLP.

	Land	Buildings	Assets under Construction	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Other Equipment	Plant and Machinery	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost/Valuation</b>									
At 1 April 2019	1,106	5,705	228	4,521	1,170	822	2,248	145	15,945
Additions	0	247	11	158	166	17	77	0	676
Transfers	0	214	(224)	0	0	0	0	0	(10)
Disposals	0	(5)	0	(344)	(37)	(6)	(46)	0	(438)
Transferred from asset group classified as Held for Sale	0	0	0	0	0	0	0	0	0
Transferred from asset group classified as Investment Assets	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
Indexation / Revaluation	359	(751)	0	0	0	0	0	0	(392)
At 31 March 2020	1,465	5,410	15	4,335	1,299	833	2,279	145	15,781
<b>Accumulated depreciation</b>									
At 1 April 2019	0	1,703	0	3,661	1,108	396	2,188	100	9,156
Provided in year	0	391	0	308	40	184	27	21	971
Withdrawn on disposal	0	(3)	0	(338)	(37)	(5)	(46)	0	(429)
Withdrawn on revaluation	0	(1,384)	0	0	0	0	0	0	(1,384)
At 31 March 2020	0	707	0	3,631	1,111	575	2,169	121	8,314
<b>Net Book Value</b>									
At 31 March 2020	1,465	4,703	15	704	188	258	110	24	7,467
At 31 March 2019	1,106	4,002	228	860	62	426	60	45	6,789

## 6. Assets held for sale

SCRA has no assets held for sale as at 31 March 2021 (31 March 2020: £nil).

## 7. Intangible assets

	Intangible assets under construction £000	Software licences £000	Information Technology £000	Total £000
<b>Cost/Valuation</b>				
As at 1 April 2020	4,538	265	4,532	9,335
Additions	201	2	331	534
Transfers	(4,739)	0	4,746	7
Disposals	0	0	0	0
<b>At 31 March 2021</b>	<b>0</b>	<b>267</b>	<b>9,609</b>	<b>9,876</b>
<b>Accumulated amortisation</b>				
At 1 April 2020	0	250	4,532	4,782
Provided in year	0	12	403	415
Withdrawn on disposal	0	0	0	0
<b>At 31 March 2021</b>	<b>0</b>	<b>262</b>	<b>4,935</b>	<b>5,197</b>
<b>Net Book Value</b>				
<b>At 31 March 2021</b>	<b>0</b>	<b>5</b>	<b>4,674</b>	<b>4,679</b>
At 31 March 2020	4,538	15	0	4,553

	Intangible assets under construction £000	Software licences £000	Information Technology £000	Total £000
<b>Cost/Valuation</b>				
As at 1 April 2019	2,751	283	4,532	7,566
Additions	1,787	0	0	1,787
Transfers	0	11	0	11
Disposals	0	(29)	0	(29)
<b>At 31 March 2020</b>	<b>4,538</b>	<b>265</b>	<b>4,532</b>	<b>9,335</b>
<b>Accumulated amortisation</b>				
At 1 April 2019	0	269	4,532	4,801
Provided in year	0	10	0	10
Withdrawn on disposal	0	(29)	0	(29)
<b>At 31 March 2020</b>	<b>0</b>	<b>250</b>	<b>4,532</b>	<b>4,782</b>
<b>Net Book Value</b>				
<b>At 31 March 2020</b>	<b>4,538</b>	<b>15</b>	<b>0</b>	<b>4,553</b>
At 31 March 2019	2,751	14	0	2,765

## 8. Trade and other receivables

### (i) Current assets:

	2020-21	2019-20
	£000	£000
Other receivables	135	125
Prepayments	472	592
<b>At 31 March</b>	<b>607</b>	<b>717</b>

### (ii) Intra governmental balances

	2020-21	2019-20
	£000	£000
Balances with other central government bodies	114	79
Balances with local authorities	20	74
Balances with bodies external to government	473	564
<b>At 31 March</b>	<b>607</b>	<b>717</b>

## 9. Cash and cash equivalents

	2020-21	2019-20
	£000	£000
Balance at 1 April	294	942
Net change in cash and cash equivalents	714	(648)
<b>Balance at 31 March</b>	<b>1,008</b>	<b>294</b>
Bank accounts	1,002	288
Petty cash balance	6	6
	<b>1,008</b>	<b>294</b>

All bank balances at 31 March 2021 are held in commercial banks.

