

ANNUAL ACCOUNTS 2021/22



ENSURING POSITIVE FUTURES FOR CHILDREN
AND YOUNG PEOPLE IN SCOTLAND.



SCOTTISH
CHILDREN'S REPORTER
ADMINISTRATION

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1. Performance Report

1.1 Introduction

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 ('the Act') 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 and rights of the individuals involved, while helping to build stronger families and safer communities. You can find out more about our work on our website, www.scra.gov.uk.

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.



Strategic Aims

SCRA’s 2020-24 Corporate Plan 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 aligned with the supporting strategies, which forms the Business Plan.

Performance Framework

Everything we do is linked to the organisation’s vision through to our values; leading to a common understanding of how the vision, mission and values of the organisation relate to everyday tasks.

The Corporate Plan’s aims and objectives are delivered in the Business Plan by the supporting strategies; Practice and Policy, Finance and Resources, People, Operational, Digital, Rights, Inclusion, Corporate Parenting, Communications and Engagement.

We review our strategies and action plans on a regular basis to ensure they are fit for purpose. We report to SCRA’s Executive Management Team on a quarterly basis, and the Board on our performance against these plans on a six-monthly basis.



1.2 Chief Executive's Foreword

Welcome to SCRA's 2021-22 Annual Report and Accounts, which reflects the second year of our 2020-24 Corporate Plan. We extended our 2020-2023 Corporate Plan to 2024 to enable the organisation an extra year to meet all of the aims for Care, Connect and Protect – and their respective objectives, but also to further align our work with "The 2021-24 Scotland Promise Plans". The extension was endorsed by the Scottish Government, our Executive Management Team and the Board.

We set ourselves an ambitious Business Plan for 2021-22, which incorporated 712 actions across the following 7 strategies; Digital, People, Finance, Operational, Communications and Engagement, Rights, Inclusion and Corporate Parenting, Practice and Policy. We delivered on 96% (Green: 683) of the total actions. The remaining 1% (Amber: 7) actions were partly complete, and these will be finalised during 2022, and 3% (Red: 22) were not achieved due to a lack of capacity, and these have been carried across to 2022-23 plans.

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

Business Plan 2021-22: We worked diligently through our 2021-22 strategic and locality plans, which were aligned with the aims and objectives of our Corporate Plan; Care, Connect, Protect – focusing on recovery, staff wellbeing, learning and development, enabling technology, hearing room improvements, and partnership working.

Health and Wellbeing: The past year posed significant challenges, but also created opportunities across the organisation. The effects of the pandemic on our workforce and service delivery tested our capacity and resilience to extraordinary lengths, which further impacted on the health and wellbeing of our staff. Our staff survey during November 2021 indicated the level of impact from the pandemic and the pressures on the organisation from an ever-changing landscape, as we adapted the way we worked and delivered our services. Through open and honest engagement with our staff, we are in a better position to understand the priorities for the organisation over the next few years – taking into account the need for a period of stability, consolidation and managing the pace of change.

Core Systems Application: We stabilised, optimised and improved our Core Systems Applications (CSAS) and provided staff with training to up-skill them in the use of the system to promote the most effective and efficient operational processes. Continuous development of CSAS will enable qualitative improvements as we move forward.

Standard Operating Model: Our Standard Operating Model (SOM) was developed to optimise, streamline and make operational practice more effective to provide a consistent and high quality service across the Country, with quality at the core of our practice.

Virtual Hearing: We established a Virtual Hearings Portal to enable a better and more stable experience of remote Hearings, whilst aligning virtual and remote access to hearings with CSAS. Quality checks on data management and case sampling enabled us to monitor and progress our practice, ensuring consistency in our delivery approach.

Keeping The Promise: We developed an internal Keep The Promise Team with a robust governance structure that is aligned with the Hearings System Working Group. We created the 'Keeping The Promise

Plan for 2021-24' through internal and external consultation, which will drive improvement and reform [Our Route Map - SCRA](#).

Investment in 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, partner agencies to sit alongside our secure network, "onSCOTS".

Our Hearings, Our Voice (OHOV): We continue to make progress in delivering on OHOV - 40 Calls to Action and are committed to being accountable to OHOV on our future progress and pace. We are both contributing to it and learning from it in terms of our own service and practice at national and local level. Putting children and young people's real life experience at the core of how SCRA develops, has always been important to us – but at this key time for the future shape of the Hearings System it is absolutely critical. OHOV can, and will, be a powerful force for change informed by their collective experience and we will do everything we can to support their contribution.

We have taken wide-ranging consultation 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 2022-23.

Principal Reporter
Neil Hunter

1.3 Overview

SCRA comprises operational teams across the country, divided into nine geographic localities, plus a Head Office function. The nine localities are overseen by two Senior Operational Managers on SCRA's Executive Management Team. For more information on SCRA's structure and governance, please refer to the Accountability Report below.

SCRA's 2020-24 Corporate Plan sets out the strategic direction for the organisation, and its aims and objectives are delivered through annual Business Plans. These plans are monitored, reviewed and reported on to show the progress throughout the course of our four-year Corporate Plan.

The following sections highlight our key performance outcomes during 2021-22, showing how the Business Plan has delivered on the Corporate Plan's Care, Connect and Protect aims.

For the first half of the year we were operating under emergency legislation designed to reduce pressures on the system in a number of ways, but organisational performance continued to be impacted across the whole year by a number of factors arising from the pandemic. SCRA has eight key performance indicators which are reported to the Board on a quarterly basis: of those, four targets were met, two were missed and two measures are currently for monitoring purposes only. More detail on these and SCRA's environmental performance can be found in the Performance Analysis section below.

The principal risks faced by SCRA in 2021/22 were that organisational pandemic recovery plans may have failed to deliver operational stability, and that not maintaining a skilled, motivated and flexible workforce may have resulted in a failure to meet the service needs. These risks, and the management of them, are covered in more detail in the Key Issues and Risks section below.

A substantial review of progress against our strategic objectives will be detailed in SCRA's Annual Report 2021-22.

Financial Performance

In 2021/22, SCRA received core funding of £25.16m for resource expenditure and £1.9m for capital expenditure. In addition, SCRA received the following allocations:

- Autumn Budget Review – HMT Resource £1.0m
- Spring Budget Review – HMT Resource £0.1m
- Spring Budget Review – HMT Direct Capital £0.217m

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 £190k less than budget mainly as a consequence of property and travel savings.

Expense Head	Budget 2021/22 £000	Outturn 2021/22 £000	Variance £000
Staff Costs	21,198	21,262	64
Property Costs	3,097	2,899	-198
Travel Costs	163	72	-91
Other Operating Charges	2,769	2,821	52
Capital Financing	3	3	0
Other Income	-449	-466	-17
Total expenditure	26,781	26,591	-190
Revenue Grant In Aid	-26,660	-26,260	400
Net Expenditure	121	331	210

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

Net capital expenditure, including the Digital programme, in the period to March 2022 was £1,819k against Capital budget of £2,142k. The capital investments we made in 2021/22 were:

Capital Investments	Cost
Property alterations (Aberdeen, Glasgow, Paisley, Stirling)	£235k
Hearing room improvements	£144k
Minor property works and LED lighting retrofits	£173k
Capital element of finance lease (Livingston)	£46k
Condition survey works	£136k
Aim One - CSAS – SCRA and CHS	£513k
Aim Two - Digitally enabled services	£197k
Aim Three - Digital governance and ownership	£375k
Total	£1,819k

The Digital Programme Director developed three Digital Aims and Objectives for 2021/22. Aim One comprises CSAS development, Aim Two comprises external reporting development costs, virtual hearing development, improved hearing room connectivity and user research/strategy consultancy. Finally Aim Three comprises refresh of laptops and mobile devices and programme consolidation activity (environments and technology refresh).

More detail regarding SCRA's income and expenditure can be found in the financial statements section starting on page 59. The Statement of Comprehensive Net Expenditure shows net expenditure for the year of £34.2m (2020/21: £29.0m), including pensions and depreciation costs of £6.54m comprising IAS 19 adjustment of £5.12m and depreciation & amortisation £1.42m (2020/21: £3.4m, comprising IAS19 adjustment £2.05m, depreciation & amortisation £1.35m). These are excluded from the table above. The table also excludes total Grant in Aid income of £28.4m (2020/21: £27.1m) which under international accounting standards is taken directly to the general fund reserve.

The Statement of Financial Position (page 60) shows SCRA liabilities exceed assets by £29.1m (2020/21: £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.

In addition to resource and direct capital funding, SCRA receives budget cover for depreciation (Ring Fenced DEL Non-Cash) and IAS 19 pension adjustments (Annually Managed Expenditure – AME). The original depreciation budget for 2021/22 was £2,400k, the updated forecast was £1,800k and the final outturn was £1,422k. In relation to AME, a budget of £5,637k was allocated at the Spring Budget Review and the outturn was £6,389k, with the difference of £752k being mainly attributable to a higher Total Service Cost than estimate (£619k) and lower employer contributions than forecast (£131k).

Performance Review

The Performance Review provides a summary of the key activities undertaken under each strategy in support of the Corporate Plan's three aims; Care, Connect and Protect, which were delivered through the 2021-22 Business Plan.

Digital Strategy

The Digital Strategy drives improvement across our services to be the best organisation it can be by continually seeking the views of children and our partners in our pursuit of continuous improvement. This enables our services to adapt and become more flexible and agile.

2021-22 Key Activities

With the continued need for remote working and supporting children's hearings within a virtual context, 2021/22 proved to be as challenging as 2020/21. SCRA needed to consolidate and move from ad-hoc digital solutions to support business operations in the early stages of the pandemic to more robust and longer term reliable digital architectures and solutions, with much of the original concepts and solutions now considered main stream propositions to support operations. The detail below represents a sample of the high level undertakings in terms of digital development within the period 2021/22.

Virtual Hearings Platform and CSAS architectures: Given the need for virtual hearings within a main stream context, we moved to automate the sharing of relevant data and information between CSAS and virtual hearing platform. This removed the manual need to rekey data from one platform into the other. This was a first step in the longer term plan of consolidating the virtual hearings requirements within CSAS during the period 2022/23. The first stage activity was completed towards the end of the planning year 2021/22, with the second stage removal of the virtual hearing platform in design and planning in the early part of the planning year 2022/23.

In addition during March to April 2022, activity was undertaken to move the sharing of electronic panel papers from the virtual hearing platform into CSAS and was completed end of April 2022.

Optimisation of CSAS Minimum Viable Product (MVP): (Minimum Viable Product is the first or early version of a product with just enough features to meet identified needs and to allow for feedback to develop further.) Ongoing investment was made in the period to develop and optimise the original CSAS, MVP after engagement with operational staff, in order to address better usability, optimisation and data quality.. There is a significant backlog of newly developed functionality as yet to be deployed to the CSAS live environment. There has been an agreed delay in the planning period for the deployment of this new functionality due to operational pressures and to allow users time for consolidation of cumulative changes already experienced. Plans for the deployment of the product backlog are underway with an estimated completion date of the end of May 2022.

