

SCOTTISH CHILDREN'S REPORTER ADMINISTRATION FRAMEWORK DOCUMENT

Introduction

1. This framework document has been drawn up by the Scottish Government (SG) in consultation with the Scottish Children's Reporter Administration (the NDPB). It sets out the broad framework within which the NDPB will operate and defines key roles and responsibilities which underpin the relationship between the NDPB and the SG. While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and should be reviewed and updated as necessary, and at least every 2-3 years. Any proposals to amend the framework document either by the SG or NDPB will be taken forward in consultation and in the light of SG priorities and policy aims. Any question regarding the interpretation of the document shall be determined by the SG after consultation with the NDPB. Legislative provisions shall take precedence over any part of the document.

2. References to the NDPB include any subsidiaries and joint ventures owned or controlled by the NDPB. The NDPB shall not establish subsidiaries or enter into joint ventures without the express approval of the SG.

3. Copies of the document shall be placed in the Scottish Parliament Information Centre. It shall also be published on the NDPB website.

Purpose

4. The NDPB is to contribute to the achievement of the Scottish Ministers' objectives and priorities by aligning its aims and objectives with the [National Performance Framework](#), [Scotland's Economic Strategy](#) and [Programme for Government](#).

5. The NDPB's statutory functions are to:

- Assist the Principal Reporter in carrying out the functions conferred on that officer by virtue of the Children's Hearings (Scotland) Act 2011 ("the 2011 Act") or any other enactment and to facilitate the carrying out of those functions, as per section 20 of the 2011 Act.
- Provide suitable accommodation and facilities for children's hearings under the terms set out in section 21 of the 2011 Act.
- Comply with the requirements set out in schedule 3 of the 2011 Act.
- Comply with any general or specific directions given by the Scottish Ministers about the carrying out of its functions, as per section 23 of the 2011 Act.

6. The NDPB is also required to contribute as appropriate to the implementation of statutory responsibilities and partnership obligations in respect of any new and emerging legislation and policy including work with Children's Hearings partners and The Promise on the 21-24 Promise Plan. SCRA as a statutory body will work with all children's hearings partners to collaborate and ensure delivery of the Covid Recovery Plan.

7. The children's hearings system provides the operational setting in which the NDPB and its partner agencies work. The NDPB's purpose, strategic aims and objectives, as agreed by the Scottish Ministers, are set out in the NDPB's Corporate and Business Plans. The main aim is to provide a safety net for vulnerable children and deliver tailored solutions, which meet the needs of the individuals involved, while helping to build stronger families and safer communities. Focused on children most at risk, the NDPB's role and purpose is to:

- To support the Principal Reporter's functions in relation to making effective decisions about the need to refer a child to a children's hearing to consider whether a Compulsory Supervision Order is necessary.
- Prepare and disseminate information and data essential for the Children's Panel to make decisions about children and young people

- Provide national statistics and data for Scotland on vulnerable children and young people, for the benefit of the NDPB, SG and other partners, to inform and influence improved outcomes for children and young people.
- Provide a research facility, drawing in particular on the data within the NDPB and that of partner agencies, to undertake research to inform and influence improved outcomes for children and young people.

Relationship between Scottish Government and the NDPB

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

Governance and accountability

Legal origins of powers and duties

9. The NDPB, which was established under section 128 of the Local Government Etc. (Scotland) Act 1994 and continued under section 15 of the 2011 Act, became fully operational on 1 April 1996. The NDPB is a body corporate and does not carry out its functions on behalf of the Crown.

Ministerial responsibilities

10. The Scottish Ministers are ultimately accountable to the Scottish Parliament for the activities of the NDPB and its use of resources. They are not however responsible for day to day operational matters and founding legislation prevents them from directing or guiding the Principal Reporter in relation to the carrying out of their statutory functions. The responsibilities of the Scottish Ministers include:

- Agreeing the NDPB's strategic aims and objectives and key targets as part of the corporate planning process
- Agreeing the budget and the associated grant in aid requirement to be paid to the NDPB, and securing the necessary Parliamentary approval
- Carrying out responsibilities specified in schedule 3 of the 2011 Act, such as appointment of members to the NDPB, approving the terms and conditions of members and approving appointment of the Chief Executive and Principal Reporter (noting that these roles may both be held by the same person)
- Other matters such as approving the NDPB's chief executive and staff pay remit in line with the SG [Pay Policy](#) and laying the accounts (together with the annual report) before the Scottish Parliament.