## 10. Trade and other payables

### (i) Current liabilities

	2020-21 £000	2019-20 £000
Trade payables	589	411
Tax and social security	403	362
Other payables	59	188
Accruals	1,293	1,476
	<u>2,344</u>	<u>2,437</u>

### (ii) Non-current liabilities

	2020-21 £000	2019-20 £000
PWLB loans	37	37
Other payables, accruals and deferred income	61	79
	<u>98</u>	<u>116</u>

### (iii) Intra governmental balances

	Payables: current 2020-21 £000	Payables: non- current 2020-21 £000	Payables: current 2019-20 £000	Payables: non- current 2019-20 £000
Balances with other central government bodies	474	38	469	1
Balances with local authorities	457	(1)	121	36
Balances with bodies external to government	1,413	61	1,847	79
At 31 March	<u>2,344</u>	<u>98</u>	<u>2,437</u>	<u>116</u>



## 11. Pensions

Information about the assumptions underlying the figures in this note are as follows.

### Financial assumptions

The assumptions the actuary has been instructed to use by SCRA are summarised below:

Period Ended	31 March 2021 % p.a.	31 March 2020 % p.a.
Pension Increase Rate (CPI)	2.85%	1.90%
Salary Increase Rate	3.45%	2.30%
Discount Rate	2.00%	2.30%

As at the date of the most recent valuation, the duration of the Employer's funded liabilities is 20 years.

### Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	20.5 years	23.2 years
Future Pensioners*	21.9 years	25.2 years

\* Figures assume members aged 45 as at the last formal valuation date.

### Historic mortality

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements are shown below.

Prospective Pensioners: CMI 2018 model with an allowance for smoothing of recent mortality experience and long term rate of 1.25% p.a.

Pensioners: CMI 2018 model with an allowance for smoothing of recent mortality experience and long term rate of 1.25% p.a.

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different to those used to value the Obligations in the Employer's Opening Position.

### Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

## Retirement benefits

### Change in the fair value of plan assets, defined benefit obligation and net liability for the year end 31 March 2021

	Assets	Obligations	Net (liability) /asset
	£000	£000	£000
Fair value of plan assets	105,573	0	105,573
Present value of funded liabilities	0	138,265	(138,265)
Present value of unfunded liabilities	0	3,273	(3,273)
<b>Opening position as at 31 March 2020</b>	<b>105,573</b>	<b>141,538</b>	<b>(35,965)</b>
Service cost			
- Current service cost	0	5,111	(5,111)
- Past service cost (including curtailments)	0	32	(32)
- Effect of settlements	0	0	0
<b>Total service cost</b>	<b>0</b>	<b>5,143</b>	<b>(5,143)</b>
Net interest			
- Net income on plan assets	2,438	0	2,438
- Net cost on defined benefit obligation	0	3,287	(3,287)
<b>Total net interest</b>	<b>2,438</b>	<b>3,287</b>	<b>(849)</b>
<b>Total defined benefit cost recognised in the Statement of Comprehensive Net Expenditure</b>	<b>2,438</b>	<b>8,430</b>	<b>(5,992)</b>
Cash flows			
- Participants' contributions	943	943	0
- Employer contributions	3,094	0	3,094
- Estimated benefits paid	(2,997)	(2,997)	0
- Estimated unfunded benefits paid	(160)	(160)	0
- Estimated contributions in respect of unfunded benefits paid	160	0	160
- Effect of business combinations and disposals	0	0	0
<b>Expected closing position</b>	<b>109,051</b>	<b>147,754</b>	<b>(38,703)</b>
Remeasurements			
- Change in financial assumptions	0	41,049	(41,049)
- Change in demographic assumptions	0	(1,493)	1,493
- Other experience	(3,839)	155	(3,994)
- Return on assets excluding amounts included in net interest	21,272	0	21,272
<b>Total remeasurements recognised in Statement of Taxpayers' Deficit</b>	<b>17,433</b>	<b>39,711</b>	<b>(22,278)</b>
Fair value of employer assets	126,484	0	126,484
Present value of funded liabilities	0	183,910	(183,910)
Present value of unfunded liabilities	0	3,555	(3,555)
<b>Closing position as at 31 March 2021</b>	<b>126,484</b>	<b>187,465</b>	<b>(60,981)</b>

**Change in the fair value of plan assets, defined benefit obligation and net liability  
for the year end 31 March 2020**