Technology Refresh: Over four hundred new laptops were purchased and deployed to staff within the planning period, this completes the estate as having devices of less than two years old. The deployment of

the laptops has also improved and supported the organisations development of more flexible working practices.

Across the SCRA hearing room estate we now have 35 cloud based video conference and collaboration units deployed to support children and panel member choices in terms of how they wish to participate in their hearings. This means that all core SCRA buildings and hearing rooms are kitted out with the technology.

All 33 core SCRA buildings have been kitted out with guest Wi-Fi provision creating a much more digitally friendly and flexible working space for external visitors to the hearing facilities. This provision opens up significant opportunities to create further efficiencies and flexibility for panel members and other stakeholders.

Future Planning: While there has been an incredible amount achieved in terms of digital delivery during the period of the pandemic, there is still a great deal to do in the following years to maintain the digital transformation underway within SCRA and across the Children's Hearings System. Consolidation and optimisation of the new ways of working digitally will be a significant focus in the period 2022/23, as will development of the revised SCRA digital strategy with a horizon planned of the next three years. Researching new digital opportunities such as a child and family portal as well as partner automated data transfers will figure highly in the new digital strategy.

Communications and Engagement Strategy

The Communications and Engagement strategy sets out our approach to connecting with others – children and young people, our partners, our staff. It describes our methods of engagement and communication tools, and focuses on the work that we do through participation.

2021-22 Key Activities

SCRA website: With traffic to our external website continuing to increase, we are constantly looking to improve the layout and content. On Global Accessibility Awareness Day (Thursday 20 May 2021) we launched a revamped Accessibility section on the website. The information was split into different sections with information for visitors to our site with different needs. In addition, we created a new section which provides information for people applying to work with SCRA, who may require some adjustments at interview or once appointed.

The changes are in addition to the website's accessibility tool which we have had on the site for several years. The ReciteMe tool provides additional functionality to visitors with different needs. It includes text to speech functionality, dyslexia software, an interactive dictionary, a translation tool with over 100 languages and it works across all devices. It also has features which can help visitors with autism, ADHD and epilepsy.

Following on from this, in June 2021, we launched new wellbeing sections on our website for children and young people. The new sections include recorded meditation sessions and mindfulness colouring in sheets which can be printed off. Children and young people can also try the emoji generated juke box

FeelsFm produced by See Me. There are also links to lots more ideas from Hearings-experienced young people.

In August 2021, we launched the first of our new monthly web series 'Spotlight on...'. The aim is to shine the spotlight areas of our work that visitors to our website might not have heard of. The first piece focused on Equality and Human Rights Impact Assessments. The second one posted on 13 September, featured our work to protect personal information.

Communications and accessibility: A number of new information materials were launched during 2021/22. In June 2021, a BSL version of SCRA's British Sign Language Action Plan was published which included sub titles and audio. We also created a short video about the role of SCRA with BSL, audio and sub titles. Further work is planned including a short BSL clip on referral to the Reporter and how to make a complaint.

In June 2021, two visual story guides for children were launched. The first was for children and young people participating in a virtual Hearing. The second was a pilot visual information guide for children and young people attending a face to face Children's Hearing in Glasgow.

The guide takes children step by step through their Hearing, right from arriving outside the Hearings centre in Bell Street. The guide is being rolled out across all Hearing centres in 2022/2023.

Siblings rights: In July 2021, to mark the introduction of new participation rights for siblings in Children's Hearings, we developed a communications plan. This included a latest news item on our website, new pages in the children and young people section of our website, a cartoon animation aimed at young children explaining the changes and a social media pack. In addition, we led on the communications for the Stand Up For Siblings partnership which included a number of news items and blogs published on the Stand Up For Siblings website which SCRA's Press and Communications Team continues to host and manage. We also joined an online session with the Minister and young people to mark the changes. We continue to be an active member of Stand Up For Siblings and arranged a series of webinars during October 2021.

The Promise: In August 2021, the Promise Scotland announced a new working group to oversee the redesign process for The Children's Hearings System. The Promise Scotland led on the external communication with support from SCRA and CHS. They gave an exclusive to the Sunday Post. An in-depth and positive article was published on Sunday 15 August. In addition, we showed our support by posting a news item on our website and on social media. Internally, we issued a coming soon news item on Connect on the Friday prior to the article appearing (13 August) and we followed this up with more information on the Sunday on Connect.

Keeping The Promise communications: On Care Day (18 February 2022) we published externally SCRA's Route Plan to Keep The Promise. This included a suite of information materials and a detailed communications plan, involving our own website, social media and our corporate parenting website. We have set up a dedicated [Keeping The Promise section](#) on our website, which includes a standalone Keeping The Promise latest news page.

We wanted to make the Route Plan as accessible as possible and our information materials included: BSL films with sub titles and audio, an easy read version of the plan, a cartoon animation for children and an interactive online visual map.

Hearings System Working Group Issues List: On Friday 11 March 2022, The Promise Scotland published the Hearings System Working Group Issues List. We developed an internal and external communications plan to raise awareness of this. In advance of the list being published, we posted a latest news item on the home page of Connect, our staff intranet which linked to a set of Q&As. The news item included a reminder to sign up for a series of internal Keeping The Promise briefing sessions.

For our external communications, we liaised with The Promise Scotland, Children's Hearings Scotland and the Scottish Government. The Promise posted a news item on their website along with the Issues List. We posted a news item on our website welcoming the announcement. We also showed our support on social media. In addition, we published a news item on the Children's Hearings Improvement Partnership website.

Communications and inclusion: SCRA has developed an information guide for staff which outlines how to use inclusive language to avoid biases, slang or expressions that excludes certain groups based on gender or sexual orientation. The guide is aimed at all staff and was launched during National Inclusion Week from Monday 27 September.

Marking Pride 2021 – with COVID-19 restrictions ongoing, LGBT Youth Scotland encouraged people and organisations to hold Pride Picnics during June 2021, which is traditionally Pride Month. SCRA held four picnics in Dundee, Edinburgh, Glasgow and Stirling. We promoted these on social media and included a special feature with photographs in the summer National Reporter.

International Non Binary People's Day took place on Wednesday 15 July 2021. To mark the day, SCRA issued a video recording on Connect to highlight the importance of language in particular when communicating with non-binary people. In the clip, SCRA's Inclusion and Diversity Manager talked to one trans/non-binary young person about their journey and experiences. The feedback from staff was extremely positive.

Connect – internal communications: We are continually trying to improve Connect (our staff intranet) to ensure colleagues are able to navigate around it and find what they are looking for. We regularly review the analytics to see what people are searching for etc. During 2021/2022, we have revamped two sections that have grown in recent times – Health and Wellbeing and Disability. We have also created new themed pages for topics including LGBT History Month, Gender-based violence, No Smoking Day and Time to Talk Day. This ensures that if someone is interested in a particular topic, all the information and resources (both internal and external) are all available in the one place. We are currently working with colleagues in HR to build a new Learning and Development site.

COP26: The UN Climate Change Conference of the Parties (COP26) came to Glasgow from 31 October to 12 November 2021. As our Hearings Centre is based in the Merchant City, right in the heart of Glasgow, we put extensive plans in place to minimise any disruption to children and families, as well as our staff and partners. We implemented a detailed internal and external communications plan. This involved information on our website and on social media, information for partners and our staff with a standalone section on Connect. A Teams channel and WhatsApp group were also created for managers to share information. An internal feedback survey was carried out after COP26 ended to measure how staff felt we responded.

Our Hearings, Our Voice (OHOV): SCRA's Press and Communications Team provided support to Our Hearings, Our Voice board member recruitment in January 2022. This included a 30 day planned campaign with website news items, social media posts and visuals, animations and film clips. In addition, we continue to provide ongoing communications support to OHOV including website maintenance and social media.

Youth Justice Improvement Board: SCRA's Press and Communications Team liaised with colleagues at the Scottish Government to design and build a website for the Youth Justice Improvement Board. The website was launched in spring 2022.

Operational Strategy

The Operational Strategy sets out our aims, approaches and priorities for planning and delivering front line services, and provides a framework within which Locality Plans can translate this into local delivery. It will dovetail with our Performance Management Framework which sets out the annual cycle by which plans and objectives at national, locality, team and individual levels are developed and aligned, performance appraised, reviewed and reported, and quality embedded into everything that we do.

2021-22 Key Activities

Operationally the work of the organisation has continued to be dominated and informed by the ongoing response to the pandemic.

In terms of the recovery metrics which we have reported against, we are now able to say that we have reached a broadly recovered position. However, this is caveated by the continuing need to embed and improve upon the multiple changes to the operational model which have been introduced in the last two years and to mitigate the impact that this has had on operational teams.

Notwithstanding Covid restrictions which continued throughout 2021-22, and an operating environment which continues to be challenging, significant progress was made against the Locality Plans which deliver on the Operational Plan and Strategy.

The key outcomes achieved across the nine localities during 2021-22 included:

- Working with CHS, Local Authorities and other key partners to ensure effective continuing response for hearings throughout the pandemic restrictions.
- Aligning office procedures with the Standard Operating Model.
- Ensuring regular workforce planning, including promotion of vacancies.
- Regular engagement with the Recovery Team to ensure full use of reporters and assistant reporter resources in support of locality recovery.
- Establishing Health and Wellbeing Groups to promote and support staff wellbeing.
- Incorporating wellbeing in supervisions and promoting wellness plans.
- Engagement with National Networks, initiatives and events to promote staff wellbeing
- Engagement with Local Promise Teams as part of existing Better Hearings structures.
- Improvements to staff working environment, promoting flexible and agile working.

Resourcing has been challenging, but well managed. Good workforce planning is embedded across localities and the proactive management of vacancies has helped morale. There have been many new starts within the organisation and further flux as a result of locality staff providing support for the central Virtual Hearings and Organisational Helpdesk teams. The Recovery Team continued to provide additional resource to support recovery work.

Operational teams are still adapting to the changes to systems and increased complexity in court and hearings which have resulted from the pandemic and the introduction of CSAS. Systems are still being optimised across the organisation. The position with CSAS is much better than it was 12 months ago and there is increased confidence across teams.

In the last 12 months, we have developed and introduced the Standard Operating Model (SOM). There has been good engagement with future developments and systems improvement and there is further work required to optimise our use of the system.

All Virtual Hearings now take place on a Teams based Virtual Hearings platform and work has begun to transition Virtual Hearings functions to local teams. Good progress has been made improving infrastructure and digital kit within hearing centres.

There remained a strong sense within some locality teams of being in “survival mode” and focusing on the core elements of roles and responsibilities. Addressing productivity and optimising the efficiency of our processes and the way we are working post pandemic is a key focus for work in 2022-23, to return to a point where people feel that their work can fit into the working week.

The importance of having structures and scaffolding in place locally to ensure high levels of awareness of the importance of health and wellbeing and effective delivery of staff led initiatives to promote it has been underlined. Those localities with better embedded health and wellbeing structures have demonstrated greater resilience.