NDPB Member Responsibilities

11. The NDPB members, including the chairing member, ("collectively referred to in the rest of this document as members") consist of non-executive members appointed by the Scottish Ministers in line with the [Code of Practice](#) for Ministerial Public Appointments to Public Bodies in Scotland. The role of the members is to provide leadership, direction, support and guidance to ensure the NDPB delivers, and is committed to delivering, its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers. They have corporate responsibility, under the leadership of the chair member, for the following:

- Taking forward the strategic aims and objectives for the body agreed by the Scottish Ministers
- Determining the steps needed to deal with changes which are likely to impact on the strategic aims and objectives of the NDPB or on the attainability of its operational targets

- Promoting the efficient, economic and effective use of staff and other resources by the NDPB consistent with the principles of [Best Value](#), including, where possible, participation in shared services arrangements.
- Ensuring that effective arrangements are in place to provide assurance on risk management (including in respect of personnel, physical and cyber risks/threats/hazards), governance and internal control. The members must set up an [audit committee](#) chaired by a non-executive member to provide independent advice and assurance on the effectiveness of the internal control and risk management systems.
- Taking into account relevant guidance issued by the Scottish Ministers in reaching decisions
- Approving the annual accounts and ensuring Scottish Ministers are provided with the annual report and accounts to be laid before the Scottish Parliament. The Chief Executive as the Accountable Officer of the NDPB is responsible for signing the accounts and ultimately responsible to the Scottish Parliament for their actions
- Ensuring that the members receive and review regular financial information concerning the management and performance of the NDPB and are informed in a timely manner about any concerns regarding the activities of the NDPB
- Appointing, with the approval of the Scottish Ministers, the Chief Executive and Principal Reporter (noting that these roles may both be held by the same person), following appropriate approval of the Chief Executive's remuneration package in line with [SG Pay Policy for Senior Appointments](#). New contracts for chief executives should include a notice period of no more than 3 months. Where a business case can be made, the notice period may be set at a maximum of 6 months. In consultation with the SG, appropriate performance objectives should be set which give due weight to the proper management and use of resources within the stewardship of the NDPB and the delivery of outcomes
- Demonstrating high standards of corporate governance at all times, including openness and transparency in its decision making.

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

The chairing member's responsibilities

12. The chairing member is accountable to the Scottish Ministers and, in common with any individual with responsibility for devolved functions, may also be held to account by the Scottish Parliament. Communications between the NDPB members and the Scottish Ministers should normally be through the chairing member. They are responsible for ensuring that the NDPB's policies and actions support the Scottish Ministers' wider strategic policies and that its affairs are conducted with probity.

13. In leading the NDPB the chairing member must ensure that:

- the work of the members is subject to regular self-assessment and that the members are working effectively.
- the members, in accordance with recognised good practice in corporate governance, are diverse both in terms of relevant skills, experience and knowledge appropriate to directing the NDPB business, and in terms of protected characteristics under the Equality Act 2010 and the [Gender Representation on Public Boards Act](#) and [Guidance](#), where these apply.
- the members are fully briefed on their terms of appointment, duties, rights and responsibilities.
- they together with other members, receives appropriate induction training, including on financial management and reporting requirements, severance policy and, as appropriate, on any differences that may exist between private and public sector practice.
- succession planning takes place to ensure that member are diverse and effective, and the Scottish Ministers are advised of the NDPB needs when member vacancies arise.

- there is a code of conduct for members in place, approved by the Scottish Ministers.

14. The chairing member assesses the performance of individual members on a continuous basis and undertakes a formal appraisal at least annually. The chairing member, in consultation with the members as a whole, is also responsible for undertaking an annual appraisal of the performance of the Chief Executive and Principal Reporter (noting that these roles may both be held by the same person).

Individual members' responsibilities

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

NDPB Chief Executive responsibilities

16. The Chief Executive of the NDPB is employed and appointed by the NDPB with the approval of the Scottish Ministers. They are the NDPB's principal adviser on the discharge of its functions and is accountable to the members. Their role is to provide operational leadership to the NDPB and ensure that the NDPB's aims and objectives are met and the NDPB's functions are delivered and targets met through effective and properly controlled executive action. Their general responsibilities include the performance, management and staffing of the NDPB. General guidance on the role and responsibilities of the chief executive is contained in [On Board](#). Specific responsibilities to the members include:

- Advising members on the discharge of their responsibilities - as set out in this document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of the Scottish Ministers - and implementing the decisions of the members
- Ensuring that financial considerations are taken fully into account by members at all stages in reaching and executing their decisions, and that appropriate financial appraisal and evaluation techniques, consistent with the [Appraisal and Evaluation](#) section of the [Scottish Public Finance Manual](#) (SPFM), are followed
- Ensuring that the NDPB adheres, where appropriate, to the SG's [Programme and project management principles](#)
- Having robust performance and risk management arrangements - consistent with the [Risk Management](#) section of the SPFM - in place that support the achievement of the NDPB's aims and objectives and that facilitate comprehensive reporting to the members, the SG and the wider public. Risk management arrangements should include full consideration of organisational resilience to physical, personnel and cyber risks/threats/hazards.
- Ensuring that adequate systems of internal control are maintained by the NDPB, including effective measures against fraud and theft consistent with the [Fraud](#) section of the SPFM
- Establishing appropriate documented internal delegated authority arrangements consistent with the [Delegated Authority](#) section of the SPFM
- Advising members on the performance of the NDPB compared with its aims and objectives
- Preparing the NDPB's corporate and business plans, in the light of the strategic aims and objectives agreed by the Scottish Ministers
- Ensuring effective relationships with SG officials
- Ensuring that timely forecasts and monitoring information on performance and finance are provided to the SG; that the SG is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the SG in a timely fashion

- Ensuring staff pay proposals are in line with SG [Pay Policy](#) and submitted in time and the necessary approvals obtained prior to implementing any annual award.

NDPB Accountable Officer responsibilities

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

- Ensuring the propriety and regularity of the NDPB's finances and that there are sound and effective arrangements for internal control and risk management
- Ensuring that the resources of the public body are used economically, efficiently and effectively, and that arrangements are in place to secure Best Value and deliver Value for Money for the public sector as a whole
- Ensuring compliance with relevant guidance issued by the Scottish Ministers, in particular the SPFM and SG [Pay Policy](#)
- Signing the annual accounts and associated governance statements
- A statutory duty to obtain written authority from the members/chairing member before taking any action which they consider would be inconsistent with the proper performance of the Accountable Officer functions. The Accountable Officer should also notify the relevant Portfolio Accountable Officer.

18. It is incumbent on the chief executive to combine their Accountable Officer responsibilities to the Scottish Parliament with their wider responsibilities to members. The members/chairing member should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the chief executive, including the statutory duty described above in paragraph 17.

Portfolio Accountable Officer responsibilities

19. The Principal Accountable Officer for the Scottish Administration will designate the Director-General for Education and Justice as the Accountable Officer for the SG portfolio budget for the NDPB. The responsibilities of a Portfolio Accountable Officer are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#). They are personally answerable to the Scottish Parliament for ensuring that:

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

Scottish Government Director and Deputy Director

20. The Director for Children and Families (“the Director”) and the Deputy Director for Children’s Rights, Protection and Justice have responsibility for overseeing and ensuring effective relationships between the SG and NDPB which support alignment of the NDPB’s business to the SG’s Purpose and National Outcomes and high performance by the NDPB. They will work closely with the NDPB chief executive and be answerable to the Portfolio Accountable Officer for maintaining and developing positive relationships with the NDPB characterised by openness, trust, respect and mutual support. They will

be supported by a sponsor unit in discharging these functions. The Deputy Director shall be responsible for assessing the performance of the NDPB chairing member at least annually.

Sponsor unit responsibilities

21. The SG Sponsor Unit for the NDPB is the Children's Hearings Team ("the Sponsor Unit"). It is the normal point of contact for the NDPB in dealing with the SG. The Sponsor Unit, under the direction of the Director/Deputy Director, is the primary source of advice to the Scottish Ministers on the discharge of their responsibilities in respect of the NDPB and undertakes the responsibilities of the Portfolio Accountable Officer on their behalf.

Specific responsibilities include:

- Discharging sponsorship responsibilities in line with the principles and framework set out in the document '[Strategic Engagement between the Scottish Government and Scotland's NDPBs](#)' and ensuring that sponsorship is suitably flexible, proportionate and responsive to the needs of the Scottish Ministers and the NDPB
- Ensuring that appointments to the NDPB board are made timeously and, where appropriate, in accordance with the [code-practice](#) for Ministerial Appointments in Scotland
- Proportionate monitoring of the NDPB's activities through an adequate and timely flow of appropriate information, agreed with the NDPB, on performance, budgeting, control and risk management
- Addressing in a timely manner any significant problems arising in the NDPB, alerting the Portfolio Accountable Officer and the responsible Minister(s) where considered appropriate
- Ensuring that the objectives of the NDPB and the risks to them are properly and appropriately taken into account in the SG's risk assessment and management systems
- Informing the NDPB of relevant SG policy in a timely manner.