	Assets	Obligations	Net (liability) /asset
	£000	£000	£000
Fair value of plan assets	112,097	0	112,097
Present value of funded liabilities	0	152,862	(152,862)
Present value of unfunded liabilities	0	3,892	(3,892)
<b>Opening position as at 31 March 2019</b>	<b>112,097</b>	<b>156,754</b>	<b>(44,657)</b>
Service cost			
- Current service cost	0	5,943	(5,943)
- Past service cost (including curtailments)	0	401	(401)
- Effect of settlements	0	0	0
<b>Total service cost</b>	<b>0</b>	<b>6,344</b>	<b>(6,344)</b>
Net interest			
- Net income on plan assets	2,702	0	2,702
- Net cost on defined benefit obligation	0	3,810	(3,810)
- Impact of asset ceiling on net interest	0	0	0
<b>Total net interest</b>	<b>2,702</b>	<b>3,810</b>	<b>(1,108)</b>
<b>Total defined benefit cost recognised in the Statement of Comprehensive Net Expenditure</b>	<b>2,702</b>	<b>10,154</b>	<b>(7,452)</b>
Cash flows			
- Participants' contributions	869	869	0
- Employer contributions	2,791	0	2,791
- Estimated benefits paid	(2,662)	(2,662)	0
- Estimated unfunded benefits paid	(160)	(160)	0
- Estimated contributions in respect of unfunded benefits paid	160	0	160
- Effect of business combinations and disposals	0	0	0
<b>Expected closing position</b>	<b>115,797</b>	<b>164,955</b>	<b>(49,158)</b>
Remeasurements			
- Change in financial assumptions	0	(17,002)	17,002
- Change in demographic assumptions	0	(5,409)	5,409
- Other experience	0	(1,006)	1,006
- Return on assets excluding amounts included in net interest	(10,224)	0	(10,224)
- Changes in asset ceiling	0	0	0
<b>Total remeasurements recognised in Statement of Taxpayers' Deficit</b>	<b>(10,224)</b>	<b>(23,417)</b>	<b>13,193</b>
Fair value of employer assets	105,573	0	105,573
Present value of funded liabilities	0	138,265	(138,265)
Present value of unfunded liabilities	0	3,273	(3,273)
<b>Closing position as at 31 March 2020</b>	<b>105,573</b>	<b>141,538</b>	<b>(35,965)</b>

It was noted in the 2019/20 Accounts that as a result of the Government's announcement on the McCloud remedy consultation a revised actuarial report was obtained in autumn 2020 which reduced total past service costs. The 2019/20 Accounts were not restated and therefore the closing position of £35,965k above is £333k different to the Pension Liability of £36,298k in the Statement of Financial Position on page 67.

## Fair value of employer assets at 31 March 2021

Asset Category	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	%
<b>Equity securities:</b>				
Consumer	9,445.0	0.0	9,445.0	7%
Manufacturing	6,798.1	0.0	6,798.1	5%
Energy and utilities	4,479.3	0.0	4,479.3	4%
Financial institutions	10,507.8	0.0	10,507.8	8%
Health and care	3,475.1	0.0	3,475.1	3%
Information technology	11,600.7	0.0	11,600.7	9%
Other	667.2	0.0	667.2	1%
<b>Debt securities:</b>				
Corporate bonds (investment grade)	0.0	0.0	0.0	0%
Corporate bonds (non-investment grade)	0.0	0.0	0.0	0%
UK Government	1,777.6	0.0	1,777.6	1%
Other	0.0	0.0	0.0	0%
<b>Private equity:</b>				
All	0.0	1,844.0	1,844.0	1%
<b>Real estate:</b>				
UK property	0.0	7,001.0	7,001.0	6%
Overseas property	0.0	10.9	10.9	0%
<b>Investment funds and unit trusts:</b>				
Equities	31,174.9	0.0	31,174.9	25%
Bonds	7,932.5	0.0	7,932.5	6%
Hedge funds	0.0	0.0	0.0	0%
Commodities	0.0	0.0	0.0	0%
Infrastructure	0.0	12,346.5	12,346.5	10%
Other	11,648.9	2,842.6	14,491.5	11%
<b>Derivatives:</b>				
Inflation	0.0	0.0	0.0	0%
Interest rate	0.0	0.0	0.0	0%
Foreign exchange	0.0	0.0	0.0	0%
Other	0.0	0.0	0.0	0%
<b>Cash and cash equivalents:</b>				
All	2,931.9	0.0	2,931.9	2%
<b>Totals</b>	<b>102,439</b>	<b>24,045</b>	<b>126,484</b>	<b>100%</b>

## Fair value of employer assets at 31 March 2020

Asset Category	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	%
<b>Equity securities:</b>				
Consumer	6,858	0	6,858	6%
Manufacturing	6,261	0	6,261	6%
Energy and utilities	4,185	0	4,185	4%
Financial institutions	7,839	0	7,839	7%
Health and care	3,682	0	3,682	3%
Information technology	8,455	0	8,455	8%
Other	375	0	375	0%
<b>Debt securities:</b>				
Corporate bonds (investment grade)	0	0	0	0%
Corporate bonds (non-investment grade)	0	0	0	0%
UK Government	1,680	0	1,680	2%
Other	0	0	0	0%
<b>Private equity:</b>				
All	0	2,362	2,362	2%
<b>Real estate:</b>				
UK property	0	6,481	6,481	6%
Overseas property	0	26	26	0%
<b>Investment funds and unit trusts:</b>				
Equities	21,490	0	21,490	20%
Bonds	5,521	0	5,521	5%
Hedge funds	0	0	0	0%
Commodities	0	0	0	0%
Infrastructure	0	12,024	12,024	11%
Other	10,039	2,057	12,096	11%
<b>Derivatives:</b>				
Inflation	0	0	0	0%
Interest rate	0	0	0	0%
Foreign exchange	0	0	0	0%
Other	0	0	0	0%
<b>Cash and cash equivalents:</b>				
All	6,238	0	6,238	6%
<b>Totals</b>	<b>82,623</b>	<b>22,950</b>	<b>105,573</b>	<b>100%</b>