Significant progress has been made to embed agile working although some of the progress which was made in 2021 was impacted by restrictions caused by Omicron. The impact on team cohesion, knowledge sharing, health and wellbeing and connections between people were identified as key challenges of home working. Further support is being provided for managers to help them to help their teams to optimise this way of working which remains new for the organisation as we develop our understanding of agile working without Covid restrictions.

The challenge of being a Locality Manager and the high level of support that they provide to their teams is acknowledged. They occupy a challenging position, facing the push and pull of implementing the strategic and operational objectives of the organisation while leading, motivating and caring for the people in their operational teams. This is a challenging role at any time but particularly two years into the pandemic.

Inevitably, the continuing cycle of change has had an impact on people and there is an understandable nervousness about further change. Our organisational approach to change, management of the pace and extent of change, avoiding change priorities colliding and ensuring that our people are fully skilled to deliver change requires further development.

SCRA was audited during February and March 2022 on Locality Strategic Planning. The audit reviewed the design and operating effectiveness of the controls in place surrounding strategic planning arrangements in place at localities. The evidence provided to the auditors resulted in substantial assurance over the design and operational effectiveness of controls in place relating to the locality strategic planning process.

People Strategy

The People Strategy sets out how we will work to achieve the required balance of roles, skills and experience across all parts of the organisation, how we will work with staff to ensure they are skilled, confident and cared for, that they feel valued and respected, and are supported in their health and wellbeing. It incorporates the elements that have featured in workforce plans in recent years, but is wider in its coverage and addresses all of our aspirations and values from a people perspective, including plans to target improvement opportunities identified through staff engagement.

2021-22 Key Activities

2021-22 continued to be a challenging year for our workforce. COVID-19 restrictions were in place throughout the year, with the advice from the Scottish Government changing regularly as the transmission rates and variants of the pandemic changed. This meant that staff were restricted in how they could meet, use our premises to deliver face to face hearings as well as have team meetings, and how they managed daily life. Our staff have worked tirelessly to keep SCRA's children's hearing service operating effectively and efficiently, adapting to new ways of working and using new and different technologies in doing so. Whilst staff wellbeing was high in our agenda, with regular advice and guidance on working within the pandemic, we recognise that we have a workforce that requires to recover from the pandemic as we return to some sense of normality. In recognition of this we offered staff wellbeing days to be used throughout the year in addition to normal annual leave, developed an on-line wellbeing brochure, continued our programme of mindfulness and mental health initiatives as well as provided refresher training to our cohort of mental health first aiders.

We developed a Learning Strategy and aligned learning plan to refresh our approach to staff learning, development and progression. A new Learning Network has been implemented to ensure that our learning plans, which vary across a number of organisational work strands, are coordinated and impact on the development of the organisation as well as the individual in a positive way. We recognise that good and relevant learning opportunities are important to staff and their sense of wellbeing and we want to ensure that learning becomes natural and organic over the next few years.

We developed an Inclusive Behaviours Framework that describes how we can all contribute to upholding SCRA's values. We will consult on this during 2022/23, and the framework is an integral part of our approach to:-

- Our Learning plan and our management development programme.
- Our line management, supervision and appraisal.
- Our approach to recruitment and selection.
- Our approach to succession planning and talent management.

We reviewed our Whistleblowing, Discipline, Grievance and Investigation policies, amongst other developments, throughout the year ensuring that they reflected best practice, fairness, transparency and inclusion in the developments. Our most significant policy development was the introduction and implementation of our Agile Work Policy. This policy changes the way we work as an organisation, enabling staff to work flexibly from our offices or their homes. Managers have been trained on how to lead teams that work remotely in a hybrid way and we have developed a supporting set of frequently asked questions to support all staff transitioning to this way of working.

In response to a number of organisational developments such as the embedding of our virtual hearings service, the piloting of an organisational helpdesk and the maintenance of our Recovery Team, we were able to second staff from across the organisation into these teams. Losing skilled and experienced staff from localities into these central teams was a challenge for localities, however, recruitment exercises were undertaken to fill the resultant secondment vacancies which saw around an additional 25 full-time equivalent staff join SCRA. A review will be undertaken into the ongoing size of the central resources required as these services mainstream within localities.

The Health and Wellbeing Group reviewed the staff survey to ensure that it reflected the shape and progression of our organisation, but also to ensure that we could continue to compare results from previous years. The outcomes of the staff survey provide a rich vein of data and information which help inform our future organisational development as well as enabling us to respond directly to the issues staff have raised. The Principal Reporter/Chief Executive held specific staff sessions on the outcomes of the staff survey, which enhanced the feedback further.

Following the launch of our revised recruitment and selection policy, we implemented mandatory training for all recruiting staff to ensure that they have the appropriate skills, information and guidance to successfully recruit to internal and external vacancies. We also benchmarked SCRA against the Scottish Government (SG)'s Ethnic Minority Recruitment Toolkit and developed actions that aim to increase workforce diversity.

We delivered a pay offer to staff that went beyond the SG expectations of basic award for all staff.

Practice and Policy Strategy

The Policy and Practice Strategy sets out the key policy and legislative areas in which we aim to exert influence, how we will respond to those with implications for how we plan and deliver services, and other changes and improvements to our professional practice that we see as priorities.

2021-22 Key Activities

The Practice and Policy plans and actions were, like everything else, severely impacted again by the pandemic in 2021-22. Largely we were able to maintain our core services, providing Practice support and training and fully engaging in the policy world. These were like the previous year, to some extent, harder to achieve due to movement restrictions, e.g. delivery of training had to largely be provided remotely. However, engagement with partners was fully maintained and actually enhanced by the use of remote connections – the ability to facilitate large groups for meetings, and lack of travel to meetings meant that attendance and participation was greatly improved.

The changing issues related to the pandemic required us to constantly change and review our services, which required significant support from Practice. The continued use of virtual hearings and virtual court meant that bespoke guidance had to be created or reviewed, sometimes within tight timescales. Often this guidance required consultation with partners, in particular CHS. There was also a considerable Practice and Policy requirement to respond to legal challenges related to the Coronavirus Act 2020. Our use of the provisions required to constantly be reviewed, and the direction and guidance updated, and there was also a considerable reporting requirement on our use of the provisions. Preparation for the end of most of these provisions required careful planning, and guidance from the Practice Team.

The introduction of provisions under the Children (Scotland) Act 2020 placed a huge requirement on the Practice Team. These provisions were significant, providing participation rights to certain individuals in certain circumstances. This required detailed consideration and interpretation, and the drafting of Practice Direction. There was also a need for briefing materials for partners, and templates for use. These provisions came into force on 26 July 2021.

Policy activity has been higher than ever, despite the pandemic. 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, and the Children’s Care and Justice Bill, which seeks to raise the age of referral to the Reporter. Engagement on The Promise has dominated the policy work. We are full participants in the Hearing System Working Group, and have developed a full programme of work in relation to the Promise.

During the whole of 2021-22, we have again 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 or fortnightly depending on the need. This group continues to monitor and implement the system wide recovery plan which has been reported to and endorsed by the Children’s Hearings Improvement Partnership.

Finance Strategy

The Finance Strategy sets out how we plan and manage our budgets, procurement and our property estate.

2021-22 Key Activities

An updated Financial Strategy for the period 2022/23 to 2026/27 was presented to the SCRA Board in September 2021.

It included 3 objectives to:

- Achieve long term financial sustainability.
- Take a medium to long term view of investment in our key resources and capabilities and new developments.
- Align the Financial Strategy with other strategies.

The Strategy recognised that the environment in which SCRA operates constantly evolves. The continuing impact of recovery from the pandemic is recognised and beyond this the Strategy highlighted the planned legislative changes which will impact on SCRA over the period of the Financial Strategy, including the Children (Scotland) Act, UNCRC incorporation, raising the age of referral to include all 16 and 17 year olds in the Hearing system, the Age of Criminal Responsibility Act and the very significant developments that will flow from The Promise recommendations. In addition, the Standard Operating Model (SOM) was implemented, bringing a greater degree of consistency in case processing.

The Strategy reflects required revenue grant in aid increases of 6% in 2022/23 and 4% in 2023/24, 2024/25, 2025/26 and 2026/27.

In relation to Digital, the Digital Programme Director expects IT support costs to increase by around 0.5% per annum to reflect continued investment in Digital. The Strategy also reflects the need for capital investment in CSAS beyond Minimum Viable Product (MVP) in the new digital infrastructure, and services and regular technology refreshes. Further progress was made on digitizing hearing room capability, improving connectivity, development of new virtual hearings service models and the Hearings Information Pack.

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 2021/22 was:

- Resource – £25.16m (standstill).
- Capital – Property £0.75m.
- Capital – Digital £1.15m.

Additional resource funding of £1.1m was drawn down to fund recovery activity and other known pressures.

Regular reporting to the Board throughout the year confirmed that SCRA operated within the resources allocated by the Scottish Government, plus some 2020/21 resource carry forward. Whilst the pandemic did not impact on staffing costs in 2021/22, savings have been generated on property costs and similar to 2020/21 on staff travel, postage and stationery.

Looking to 2022/23, funding allocated by the Scottish Government is:

- Resource – £25.16m (second year of standstill).
- Capital – Property £1.185m.
- Capital – Digital £0.765m.

In addition, funding of £1m is available for extension of temporary contracts and up to £2.1m for remaining pressures.

Rights, Inclusion and Corporate Parenting

The Rights, Inclusion and Corporate Parenting (RICP) Strategy aims to ensure a Rights, Inclusion and Corporate Parenting approach to children and families is rooted in the findings of Scotland's Independent Care Review and 'The Promise' Scotland made to our care experienced young people and future recipients of care.

2021-22 Key Activities

SCRA's Rights, Inclusion and Corporate Parenting Strategy: At the beginning of 2021, it felt right to widen our integrated approach and to combine three intersectional elements of our statutory strategic work – human rights, inclusion and diversity and corporate parenting. This approach enables us to take a rights-based approach to everything we do (for children, families, our workforce and our partners). It encourages us to recognise that there are people who require additional support in order for their rights to be realised and that, as caring and committed corporate parents for the children we work with, we will do we all we can to uphold and defend these rights and ensure they are included, respected and valued. This strategic approach is equally managed across three key SCRA areas of work – Practice and Policy (Rights), Human Resources (Inclusion and Diversity) and Strategy (Corporate Parenting) which ensures it is embedded and links into, and across everything we do. The RICP Strategy also aligns with our corporate objectives of Care, Connect and Protect in SCRA's 2020-24 Corporate Plan.

SCRA's Equalities and Human Rights Impact Assessment (EHRIA): SCRA introduced our bespoke approach to integrated impact assessment with inbuilt governance and quality assurance through our Equality Review Group in early 2020. Throughout the reporting period we have been further developing this approach and embedding it across the full breadth of our work.