Internal audit

22. The NDPB shall:

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

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

External audit

24. The Auditor General for Scotland (AGS) audits, or appoints auditors to audit, the NDPB's Annual Accounts and passes them to the Scottish Ministers who shall lay them before the Scottish Parliament, together with the auditor's report and any report prepared by the AGS. For the purpose of audit, the auditors have a statutory right of access to documents and information held by relevant persons. The

NDPB shall instruct its auditors to send copies of all management reports (and correspondence relating to those reports) and responses to the SG.

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

Annual report and accounts

26. The NDPB must publish an Annual Report on the carrying out of its functions together with its audited accounts after the end of each financial year. + The Annual Report must cover the activities of any corporate, subsidiary or joint ventures under the control of the NDPB. It should comply with the Government [Financial Reporting Manual](#) (FReM) and outline the NDPB's main activities and performance against agreed objectives and targets for the previous financial year.

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

28. The draft report should be submitted to the SG for comment, and the draft accounts for information, by at least six weeks before the proposed laying date and in advance of full Board approval. The final version should be available for laying before the Scottish Parliament by the Scottish Ministers by 31 October each year. Whilst the statutory date for laying and publishing accounts audited by the AGS is by 31 December, following the close of the previous financial year, there is an expectation on the part of the Scottish Ministers that accounts will be laid and published as early as possible. The accounts must not be laid before they have been formally sent by the AGS to the Scottish Ministers and must not be published before they have been laid. The NDPB shall be responsible for the publication of the annual report and accounts.

Management responsibilities

Corporate and business plans

29. The NDPB must ensure that a corporate plan, agreed with the Scottish Ministers, is in place and published on the NDPB's website. The NDPB shall agree with the SG the issues to be addressed in the plan and the timetable for its preparation and review. The finalised plan shall reflect the NDPB's strategic aims and objectives as agreed by the Scottish Ministers, indicative budgets and any priorities set by the Scottish Ministers. It shall demonstrate how the NDPB contributes to the achievement of the purpose and national outcomes set out in the SG's [National Performance Framework](#) (NPF). The corporate plan for the NDPB should include:

- The purpose and principal aims of the NDPB
- An analysis of the environment in which the NDPB operates
- Key objectives and associated key performance targets for the period of the plan, the strategy for achieving those objectives and how these will contribute towards the achievement of the SG's primary purpose and alignment with the NPF
- Indicators against which performance can be judged
- Details of planned efficiencies, describing how the NDPB proposes to achieve better value for money, including through collaboration and shared services
- Other matters as agreed between the SG and the NDPB.

30. The corporate plan should inform the development of a separate business plan for each financial year. The business plan for the NDPB should include key targets and milestones for the year immediately ahead, aligned to the NPF, and be linked to budgeting information so that, where possible, resources allocated to achieve specific objectives can be identified. A copy of the NDPB's business plan should be provided to the sponsor unit prior to the start of the relevant financial year.

Budget management

31. Each year, in the light of decisions by the Scottish Ministers on the allocation of budgets for the forthcoming financial year, the SG will send to the NDPB a formal statement of its budgetary provision, and a note of any related matters and details of the budget monitoring information required by the SG. The terms of that letter, referred to as the Budget Allocation and Monitoring letter, should be viewed as complementing the content of this document. The monthly monitoring is the primary means of in-year budgetary control across the SG. As such bodies must comply with the format and timing of the monitoring together with any requests for further information. The statement of budgetary provision will set out the budget within the classifications of resource Departmental Expenditure Limits (RDEL), capital DEL (CDEL) and Ring-fenced (non-cash) (RfDEL). The NDPB will inform the sponsor unit at the earliest opportunity if a requirement for Annually Managed Expenditure (AME) budget is identified. The SG should also be advised in the event that estimated net expenditure is forecast to be lower than budget provision. Transfers of budgetary provision between the different classifications require the prior approval of the SG Finance Directorate. Any proposals for such transfers should therefore be submitted to the sponsor unit. Transfers of provision within the classifications may be undertaken without reference to the SG, subject to any constraints on specific areas of expenditure e.g. the approved pay remit.