## 12. Provision for unfunded pensions

	2020-21 £000	2019-20 £000
Balance at 1 April	434	489
Provisions utilised during the year	(37)	(40)
Actuarial valuation adjustment	(72)	(15)
Balance at 31 March	<u>325</u>	<u>434</u>

## 13. Commitments under leases

### (i) Operating leases

	2020-21 £000	2019-20 £000
<b>Buildings</b>		
Not later than one year	899	967
Later than one year and not later than five years	2,043	2,228
Later than five years	1,252	559
	<u>4,194</u>	<u>3,754</u>

	2020-21 £000	2019-20 £000
<b>Other</b>		
Not later than one year	12	49
Later than one year and not later than five years	0	12
Later than five years	0	0
	<u>12</u>	<u>61</u>

### (ii) Finance leases

	2020-21 £000	2019-20 £000
<b>Gross lease liabilities</b>		
Within one year	92	92
Between 2 and 5 years	366	366
After 5 years	1,230	1,321
	<u>1,688</u>	<u>1,779</u>
Future interest	<u>(491)</u>	<u>(538)</u>
Net lease liabilities	<u>1,197</u>	<u>1,241</u>

Net lease liabilities are repayable as follows:

<b>Within one year (current liability)</b>	46	44
Between 2 and 5 years	203	196
After 5 years	948	1,001
<b>Total over one year (non-current liability)</b>	<u>1,150</u>	<u>1,197</u>

There is no provision within the lease for early termination. In the event of this finance lease being terminated prior to its expiry, the outstanding gross lease liability would be payable in full. The present value of minimum lease payments amounts to £1,215k (31 March 2020: £1,261k).

#### 14. Other provisions

Other provisions comprise property dilapidations, in respect of lease obligations.

	2020-21 £000	2019-20 £000
Balance at 1 April	50	0
Released in year	(50)	0
	<hr/> 0	<hr/> 0
Provided in year	156	50
Balance at 31 March	<hr/> 156	<hr/> 50

#### 15. Events after the reporting date

No events occurred between the reporting date and the authorisation date that materially affect any of the information contained in these financial statements.

#### 16. Financial instruments

As the cash requirements of SCRA are met through grant-in-aid, financial instruments play a more limited role in creating and managing risk than would apply in a non public sector body of a similar size.

The majority of financial instruments relate to cash or cash equivalents and to contracts for non-financial items in line with SCRA's expected purchase and usage requirements. SCRA is therefore exposed to little credit, liquidity or market risk.

#### 17. Related party transactions

SCRA is a Non-Departmental Public Body sponsored by Scottish Government Education Department. SCRA receives funding from SGED which is regarded as a related party. During the year SCRA had a number of transactions with other government departments and agencies. No Board Member, key manager or other related party has undertaken any material transactions with SCRA during the year (2018/19: £nil).

#### 18. Capital commitments

SCRA has no capital commitments as at 31 March 2021 (31 March 2020: £nil).

## 19. Reserves

SCRA's General Fund balance as at 31 March 2021 is a deficit of £9.6m (31 March 2020: £7.7m). The deficit has arisen due to an excess of total pension service costs over employer's contributions, and pension net interest costs. SCRA received written assurance from the Scottish Government in May 2020 that Ministers have an ongoing commitment to SCRA as a going concern, and that there are no plans to change the existing arrangements whereby the Scottish Government funds SCRA, including pensions, through grant-in-aid and non-cash budgets.

It was noted in the 2019/20 Accounts that as a result of the Government's announcement on the McCloud remedy consultation a revised actuarial report was obtained in autumn 2020 which reduced total past service costs by £333k. The 2019/20 Accounts were not restated although it was noted that the 2019/20 General Fund disclosed as £7,729k in the Statement of Financial Position on page 67 and the Statement of Changes in Taxpayers Equity on page 69 would have reduced to £7,395k.



## 5. Appendices

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### 5.1 Direction by the Scottish Ministers



#### SCOTTISH CHILDREN'S REPORTER ADMINISTRATION

#### DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Schedule 3 of the Children's Hearing Scotland Act (2011), hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2021, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 30 April 2020 is hereby revoked.



Lesley Sheppard

A member of the staff of the Scottish Ministers

Dated: 12 May 2021



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