The following key outcomes were achieved across the three strands of the RICP strategy:

Inclusion

- The new Race & Ethnicity Group is chaired by SCRA's Principal Reporter/CEO to ensure race equality work is a strategic priority. This work will be driven by our desire to be anti-racist in everything that we do. We are using the Scottish Government's Minority Ethnic Recruitment Toolkit to identify areas in our recruitment, selection and retention to better diversify our workforce.
- SCRA has been used as a case study for good practice for our approach to Employee Equality Monitoring by enei and the collection and use of equality monitoring data of children referred to SCRA by the Scottish Government¹.
- SCRA's inclusion and diversity work was subject to internal audit in October 2021, which found a 'substantial' level of assurance of the design and operational effectiveness of this programme

¹ <https://enei.org.uk/resources/news/scottish-childrens-reporter-administration-collection-and-use-of-equality-data-case-study/>

of work. It highlighted areas for improvement around governance, training and impact assessment. These recommendations have been prioritised in our work for 2022/23.

- SCRA received the Employers Network for Equality & Inclusion (enei) Bronze TIDE Award in July 2021. TIDE is enei's self-assessment evaluation and benchmarking tool which measures an organisation's approach and progress on diversity and inclusion to encourage flexible and inclusive management of diversity and inclusion work programmes. Participation in this benchmarking exercise identified areas for improvement that we will focus on in 2022/23 including training and procurement.

Rights

- We developed an internal plan to focus on rights and children's rights – SCRA's Rights Respecting Approach.
- We established a Right Direction Group to help us in our journey towards becoming rights defenders. We recognise that the expertise that others bring, in acting as an expert reference group who can oversee and influence our ideas, is invaluable.
- We developed a collaborative approach to the distinctive decision-making in the Children's Hearing and Family Group Decision Making, which we hope will be useful and informative.
- We believe in advocacy as a key support for children. We continue to be members of the National Advocacy Expert Reference Group and have developed positive national and local working relationships with Advocacy Partners. We worked with the Scottish Government in planning, design and input to an online advocacy event for practitioners. We continue to promote the Advocacy for Children's Hearing Website.
- We developed and promoted the Scottish Government introductory training on children's rights across SCRA's staff group.
- We worked with Article 12 in Scotland, (a young person focused Scottish non-government organisation that works to promote young people's rights as set out in international human rights charters) to really consider what Article 12 means for us all in SCRA and the wider Children's Hearings System.
- We finalised and implemented a Child Protection and Safeguarding Policy and provided locality training in respect of the policy for all staff.
- We developed a new practice direction for Reporters, in July 2021, and included new information on our website for children and for young people to explain what these participation rights mean for you in your Children's Hearing. We created and launched a cartoon animation to promote sibling/participation/rights on social media. We also worked with partners to develop extensive materials for partners to use in training or for information to help the implementation of the new legislation.

Corporate Parenting

- We appointed a Keeping the Promise Programme Manager to lead our Promise work – across both Reform and Improvement – and an Operational Change Lead to ensure close working between the project team and operations, these roles are part of a wider Keeping the Promise Team.

- SCRA's 2021-24 Keeping the Promise Route Plan was developed and published to describe what SCRA will be doing to Keep the Promise and an internal Promise Programme Board is in place to oversee this work. We also promoted an animation about our approach to this journey.
- Working with NHS Education for Scotland (NES) we developed a programme of Trauma training for all staff – the first two modules are complete and ready to be rolled out.
- With Our Hearings Our Voice, we prioritised their calls to action by the things that we could take forward in SCRA, and those that we will work with others on. The asks form part of our direction for our participation group and are part of our Promise work. We provided OHOV and our partners with our '1 year on' progress report.
- The Dolly Parton Book Gifting programme was successfully rolled out to all localities.
- Another 6 Hearings rooms were revamped to make them more child and family friendly in Glasgow, Edinburgh, Bellshill, Lochgilphead, Inverness and Kirkwall.
- Individual takeaway sensory and colouring kits were available in all our hearing centres for children to take when attending hearings.
- A care experienced Modern Apprentice was recruited and appointed to the Dumbarton office.
- In partnership with Proud to Care in Inverclyde, new 'Hearing About Me' forms were designed and developed to replace the All About Me Forms. These will be available electronically, by email or on paper.
- SCRA has been working with partners e.g. CELCIS and STAF Participation Network to explore different approaches to participation and to hear from others what has worked (or not) and we will continue to work with others as we look at improving how we can enable more effective participation through our Promise work.
- We undertook the level 2 consultation with care experienced Modern Apprentices in partnership with Health Improvement Scotland to provide advice and consultation on the Barnahus Standards
- The Born into Care research by the Universities of Lancaster and Stirling and SCRA research report has been submitted to the Scottish Government and considers the impacts of inequality.
- On behalf of Stand Up For Siblings SCRA and CHS undertook surveys of Panel Members on their experience and observations of siblings participation rights before and after implementation of the new laws to assess how they were working in practice.

1.4 Performance Analysis

This section details SCRA's achievements in the year in terms of its key performance Indicators (summarised in figure 1) 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 has again been significantly impacted by the pandemic across 2021/22 in terms of impacts on partners and our ability to deliver services. For the first half of the year we were operating under emergency legislation which was designed to reduce pressures on the system in a number of ways including:

- Removing the requirement for 2nd 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.

These specific provisions ended on 30th September 2021. More detail can be found here:

www.scra.gov.uk/2020/05/coronavirus-legislation-changes-to-the-law/.

Summary of Key Performance Indicators

Performance Measures

SCRA has eight 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. The annual outcomes are summarised below.

Figure 1.

Performance measures	Target	Outcome	Prior Year
a) The percentage of decisions on referrals made within 50 working days of receipt	n/a	69%	71%
b) The percentage of Hearings scheduled to take place within 20 working days	n/a	50%	54%
c) The percentage of working days lost to short term absence	2%	1.6%	1.0%
d) The percentage of working days lost to long term absence	2%	3.4%	3.7%
e) Variance in annual revenue spends as a percentage of the available revenue budget	1%	0.7%	3.1%
f) Percentage of revenue savings achieved in the year	1.5%	2.5%	3.4%
g) Variance in annual capital spends as a percentage of the available capital budget	5%	15.1%	27.1%
h) The Scottish Government efficiency savings target will be met	0.5%	Met	Met

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

- a) Decision making by Reporters within 50 working days was down 2 percentage points (pp) against the prior year though this was against an increased number of decisions compared to 2020/21.
- b) Hearing scheduling was down 4pp in the year to 50%. 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. This obviously has an impact on the ability to schedule grounds Hearings within the 20 working day target.
- c) Short term absence at 1.6% was within the 2% target and was 0.6pp higher than the prior year. Agile working has in part contributed to the achievement of this target as home working enables staff to maintain attendance on days when, due to illness, they would have been unable to travel to an office. As we have increased office based working, this rate has increased.
- d) Long term absence at 3.4% was down 0.3pp from the prior year but was still well above the 2% target. There were eight long term absences due to Covid compared to six the year before. There was a higher percentage of absences due to psychological reasons compared to 2020/21, although the proportion of these attributed to work reduced. This increase is likely a result of the challenges staff have faced throughout the year due to personal, work and Covid related issues.
- e) & f) Significant Head Office vacancy savings alongside savings on estates costs and staff travel were being partly offset by spend on temporary operational supernumerary staffing to support RAVHI and other areas of operations, plus meeting the revenue spend elements of the Digital Programme.
- g) Property programme underspent by £91k (11%) due to delays on Aberdeen, Elgin and Minor Works projects partly offset by planned overspends on Hearing Room improvements and condition survey works. Work underway to secure this resource to allow these to complete in 2022/23. Digital programme underspent by £182k (14%) due to global supply chain issues and refocusing of organisational priorities. In addition the underspend of £182k excludes £118k of expenditure which was classified as revenue spend. This results in a small overall Digital programme underspend of £64k.
- h) Head Office staff vacancy savings (excluding those directly focused on Organisational Recovery and frontline support).

There is no longer a property KPI but there are instead two quality measures. SCRA's hearing centres are our main public facing facilities and these are the main focus of our attention. The first quality measure therefore considers the operational suitability of our hearing centres. Alongside this, there is a quality measure now included to measure the efficiency of how we use property and the cost effectiveness of our estate.

Quality Measures – 2021/22

- 1 Percentage of hearing centres that comply with our requirements 60.6%
- 2 The average percentage quality score achieved across the estate 89.1%

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 continued to be impacted in 2021/22 by a number of factors that have occurred across the pandemic. This includes:

- 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); and
- The delivery of the hearing service is now more complicated by virtue of different 'types' of attendees, including siblings and different modes of attendance (face to face, virtual, or a combination of both).

In addition to these general factors, all localities had to focus significant time and effort on the following activities throughout 2021/22:

- Business Continuity/ Pandemic Recovery (staff issues, property, equipment, recovery planning, partnerships);
- CSAS embedding;
- developing a Standard Operating Model; and
- Staff support and wellbeing.

The Senior Operational Managers and localities ensured that a continuous service was provided and the most vulnerable children were protected and safeguarded, notwithstanding the significant challenges presented by Covid. Work continued throughout the pandemic across all areas of activity, focus during 2021/22 on ensuring recovery across decision making, hearings and court activity.

Children referred

The reasons (grounds) on which children 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 2021/22, 8,691 children were referred on non-offence grounds this is up 8.5% from the previous year. Likewise, the number of children referred on offence grounds in the year at 2,398 was up 8.7%.

There are certain types of referrals that indicate greater or immediate concern about the child person's safety. These include Child Protection Orders (CPOs). At 479, 91 fewer children had CPOs (16.0%) 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 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, 23.2% of children with a referral decided, had a decision to arrange a Hearing. This was a 1pp increase on the prior year.

Pre-Hearing Panels and Hearings

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

- whether to deem/undeed an individual as a relevant person;
- whether to excuse a child or relevant person from the obligation to attend the Children's Hearing;
- whether an individual has participation rights; and
- whether an individual should be allowed to attend only by electronic means.

The last two in the list above were new purposes for PHPs which only started at the end of July 2021. PHPs increased by 11.9% to 328 against 293 last year. Numbers remain low as there is still no requirement for a child to attend a Hearing as part of the emergency Covid legislation.

Children's Hearings decide whether compulsory measures of intervention are necessary (in respect of the child) to protect the child and/or address their behaviour. Hearings increased by 34.8% to 21,909 against 16,248 in the prior year, an increase of 5,661.

Applications to the Sheriff for proof

If the child 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 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, 2,072 applications were determined in 2021/22 and 90.1% were held to be established by the Sheriff. This was 373 more applications determined in the year (22.0%).

Compulsory measures of supervision

Compulsory Supervision Orders (CSOs) 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 CSOs. At the year-end, 7,265 children and young people were subject to CSOs. This is 694 fewer than the prior year end, a decrease of 8.7%.