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

Cash management

33. Any [grant in aid](#) (i.e. the cash provided to the NDPB by the SG to support the allocated budget) for the year in question must be authorised by the Scottish Parliament in the annual Budget Act. Grant in aid will normally be paid in monthly instalments on the basis of updated profiles and information on unrestricted cash reserves. Payment will not be made in advance of need, as determined by the level of unrestricted cash reserves and planned expenditure. Unrestricted cash reserves held during the course of the year should be kept to the minimum level consistent with the efficient operation of the NDPB - and the level of funds required to meet any relevant liabilities at the year-end. Grant in aid not drawn down by the end of the financial year shall lapse. Grant in aid shall not be paid into any restricted reserve held by the NDPB. Finance meetings between the NDPB and Sponsor Unit will be held at least 3 times yearly to monitor progress against planned expenditure.

34. The banking arrangements adopted by the NDPB must comply with the [Banking](#) section of the SPFM.

Risk management

35. The NDPB shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of generally recognised best practice in corporate governance, and develop an approach to risk management consistent with the [Risk Management](#) section of the SPFM. Reporting arrangements should ensure that the sponsor unit is made aware of relevant risks and how they are being managed. The NDPB audit committee is also required, at the earliest opportunity, to

notify the relevant Director General Assurance meeting if it considers that it has identified a significant problem which may have wider implications.

Organisational security and resilience

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

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

Counter fraud arrangements

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

Performance management

38. The NDPB shall operate management information and accounting systems that enable it to review, in a timely and effective manner, its financial and non-financial performance against the strategic aims, objectives, targets and milestones set out in the corporate and business plans. The results of such reviews should be reported on a regular basis to the NDPB board and copied to the SG. The SG shall assess the NDPB's performance, proportionately, on a continuous basis and hold a formal review meeting at least twice a year. The responsible Cabinet Secretary / Scottish Minister shall meet the NDPB chairing member at least once a year to discuss SCRA's performance, its current and any future activities and any policy developments relevant to those activities.

NDPB staff management

Broad responsibilities for NDPB staff

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

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

Pay and conditions of service

40. The NDPB will comply with SG Pay Policy in relation to staff and the chief executive. The NDPB shall submit to the SG for approval (normally annually unless a multi-year deal has been agreed) a pay remit in line with the SG [Pay Policy for Staff Pay Remits](#) and negotiate a pay settlement within the terms of the approved remit. Payment of salaries should also comply with the [Tax Planning and Tax Avoidance](#) section of the SPFM. Proposals on non-salary rewards must comply with the guidance in the [Non-Salary Rewards](#) section of the SPFM. Where applicable, the NDPB will also seek appropriate approval under the SG [Pay Policy for Senior Appointments](#) for the chief executive's remuneration package prior to appointment, annually or when a new appointment or change to the remuneration package is being proposed.

Pensions, redundancy and compensation

41. Superannuation arrangements for the NDPB staff are subject to the approval of the SG. NDPB staff shall normally be eligible for a pension provided by the Falkirk Pension Fund. Staff may opt out of the occupational pension scheme provided by the NDPB, but the employer's contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level.

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

Asset and property management

43. The NDPB shall maintain an accurate and up-to-date record of its current and non-current assets consistent with the [Property: Acquisition, Disposal & Management](#) section of the SPFM. 'Non-current' assets should be disposed of in accordance with the SPFM. The SG's Property Division should be consulted about relevant proposed disposals of property that the NDPB holds for operational purposes (rather than investment) at the earliest opportunity so it may be advertised internally. An [Internal Advertisement](#) form must be completed and submitted at least one month prior to property being advertised on the open market. Any proposal to acquire land, buildings or other rights in property for accommodation / operational purposes should comply with the SPFM. The NDPB is also subject to the [SG Asset Management Policy](#), including the requirement for acquisition of a new lease, continuation of an existing lease, decision not to exercise a break option in a lease or purchase of property for accommodation / operational purposes, to be approved in advance by Scottish Ministers. The Property Controls Team should be consulted as early as possible in this process. All assets (property, plant and equipment) are to be properly recorded and updated as necessary by the NDPB on the Cabinet Office [electronic Property Information Mapping System](#) (e-PIMS).

Specific financial provisions

Exceptional Cases Protocol for Legal Challenges

44. The NDPB must ensure that a detailed protocol is in place setting out the process to follow within the NDPB when dealing with legal challenges relating to the NDPB's practice and the legislative framework for the children's hearings system, whereby cases raise systemic, structural and other issues and are exceptional in terms of complexity. The Protocol will be reviewed to ensure it reflects the NDPB's experience of legal challenges arising from current legislation and case law.