Appeals

Children and/or their relevant persons can appeal to the Sheriff against decisions made by Children's Hearings and Pre-Hearing Panels. In 2021/22, 435 children had appeals concluded, a 9.6% increase from the prior year. A child may have multiple appeals within the year. Of the 568 appeals concluded, 55.5% of appeals were refused by the Sheriff or abandoned by the appellant. This is largely unchanged 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. We assessed SCRA's Partnership Approach against the Scottish Government's Fair Work in Public Bodies principles, noting that we are performing well in these areas.

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.

SCRA's People Strategy seeks to develop local organisational conversations to engage with staff on all aspects of organisational development, and 2021/22 saw a large increase in the number of staff engagement and consultation sessions. There have been significant exercises undertaken in relation to the development of the Agile Working Policy, review of our support roles, Keeping the Promise, Team Brief Sessions with the Principal Reporter/Chief Executive, etc. UNISON have also held a number of engagement sessions with their members to inform partnership working.

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

Payment Performance

In line with Scottish Government guidance, SCRA's policy is to pay all invoices that are not in dispute within the lesser of 10 working days and the agreed contractual terms. During the year ended 31 March 2022, SCRA paid 76% (31 March 2021: 68%) of 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 2022/23.

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

Since 2011, specific environmental duties were placed on public bodies to fulfil during the course of delivering their services. Under the Climate Change (Scotland) Act SCRA is required to:

- Contribute to delivery of Scotland's national net zero target (mitigation – reducing greenhouse gas emissions);
- Help deliver Scotland's climate change adaptation programme (adaptation –resilience to the impacts of a changing climate);
- Act sustainably (sustainable development as a core value).

The Scottish Government declared a Climate Emergency in 2019, and introduced new legislation bringing forward more ambitious emission reduction targets within the following timescale:

- 2030 - GHG emissions to be reduced by 75%
- 2040 - GHG emissions to be reduced by 90%
- 2045 - Net Zero GHG emissions

Our Corporate Plan for 2020-24, 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 minimises our impact on the environment.

Environmental Performance

Over the course of 2021/22, five key areas were identified for action:

- **Environmental Objectives:** Environmental Objectives now form part of Locality Planning and Sustainability plans were implemented in January 2022. These set out the objectives/ actions that localities require to contribute towards the Scottish Government's climate change targets and Net Zero. Locality sustainability planning will be extended to 2024 in line with other organisational plans.
- **Emissions Targets:** An interim 3 year target of achieving a 10-20% reduction in Emissions was set following consideration by the Board.

- **Consumption Data Capture:** Greater analysis and monitoring of consumption data is being undertaken and our Business Managers regularly engage with utility suppliers on monitoring the consumption data we receive across the country.
- **Sustainability Training:** Climate change awareness training has been included within our induction programme for new staff.
- **Environmental Champions:** Whilst intended to be implemented in 21/22, the need to focus on covid recovery has delayed implementation of building a team of Environmental Ambassadors to provide support in localities in the delivery of their plans. This is now planned in 22/23.

Whilst there was an 11.5% annual reduction in our emissions for 2020/21, these figures are heavily influenced by the impact of the pandemic and decarbonisation of the electricity network. The figures include a figure for homeworking based on an estimate for staff who were working from home over the course of the year. Many of the factors influencing our emissions figures in 20/21 will have continued into 21/22 and we may, therefore, see an increase in emissions in 22/23 as use of our buildings and business-related travel starts to increase.

To monitor how well public sector organisations are contributing to Scotland's Climate Change targets, secondary legislation was introduced in September 2020, requiring additional information to be provided in our annual climate change reports. Specifically, with effect from 2022, a statement is required setting out how we will use our resources to reduce emissions and to provide a date for reaching Net Zero.

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 2020/21 was submitted at the end of November 2021, and then reviewed by the Scottish Sustainability Network. Reports submitted for last year and previous years can be found at <https://sustainablesotlandnetwork.org/reports>

<u>Emission Source</u>			<u>2020/21</u>		<u>2019/20</u>	
	<u>Scope</u>	<u>Unit</u>	<u>C</u>	<u>E</u>	<u>C</u>	<u>E</u>
Heating - Natural Gas	1	kWh	1,439,020	264.59	1,472,322	270.72
Heating - Oil	1	litres			4,869	12.37
Electricity (generation)	2	kWh	688,999	160.63	951,993	221.95
Electricity (transmission losses)	3	kWh	688,999	13.81	951,993	19.09
Business Travel - miles	3	miles	42,018	11.79	294,848	82.71
Water - Supply	3	m ³	2,081	0.23	4,390	1.51
Water - Treatment	3	m ³	2,081	0.48	4,171	2.95
Waste - mixed recycling	3	tonnes	21	0.46	46	0.99
Waste - paper recycling	3	tonnes	12	0.25	13	0.29
Waste - Landfill	3	tonnes	37	17.09	63	29.00
Homeworking emissions	3	% home-based	75.00%	98.23		
		Total		567.56		641.57

C – Consumption in units

E – Emissions (tCO₂e) calculated

Our climate change and sustainability duties require every part of the organisation to be involved. Key areas have previously been identified for organisational action and these remain relevant:

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

Key Issues and Risks

The key strategic risks tracked throughout 2021/22 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;
- SCRA do not maintain a skilled, motivated and flexible workforce which can meet current demands and future needs;
- Significant policy, legislative and reform/transformation change agenda impacts on SCRA's ability to deliver core services or necessary change programmes;
- 2022/23 Scottish Government budget does not deliver required level of revenue and capital resources with impact on ability to influence and respond to new legislative and policy pressures;
- Failure to progress Board approved Environmental plan and inability to accelerate plans to meet new targets;
- The optimum model for CSAS ownership and accountability and a joint future partnership between SCRA and CHS is not adequately defined and agreed; and
- Organisational recovery plan fails to deliver operational stability within an acceptable timeframe.

There is a significant action plan in place to mitigate the risk of a successful cyber-attack and this risk will continue to be tracked in 2022/23. In relation to the 2022/23 Scottish Government Budget risk, this did crystallise and SCRA will work with Scottish Government to minimise unfunded resource pressures while preparing for further policy and legislative change and meeting the challenges of The Promise, the subject of a separate strategic risk. The 2021/22 Operational and Locality Plans and risk registers focused on actions to deliver organisational recovery and operational stability. The focus of operational and locality risk is now moving onto supporting staff to deal with the demands of change and improving casework efficiency through continuing to improve the use of CSAS and the Standard Operating Model.

The Executive Management Team have identified two new strategic risks:

- Inability to engage with digital developments inhibits realisation of full potential of new technologies resulting in significant operational disruption.
- Inability to meet staff expectations on pay/reward resulting in operational disruption/staff engagement in change

Details of the risk management arrangements are set out in section 2.3.12 on page 41.

2022/23 Planning

The Business Plan objectives for 2022-23 set out how all parts of the organisation will contribute to improvement in our service delivery as we address the commitments in our 2021-24 Keeping The Promise Route Plan and prepare for future legislative changes. The actions in the Business Plan will build on the good progress made in 2020-21 in implementing CSAS and rolling out the Standard Operating Model.

The 2022-23 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 continued funding for additional operational staff during 2021-22 for recovery work and delivery of virtual has been crucial in enabling localities to respond flexibly to changes in service delivery. The benefits of agile working are evident particularly in terms of delivering a flexible working environment that aids staff's health and wellbeing.

The continuation of funding for temporary staff into 2022-23 is helping the organisation to complete the process of recovery and to dedicate resources to delivery of SCRA's Keeping The Promise Plans.

Neil Hunter
Accountable Officer

2. Accountability Report

2.1 Director's Report

The table below shows the date of appointment for Board members in 2021/22.

Board Member	Appointment Date
Michelle Miller (Chair)	01 May 18
Catherine Robertson	01 Nov 13 – 31 Oct 21
Anela Anwar	01 Dec 14
Tam Baillie	01 Sep 18
James Edgar	01 Oct 17
Martin Toye	01 Jun 16
Suzanne Vestri	01 Oct 16
Kay Barton	01 Nov 21
Lorraine Moore	01 Nov 21

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

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 2021/22.

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
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 five 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

The SCRA reports all reportable breaches to the Information Commissioner's Office (ICO) in compliance with data protection legislation. A risk assessment is completed for each data breach to determine whether it is likely to result in a risk for the rights and freedoms of any individual. There was a total of six breaches reported to the ICO in 2021-22. 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 where appropriate.

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 was a total of 56 incidents in 2021-22 where Non-Disclosure Orders were breached. The SCRA was responsible for 32 Non-Disclosure breaches, and five of these were reported to the ICO. The main cause of the breaches that were reported to the ICO, was a failure to redact documents correctly.

In comparison, there was a total of 29 Non-Disclosure breaches in 2020-21 and 44 in 2019-20.

Case Information

The 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 2021-22, the SCRA reported one case of an information breach to the ICO. This breach occurred due to a page from child A's Record of Proceedings (ROP) being accidentally attached to correspondence that was posted to the mother of child B. The families were not directly connected, but were aware of each other.

The 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 (IG) Lead and the IG Leads Group meets regularly to monitor activity, including lessons learnt from breaches. The lessons learned from the breaches is posted on Connect monthly for staff to read. All staff have been trained on GDPR; they are also required to do annual GDPR refresher training. The Board's Audit and Risk Committee receives six monthly reports on Information Governance.

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 the Scottish Public Finance Manual (SPFM).

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.

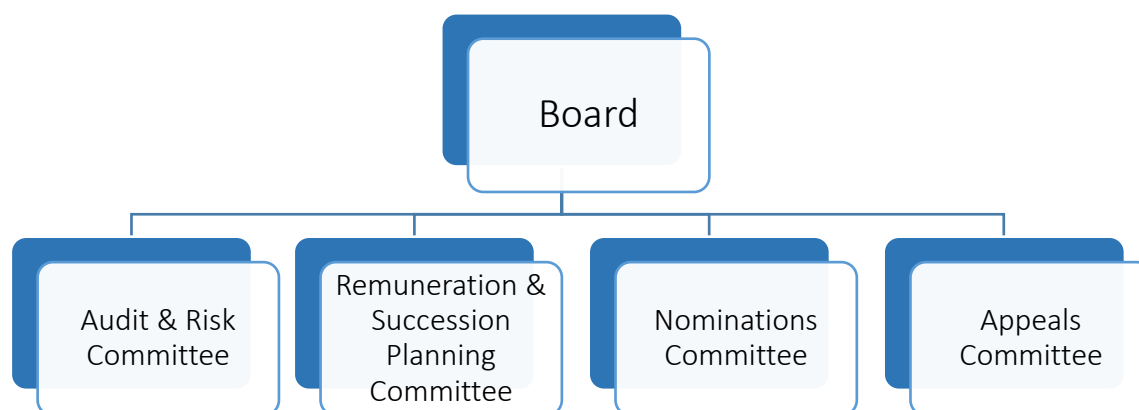
2.3.2 Governance framework

SCRA's governance framework accords with generally accepted best practice principles and guidance from Scottish Ministers in the SPFM and has been in place for the year ended 31 March 2022 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 2021/22 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 2021/22 (June 2021, September 2021, December 2021, January 2022 and March 2022) on regular business. Two Board Development days were held in April 2021 and November 2021. One joint Board meeting with Children's Hearings Scotland's Board was held in February 2022.

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 2021/22
<ul style="list-style-type: none"> • Committee Minutes • Chief Executive's Report • Budget Monitoring • Organisational Performance (Modified while in business continuity and recovery mode, now fully restored). • New Risks 	<ul style="list-style-type: none"> • Digital Strategy Review, Digital Update • The Promise – Reporting and Governance Structure, Promise Progress Updates • Board Governance Review • Sustainability Review • Agile Working Policy • Framework Document • Whistleblowing Policy • Staff Survey • Draft Budget 2022/23 • Draft Business Plan 2022/23 • Rights, Inclusion & Corporate Parenting Strategy • Communications and Engagement Strategy
Annual	
<ul style="list-style-type: none"> • Budget • Annual Accounts and Management Representation Letter • Annual Report • Corporate and Business Plans • Senior Operational Managers Review • Complaints • Environmental Report • Property Strategy • Financial Strategy • Committee Annual Reports • Health & Safety • Workforce Report • Overview of Policies • Research Programme • Equalities Network Annual Report • Annual Procurement Report • Board and Committee Terms of Reference Review 	<p>COVID 19 Specific Items</p> <ul style="list-style-type: none"> • Data Performance Report
Bi-annual	
<ul style="list-style-type: none"> • Influencing Report • Strategic and Operational Risk Registers 	

2.3.4 Board Development Meetings

Business conducted at the Board Development Days (April and November 2021) included:

- CSAS update and demonstration
- Board Member recruitment
- GDPR
- Data Workshop
- The Promise
- Committee membership and review of lead responsibilities
- Board Members Performance Review Framework
 - Setting and reviewing Board Objectives
 - Board Training Plan
- Joint Board
 - OHOV
 - Hearing System Working Group and Hearing Redesign
 - Workshop – priorities for reporting and priorities for Hearing System Working Group

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 2021, August 2021, November 2021 and February 2022):

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

Digital Strategy <ul style="list-style-type: none"> Update from Digital Oversight Committee (ended September 2021) 	<ul style="list-style-type: none"> ARC self-evaluation
Risk Management <ul style="list-style-type: none"> New Risks 	Bi-annual <ul style="list-style-type: none"> Review of Strategic and Operational Risk Registers Internal Audit Recommendations Follow-up Pensions Update
Topical/Regulatory/Governance Issues	
Specific Items during 2021/22 (in addition to above) <ul style="list-style-type: none"> Data Quality Report CSAS MVP Project Closure Report Risk Management Policy Review 	

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 received regular updates from the Digital Strategy Oversight Committee which met quarterly until September 2021 and comprised 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 was able to operate as required during 2021/22. The Board Chair attended all committee meetings during 2021/22 to ensure appropriate board membership.

Business dealt with during 2021/22 (meeting held June 2021):

- Pay Award Proposals 2021/22
- Performance and Objective Setting for PR/CE 2020/21 and 2021/22
- Pay Award Proposal PR/CE
- Succession Planning Update – Women into Leadership

The meeting held in March 2022 was not quorate, but no decisions were required to be made.

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 2021/22 (meeting held April 2021):

- SCRA Board Recruitment

2.3.8 Remuneration & Succession Planning/Nominations Committee

The Remuneration & Succession Planning and Nominations Committee met together in March 2022 to consider the following business:

- Pay Award Proposals 2022/23
- PR/CE Performance Appraisal 2021/22
- Board Member Recruitment

2.3.9 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 2021/22.

2.3.10 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 (now Digital Change Advisory 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.

2.3.11 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 2022, 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 2022 and no major control gaps have been identified.

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

2.3.12 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 2022/23 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 2021/22 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;
- SCRA do not maintain a skilled, motivated and flexible workforce which can meet current demands and future needs;

- Significant policy, legislative and reform/transformation change agenda impacts on SCRA's ability to deliver core services or necessary change programmes;
- 2022/23 Scottish Government budget does not deliver required level of revenue and capital resources with impact on ability to influence and respond to new legislative and policy pressures;
- Failure to progress Board approved Environmental plan and inability to accelerate plans to meet new targets;
- The optimum model for CSAS ownership and accountability and a joint future partnership between SCRA and CHS is not adequately defined and agreed; and
- Organisational recovery plan fails to deliver operational stability within an acceptable timeframe.

Details of the changes to the risk profile in 2021/22 and risk mitigations are set out in the Performance Review on page 10.

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. Under the terms of a Framework Agreement a further two year contract was agreed which will end in June 2023. The Internal Auditor delivered risk management training in 2021/22 which was attended by risk leads in the organisation.

2.3.13 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.

2.3.14 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. The day to day work of the Information Governance Team includes General Data Protection Regulation (GDPR) compliance.

2.3.15 Data security

A total of six 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 33. 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 34.

2.3.16 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. Having been on hold due to the impact of the pandemic and the roll out of the internal case management system, the case sampling programme re-commenced in 2021/22 as planned, with three case sampling exercises conducted. The first, a slightly different exercise to normal – a focus on Data Quality, this allowed for initial interrogation of the use of data and recording case information on the new case management system. This exercise was carried out centrally by the Quality and Performance Team to allow a resumption of the programme but without the additional draw on operational resource. The November '21 committee considered a Case Sampling exercise on the Reporter's selection of the appropriate section 67 ground at the point of final decision. And finally, the February committee received and considered a report on the cases of children jointly reported to the Children's Reporter and Procurator Fiscal.

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 were able to resume again, albeit remotely, during this period to take forward this agenda.

2.3.17 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 2021/22. 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.

2.3.18 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 2021/22 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 2021/22, 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 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)
- 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.

2.4.2 Senior managers' service contracts

In the event of early termination of a senior manager service contract and subject to Scottish Government 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	Open-ended contract	3 months
<i>Senior Operational Manager</i>			
Paul Mulvanny	12 August 2019	Open-ended contract	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>			

2.4.3 Board members' and Senior Managers' remuneration (audited)

Non-executive Board Members	Salary and allowances 2021-22 £000	Salary and allowances 2020-21 £000
Michelle Miller (Chair)	20-25	20-25
Sam Anderson	n/a	0-5
Anela Anwar	0-5	0-5
Tam Baillie	0-5	0-5
Kay Barton	0-5	n/a
James Edgar	0-5	0-5
Lorraine Moore	0-5	n/a
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 2021-22 £000	Pension benefits 2021-22 £000	Single total figure of remuneration 2021-22 £000	Salary and allowances 2020-21 (restated) £000	Pension benefits 2020-21 £000	Single total figure of remuneration 2020-21 (restated) £000
Executive Management Team Members						
Neil Hunter	100-105	15	115-120	100-105	36	135-140
<i>Principal Reporter/Chief Executive</i>						
Edward Morrison	70-75	(14)	55-60	70-75	37	105-110
<i>Head of Finance and Resources</i>						
Susan Deery	70-75	(13)	55-60	70-75	36	105-110
<i>Head of Human Resources</i>						
Helen Etchells	65-70	11	75-80	60-65	46	110-115
<i>Senior Operational Manager</i>						
Paul Mulvanny	65-70	9	75-80	60-65	58	120-125
<i>Senior Operational Manager</i>						
Thomas Philliben ¹	n/a	n/a	n/a	30-35	5	35-40
<i>Senior Operational Manager</i>						
Alistair Hogg	70-75	0	70-75	70-75	32	100-105
<i>Head of Practice and Policy</i>						
Lisa Bennett	70-75	6	75-80	70-75	29	95-100
<i>Head of Strategy and Organisational Development</i>						
Lawrie McDonald	75-80	24	95-100	70-75	24	95-100
<i>Head of Digital Delivery</i>						

¹ Left office on 30 June 2020

In previous years, salaries and allowances have been reported inclusive of employer's pension contributions. The 2020-21 salary and allowances, and single total figure of remuneration, have been restated above to exclude employer's pension contributions.

	2021-22 Salary	2021-22 Allowances	2021-22 Total remuneration	2020-21 Salary	2020-21 Allowances	2020-21 Total remuneration
Highest paid Executive Management Team member	£101,059	£0	£101,059	£100,259	£0	£100,259
25 th percentile	£24,949	£0	£24,949	£24,149	£0	£24,149
Median	£32,245	£0	£32,245	£31,459	£0	£31,459
75 th percentile	£44,470	£0	£44,470	£43,598	£0	£43,598

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

The highest paid Executive Management Team member's salary and overall remuneration increased by 0.8% between 31 March 2021 and 31 March 2022.

The 25th percentile pay ratio has decreased from 4.15:1 to 4.05:1 due to both salaries increasing by the same cash value.

The median pay ratio has decreased from 3.19:1 to 3.13:1 due to both salaries increasing by approximately the same cash value. SCRA believes the median pay ratio for 2021/22 is consistent with its pay, reward and progression policies for SCRA employees taken as a whole.

The 75th percentile pay ratio has decreased from 2.30:1 to 2.27:1 due to both salaries increasing by approximately the same cash value.

The full-time equivalent remuneration paid to SCRA staff ranged from £17,356 to £101,059 (2020-21: £16,991 to £100,259).

No senior manager received any benefits in kind or non-cash remuneration in 2021-22 (2020-21: £nil).

Senior managers' pension entitlements

	Real increase in pension in year to 31 March 2022	Real increase in lump sum in year to 31 March 2022	Total accrued pension at 31 March 2022	Total accrued lump sum at 31 March 2022	CETV* at 31 March 2021	CETV* at 31 March 2022	Real increase in CETV* during year
	£000	£000	£000	£000	£000	£000	£000
Executive Management Team Members							
Neil Hunter	0-2.5	0	20-25	0	301	342	13
<i>Principal Reporter/Chief Executive</i>							
Edward Morrison	(2.5)-0	(5)-(2.5)	35-40	60-65	693	739	(3)
<i>Head of Finance and Resources</i>							
Susan Deery	(2.5)-0	(5)-(2.5)	35-40	60-65	651	694	(3)
<i>Head of Human Resources</i>							
Helen Etchells	0-2.5	0	25-30	0	297	332	11
<i>Senior Operational Manager</i>							
Paul Mulvanny	0-2.5	(2.5)-0	25-30	40-45	465	513	13
<i>Senior Operational Manager</i>							
Alistair Hogg	0-2.5	(2.5)-0	25-30	25-30	429	466	4
<i>Head of Practice and Policy</i>							
Lisa Bennett	0-2.5	(2.5)-0	20-25	10-15	229	252	3
<i>Head of Strategy and Organisational Development</i>							
Lawrie McDonald	0-2.5	0	0-5	0	23	49	18
<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 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
Executive Management Team Members							
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

Significant awards made and compensation payable to former senior managers

No significant awards were made or compensation paid to former senior managers in 2021/22 (2020/21: Tom Philliben, Senior Operational Manager, left SCRA as part of a Voluntary Efficiency Retiral with Redundancy exercise on 30 June 2020, and SCRA made a redundancy payment of £66,604 in this case).