45. The NDPB should alert the Sponsor Unit of impending exceptional legal cases and to the issues surrounding those particular cases; and will engage with the SG to discuss the merits of the case(s) prior to the formal process of instructing counsel.

46. Applications for funding will be by submission of a business case to the Sponsor Unit covering a single or multiple cases. The Sponsor Unit will respond within 4 weeks of its submission, indicating

whether the expenses associated with each individual case can be covered – in full or in part – by the Protocol.

47. The NDPB must have in place processes to monitor the costs of cases covered by the Protocol, along with an estimate of the costs. The NDPB must provide regular updates to the SG on costs incurred.

Delegated authorities

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

Income generation

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

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

Financial investments

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

Borrowing

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

Lease arrangements

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

Tax arrangements

54. Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the SG. Relevant guidance is provided in the [Tax Planning and Tax Avoidance](#) section of the SPFM. The NDPB must comply with all relevant rules on taxation, including VAT. All individuals who would qualify as employees for tax purposes should

be paid through the payroll system with tax deducted at source. It is the responsibility of the NDPB to observe VAT legislation and recover input tax where it is entitled to do so. The implications of VAT in relation to procurement and shared services should be considered at an early stage to ensure that financial efficiency is achieved. The NDPB must also ensure that it accounts properly for any output tax on sales or disposals.

Settlement, severance, early retirement and redundancy

55. The NDPB shall seek to deliver, and demonstrate, robust governance processes, best practice and value for money when developing and implementing a severance scheme or when developing a settlement agreement, in compliance with current policy, observing all policy limits as set out in the [Settlement, severance, early retirement, redundancy section](#) of the SPFM.

Lending and guarantees

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

Third party grants

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

Impairments, provisions and write-offs

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

Insurance

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

Procurement and payment

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

61. Any major investment programmes or projects undertaken by the NDPB shall be subject to the guidance in the [Major Investment Projects](#) section of the SPFM [and is also subject to a specific

delegated authority]. The sponsor unit must be kept informed of progress on such programmes and projects and Ministers must be alerted to any developments that could undermine their viability. ICT investment plans must be reported to the SG's Office of the Chief Information Officer.

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

Gifts made, special payments and losses

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

Clawback

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

Subsidy Control

65. The EU State aid regime was effectively revoked from UK law from 1 January 2021 and subsidy control provisions are now covered by the UK-EU Trade and Cooperation Agreement (TCA) and the UK's international obligations including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership. This position may be subject to the UK Government establishing its own domestic subsidies control regime: a UK wide consultation on this is set to take place in the first half of 2021. Currently any activity that the NDPB undertakes itself, or funds other bodies to undertake, that can be offered on a commercial market for goods and services is subject to the TCA subsidy rules. A full assessment is therefore required prior to disbursing any funding and would be subject to the guidance in the [subsidy regime section](#) of the SPFM.

Member expenses

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

SCOTTISH CHILDREN'S REPORTER ADMINISTRATION FRAMEWORK DOCUMENT: APPENDIX

SPECIFIC DELEGATED FINANCIAL AUTHORITIES

Capital investment projects	£249,000 * see Note 1 below
Cash loss , but excluding overpayments of salaries, wages, pensions and allowances	£3,000 in individual instances; annual aggregate limit of £10,000
Cash loss arising out of theft, fraud, arson or gross carelessness; includes cash equivalents e.g. stamps	£3,000 in individual instances; annual aggregate limit of £10,000
Stores and equipment losses arising out of theft, fraud, arson, sabotage or gross carelessness; or through events such as fire, weather or accident	£3,000 in individual instances; annual aggregate limit of £10,000
Compensation payment for loss or damage to personal property whilst on duty	£3,000 in individual instances, annual aggregate limit of £10,000
Personal injuries (employees)	NIL

***Note 1** – subject to SPFM guidance and Scottish Ministers current policies, alongside spend control regimes including the utilisation of Accountable Officer templates, as applicable. Capital Project approval limits are:

Up to £249k	appraised and approved by SCRA
£250k to £500k	outline details of Project sent to Sponsor Unit for consideration **
£501k to £999k	detailed appraisal sent to Sponsor Unit for approval
£1m or above	detailed appraisal sent to Sponsor Unit for approval
Novel, contentious or high-risk projects	detailed appraisal sent to Sponsor Unit for approval

***this would determine whether SCRA could appraise and approve the Project itself, or whether a detailed appraisal would need to be submitted for approval*