2.4.4 Amounts payable to and from third parties for the services of a senior manager (audited)

Children's Hearings Scotland paid SCRA £5,165, £2,583 and £nil in 2021/22 in respect of senior management services from Edward Morrison, Susan Deery and Lawrie McDonald respectively (2020/21: £18,751, £8,492 and £25,032 respectively).

2.4.5 Staff breakdown by gender and permanent/non-permanent contracts

	2021-22	2020-21
Staff with permanent contract - Male	48	46
Staff with permanent contract - Female	315	309
Agency staff/staff with short-term contract - Male	9	8
Agency staff/staff with short-term contract - Female	72	52
Total	444	415

Average numbers are calculated using actual whole-time person equivalents at 1 April 2021, 30 June 2021, 30 September 2021, 31 December 2021 and 31 March 2022. The increase across all categories is attributable to the Organisational Recovery Plan.

Included in these numbers above are five male directors and three female directors. SCRA does not employ any senior civil servants.

2.4.6 Staff numbers and related costs (audited)

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

	2021-22 £000	2020-21 £000
Salaries and wages	13,313	13,157
Social security costs	1,368	1,275
Contributions to pension scheme	2,799	2,223
Cost of early retirement	(126)	(82)
IAS 19 adjustment to pension scheme contributions	5,121	2,049
	22,475	18,622

(ii) Staff costs – other staff

	2021-22 £000	2020-21 £000
Salaries and wages	2,725	2,022
Social security costs	249	205
Contributions to pension scheme	493	391
	3,467	2,618

The increase from 2020-21 is attributable to the Organisational Recovery Plan.

(iii) Staff costs – all staff

	2021-22 £000	2020-21 £000
Salaries and wages	16,038	15,179
Social security costs	1,617	1,480
Contributions to pension scheme	3,292	2,614
Cost of early retirement	(126)	(82)
IAS 19 adjustment to pension scheme contributions	5,121	2,049
	25,942	21,240

The average pay per FTE employee increased by 2.61% between 31 March 2021 and 31 March 2022, reflecting SCRA's implementation of its 2021/22 pay policy.

(iv) Exit packages

SCRA agreed no exit packages during 2021/22 (2020/21: none).

(v) Consultancy

In 2021/22, SCRA spent £54,092 on consultancy (2020/21: £3,660). The increase is due to the retention of an external Project Lead for Our Hearings, Our Voice.

2.4.7 Staff Sickness Absence

In the year to 31 March 2022 average staff sickness absence was 5.0% (31 March 2021: 4.7%). The target for the year to 31 March 2022 was 4% (31 March 2021: 4%). Further detail can be found in the Performance Report.

2.4.8 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

2.4.9 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
6	5.71

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%	0
1%-50%	5
51%-99%	0
100%	1

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	£81,680
Provide the total paybill	£20,947k
Provide the percentage of the total paybill spent on facility time, calculated as: (total cost of facility time ÷ total paybill x 100)	0.39%

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 2022.
- No reportable special payments were made in the financial year to 31 March 2022.
- No reportable fees or charges were received in the financial year to 31 March 2022.
- There are no remote contingent liabilities as at the date the accounts were signed.

Neil Hunter
Accountable Officer

3. Independent Auditor's Report

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 2022 under the Children's Hearings (Scotland) Act 2011. 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Government Financial Reporting Manual (the 2021/22 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 2022 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 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 18 March 2022. The period of total uninterrupted appointment is six months. 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.

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

Risks of material misstatement

I report in my separate Annual Audit Report 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 there is an intention to discontinue the body's operations.

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 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. 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 in respect of irregularities explained in the audit of the financial statements section of my report, 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.

Other information

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

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of 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 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 other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Statement of Governance 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 Statement of Governance

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 Statement of Governance 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.

Helen Russell FCPFA
Senior Audit Manager
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

4 Financial Statements

4.1 Statement of Comprehensive Net Expenditure for year ending 31 March 2022

	Note	2021-2022	2020-2021
		£000	£000
Expenditure			
Staff costs	3	25,942	21,240
Other expenditure	4	6,029	6,035
Depreciation and amortisation	5, 7	1,422	1,350
		<u>33,393</u>	<u>28,625</u>
Income	2	<u>(466)</u>	<u>(481)</u>
Net expenditure		32,927	28,144
Interest payable		3	3
Interest receivable		-	-
Pension scheme finance cost	11	1,268	849
Net expenditure before Scottish Government funding		<u>34,198</u>	<u>28,996</u>
Other comprehensive net expenditure			
Items which will not be reclassified to net expenditure:			
Actuarial loss/(gain) on pensions	11	(28,166)	22,278
Revaluation loss/(surplus) on property	5	-	(273)
Comprehensive net expenditure for the year		<u>6,032</u>	<u>51,001</u>

The notes following the financial statements form part of these accounts.

4.2 Statement of Financial Position as at 31 March 2022

	Note	31 March 2022	31 March 2021
		£000	£000
Non-current assets			
Property, plant and equipment	5	7,869	7,408
Intangible assets	7	4,568	4,679
<i>Total non-current assets</i>		<u>12,437</u>	<u>12,087</u>
Current assets			
Trade and other receivables	8(i)	875	607
Cash and cash equivalents	9	673	1,008
Assets held for sale	6	-	-
<i>Total current assets</i>		<u>1,548</u>	<u>1,615</u>
Total assets		13,985	13,702
Current liabilities			
Trade and other payables	10(i)	2,099	2,344
Other provisions	14	218	156
Finance lease	13(ii)	48	46
<i>Total current liabilities</i>		<u>2,365</u>	<u>2,546</u>
Non-current assets less net current liabilities		11,620	11,156
Non-current liabilities			
Payables	10(ii)	347	98
Pension liability	11	39,039	60,981
Provision for unfunded pensions	12	182	325
Finance lease	13(ii)	1,103	1,150
<i>Total non-current liabilities</i>		<u>40,671</u>	<u>62,554</u>
Assets less liabilities		<u>(29,051)</u>	<u>(51,398)</u>
Taxpayers' equity			
General fund	19	(15,398)	(9,577)
Pension reserve		(16,131)	(44,299)
Revaluation reserve		2,478	2,478
Total taxpayers' deficit		<u>(29,051)</u>	<u>(51,398)</u>

The Accountable Officer authorised these financial statements for issue on 21 September 2022.

Neil Hunter
Accountable Officer

4.3 Statement of Cash Flows for year ending 31 March 2022

	Notes	2021-2022 £000	2020-2021 £000
Cash flows from operating activity			
Net expenditure		(32,927)	(28,144)
Adjustments for non-cash items			
Increase/(Decrease) in pension fund liability		(21,942)	24,683
Increase/(Decrease) in pension reserve		28,168	(22,278)
Depreciation and amortisation charges	5, 7	1,422	1,350
Permanent diminution	4	0	52
Loss on disposal of tangible non-current assets	4, 5	1	11
<i>Movements in working capital</i>			
Decrease/(Increase) in trade and other receivables	8(i)	(268)	110
Decrease/(Increase) in trade and other payables	10, 13(ii), 14	21	(50)
<i>Movements in provisions</i>			
Provision for unfunded pension contribution	12	(143)	(109)
Net cash outflow from operating activities		(25,668)	(24,375)
Cash flow from investing activities			
Purchase of property, plant and equipment	5	(1,114)	(669)
Purchase of intangible assets	7	(641)	(333)
Purchase of assets under construction	5, 7	(18)	(205)
Proceeds of disposals of property, plant and equipment		0	0
Interest received		0	0
Cash flow from financing activities			
Scottish Government funding for year		28,377	27,148
Interest paid		(3)	(3)
Net interest expense on pension asset	11	(1,268)	(849)
Net increase/(decrease) in cash and cash equivalents		(335)	714
Opening Cash Balance		1,008	294
Closing Cash Balance		673	1,008

4.4 Statement of Changes in Taxpayers' Equity

	General Fund £000	Pension Reserve £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2020	(7,729)	(22,021)	2,205	(27,545)
Changes in taxpayers' deficit for 2020-21				
Net gain/(loss) on revaluation of property			273	273
Actuarial gain/(loss) on pension reserve		(22,278)		(22,278)
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
Balance at 31 March 2021	(9,577)	(44,299)	2,478	(51,398)
Changes in taxpayers' deficit for 2021-22				
Net gain/(loss) on revaluation of property			0	0
Actuarial gain/(loss) on pension reserve		28,168		28,168
Net expenditure for the year	(34,198)			(34,198)
Total recognised income and expense for 2021-22	(43,775)	(16,131)	2,478	(57,428)
Funding from Scottish Government	28,377			28,377
Balance at 31 March 2022	(15,398)	(16,131)	2,478	(29,051)

4.5 Notes of the financial statements

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2021-22 *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 2020. Details of this valuation are included in a report published by Falkirk Council.

The contribution rates for 2021-22 were an average of 6.5% by employee and 20.7% 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 on 31 March 2021 due to the uncertainties

in 2020 arising from the pandemic. A further desktop valuation was carried out as at 31 March 2022 of SCRA's three highest valued properties which account for approximately 50% of the estate. These resulted in no movement of 31 March 2021 valuations which has given confidence that the carrying value of land and buildings is appropriate.

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 2022 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.

As noted in note 1(r) below, IFRS 16 is not in effect until 1 April 2022. The impact of IFRS 16 taking effect will be in relation to recording of assets and liabilities in the Statement of Financial Position: SCRA anticipates that properties currently accounted for as operating leases will then be accounted for as non-current assets.

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 Local Government Pension Scheme (LGPS) fund in which SCRA participates, has calculated the liability arising under IAS 19. The actuary to the LGPS fund in which SCRA participates 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 2022, 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.

SCRA obtains independent open market valuations for its entire estate of land and buildings estate every 5 years. The last full valuation was as at 31 March 2021: the next is due in 2026.

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 obligations are set out below:

Change in assumptions at 31 March 2022	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in Real discount Rate	2%	3,690
1 year increase in member life expectancy	4%	7,330
0.1% increase in the Salary Increase Rate	0%	509
0.1% increase in the Pension Increase Rate (CPI)	2%	3,149

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 2022 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 (£3,218k, without discounting at 31 March 2022, and as disclosed in note 13) will be recognised as right of use assets at 1 April 2022.

2. Income

Income of £466k (2020-21: £481k) 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

	2021-22	2020-21
	£000	£000
Other property costs	1,932	1,887
Running costs	2,427	2,579
Rentals under operating leases	969	1,013
Hearing and legal costs	338	235
Training, recruitment and other staff costs	253	151
Board Fees and Expenses	46	45
Auditor remuneration	34	34
Internal auditors' remuneration	29	28
Loss on disposal of non-current assets	1	11
Loss on revaluation	0	52
	6,029	6,035

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
Cost/Valuation									
At 1 April 2021	1,473	5,432	7	4,423	1,396	988	2,378	145	16,242
Additions	0	(2)	22	168	360	442	142	0	1,132
Transfers	0	0	(4)	0	4	0	0	0	0
Disposals	0	0	0	0	(115)	0	(8)	0	(123)
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	0	0	0	0	0	0	0	0	0
At 31 March 2022	1,473	5,430	25	4,591	1,645	1,430	2,512	145	17,251
Accumulated depreciation									
At 1 April 2021	0	756	0	3,862	1,180	690	2,204	142	8,834
Provided in year	0	171	0	181	80	165	70	3	670
Withdrawn on disposal	0	0	0	0	(114)	0	(8)	0	(122)
Withdrawn on revaluation	0	0	0	0	0	0	0	0	0
At 31 March 2022	0	927	0	4,043	1,146	855	2,266	145	9,382
Net Book Value									
At 31 March 2022	1,473	4,503	25	548	499	575	246	0	7,869
At 31 March 2021	1,473	4,676	7	561	216	298	174	3	7,408

The net book amount of property, plant and equipment at 31 March 2022 includes £988k (2021: £1,031k) 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. SCRA's three highest value land and buildings were independently valued as at 31 March 2022, identifying no significant changes to their total market value.

	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
Cost/Valuation									
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
Accumulated depreciation									
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
Net Book Value									
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

6. Assets held for sale

SCRA has no assets held for sale as at 31 March 2022 (31 March 2021: £nil).

7. Intangible assets

	Intangible assets under construction £000	Software licences £000	Information Technology £000	Total £000
Cost/Valuation				
As at 1 April 2021	0	267	9,609	9,876
Additions	0	0	641	641
Transfers	0	13	(13)	0
Disposals	0	0	(4,237)	(4,237)
At 31 March 2022	0	280	6,000	6,280
Accumulated amortisation				
At 1 April 2021	0	262	4,935	5,197
Provided in year	0	7	745	752
Withdrawn on disposal	0	0	(4,237)	(4,237)
At 31 March 2022	0	269	1,443	1,712
Net Book Value				
At 31 March 2022	0	11	4,557	4,568
At 31 March 2021	0	5	4,674	4,679

	Intangible assets under construction £000	Software licences £000	Information Technology £000	Total £000
Cost/Valuation				
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
At 31 March 2021	0	267	9,609	9,876
Accumulated amortisation				
At 1 April 2020	0	250	4,532	4,782
Provided in year	0	12	403	415
Withdrawn on disposal	0	0	0	0
At 31 March 2021	0	262	4,935	5,197
Net Book Value				
At 31 March 2021	0	5	4,674	4,679
At 31 March 2020	4,538	15	0	4,553

8. Trade and other receivables

(i) Current assets:

	2021-22	2020-21
	£000	£000
Other receivables	434	135
Prepayments	441	472
At 31 March	875	607

(ii) Intra governmental balances

	2021-22	2020-21
	£000	£000
Balances with other central government bodies	430	114
Balances with local authorities	33	20
Balances with bodies external to government	412	473
At 31 March	875	607

9. Cash and cash equivalents

	2021-22	2020-21
	£000	£000
Balance at 1 April	1,008	294
Net change in cash and cash equivalents	(335)	714
Balance at 31 March	673	1,008
Bank accounts	661	1,002
Petty cash balance	12	6
	673	1,008

All bank balances at 31 March 2022 are held in commercial banks.

10. Trade and other payables

(i) Current liabilities

	2021-22 £000	2020-21 £000
Trade payables	209	589
Tax and social security	401	403
Other payables	41	59
Accruals	1,448	1,293
	<u>2,099</u>	<u>2,344</u>

(ii) Non-current liabilities

	2021-22 £000	2020-21 £000
Public Works Loan Board (PWLB) loans	37	37
Other payables, accruals and deferred income	310	61
	<u>347</u>	<u>98</u>

(iii) Intra governmental balances

	Payables: current 2021-22 £000	Payables: non- current 2021-22 £000	Payables: current 2020-21 £000	Payables: non- current 2020-21 £000
Balances with other central government bodies	427	38	474	38
Balances with local authorities	7	10	457	(1)
Balances with bodies external to government	1,665	299	1,413	61
At 31 March	<u>2,099</u>	<u>347</u>	<u>2,344</u>	<u>98</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 2022 % p.a.	31 March 2021 % p.a.
Pension Increase Rate (CPI)	3.20%	2.85%
Salary Increase Rate	3.80%	3.45%
Discount Rate	2.70%	2.00%

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

Demographic assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% 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	20.4 years	23.0 years
Future Pensioners*	21.6 years	25.0 years

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

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

Current Pensioners: 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.

Future Pensioners: 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.

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.

A commutation 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 2022

	Assets	Obligations	Net (liability) /asset
	£000	£000	£000
Fair value of plan 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)
Opening position as at 31 March 2021	126,484	187,465	(60,981)
Service cost			
- Current service cost	0	8,408	(8,408)
- Past service cost (including curtailments)	0	0	0
- Effect of settlements	0	0	0
Total service cost	0	8,408	(8,408)
Net interest			
- Net income on plan assets	2,539	0	2,539
- Net cost on defined benefit obligation	0	3,807	(3,807)
Total net interest	2,539	3,807	(1,268)
Total defined benefit cost recognised in the Statement of Comprehensive Net Expenditure	2,539	12,215	(9,676)
Cash flows			
- Participants' contributions	1,011	1,011	0
- Employer contributions	3,287	0	3,287
- Estimated benefits paid	(3,179)	(3,179)	0
- Estimated unfunded benefits paid	(165)	(165)	0
- Estimated contributions in respect of unfunded benefits paid	165	0	165
- Effect of business combinations and disposals	0	0	0
Expected closing position	130,142	197,347	(67,205)
Remeasurements			
- Change in financial assumptions	0	(13,507)	13,507
- Change in demographic assumptions	0	(1,011)	1,011
- Other experience	0	412	(412)
- Return on assets excluding amounts included in net interest	14,060	0	14,060
Total remeasurements recognised in Statement of Taxpayers' Deficit	14,060	(14,106)	28,166
Fair value of employer assets	144,202	0	144,202
Present value of funded liabilities	0	179,801	(179,801)
Present value of unfunded liabilities	0	3,440	(3,440)
Closing position as at 31 March 2022	144,202	183,241	(39,039)

**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)
Opening position as at 31 March 2020	105,573	141,538	(35,965)
Service cost			
- Current service cost	0	5,111	(5,111)
- Past service cost (including curtailments)	0	32	(32)
- Effect of settlements	0	0	0
Total service cost	0	5,143	(5,143)
Net interest			
- Net income on plan assets	2,438	0	2,438
- Net cost on defined benefit obligation	0	3,287	(3,287)
Total net interest	2,438	3,287	(849)
Total defined benefit cost recognised in the Statement of Comprehensive Net Expenditure	2,438	8,430	(5,992)
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
Expected closing position	109,051	147,754	(38,703)
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
Total remeasurements recognised in Statement of Taxpayers' Deficit	17,433	39,711	(22,278)
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)
Closing position as at 31 March 2021	126,484	187,465	(60,981)

Fair value of employer assets at 31 March 2022

Asset Category	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	%
Equity securities:				
Consumer	8,805.4	0.0	8,805.4	6%
Manufacturing	7,723.5	0.0	7,723.5	5%
Energy and utilities	5,022.3	0.0	5,022.3	3%
Financial institutions	10,488.0	0.0	10,448.0	7%
Health and care	4,718.9	0.0	4,718.9	3%
Information technology	11,684.9	0.0	11,684.9	8%
Other	1,409.0	0.0	1,409.0	1%
Debt securities:				
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	5,903.2	0.0	5,903.2	4%
Other	2,690.6	0.0	2,690.6	2%
Private equity:				
All	0.0	1,737.0	1,737.0	1%
Real estate:				
UK property	0.0	8,931.8	8,931.8	6%
Overseas property	0.0	12.0	12.0	0%
Investment funds and unit trusts:				
Equities	37,229.9	0.0	37,229.9	26%
Bonds	7,663.6	0.0	7,663.6	5%
Hedge funds	0.0	0.0	0.0	0%
Commodities	0.0	0.0	0.0	0%
Infrastructure	0.0	15,681.2	15,681.2	11%
Other	5,587.2	2,970.7	8,557.9	6%
Derivatives:				
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%
Cash and cash equivalents:				
All	5,942.8	0.0	5,942.8	4%
Totals	114,869	29,333	144,202	100%

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	%
Equity securities:				
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%
Debt securities:				
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%
Private equity:				
All	0.0	1,844.0	1,844.0	1%
Real estate:				
UK property	0.0	7,001.0	7,001.0	6%
Overseas property	0.0	10.9	10.9	0%
Investment funds and unit trusts:				
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%
Derivatives:				
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%
Cash and cash equivalents:				
All	2,931.9	0.0	2,931.9	2%
Totals	102,439	24,045	126,484	100%

12. Provision for unfunded pensions

	2021-22 £000	2020-21 £000
Balance at 1 April	325	434
Provisions utilised during the year	(23)	(37)
Actuarial valuation adjustment	(120)	(72)
Balance at 31 March	182	325

13. Commitments under leases

(i) Operating leases

	2021-22 £000	2020-21 £000
Buildings		
Not later than one year	709	899
Later than one year and not later than five years	1,558	2,043
Later than five years	951	1,252
	3,218	4,194

	2021-22 £000	2020-21 £000
Other		
Not later than one year	0	12
Later than one year and not later than five years	0	0
Later than five years	0	0
	0	12

(ii) Finance leases

	2021-22 £000	2020-21 £000
Gross lease liabilities		
Within one year	92	92
Between 2 and 5 years	366	366
After 5 years	1,138	1,230
	1,596	1,688
Future interest	(446)	(491)
Net lease liabilities	1,150	1,197

Net lease liabilities are repayable as follows:

Within one year (current liability)	48	46
Between 2 and 5 years	210	203
After 5 years	892	948
Total over one year (non-current liability)	1,103	1,150

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 £1,168k (31 March 2021: £1,215k).

14. Other provisions

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

	2021-22 £000	2020-21 £000
Balance at 1 April	156	50
Released in year	0	(50)
	<hr/> 156	<hr/> 0
Provided in year	62	156
Balance at 31 March	<hr/> 218	<hr/> 156

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 (2020/21: £nil).

18. Capital commitments

SCRA has no capital commitments as at 31 March 2022 (31 March 2021: £nil).

19. Reserves

SCRA's General Fund balance as at 31 March 2022 is a deficit of £15.4m (31 March 2021: £9.6m). 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.

5 Appendix

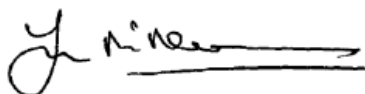
5.1 Direction by the Scottish Ministers



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 2022, 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 12 May 2021 is hereby revoked.



Tom McNamara

A member of the staff of the Scottish Ministers

Dated: 9 June 2022



PUBLISHED OCTOBER 2022

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