



Annual Accounts 2022/2023

Care. Connect. Protect.



SCOTTISH
CHILDREN'S REPORTER
ADMINISTRATION

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1 Performance Report

1.1 Performance Overview

1.1.1 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.



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



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



Supportive: We work with kindness to support children and families, our partners and each other.

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

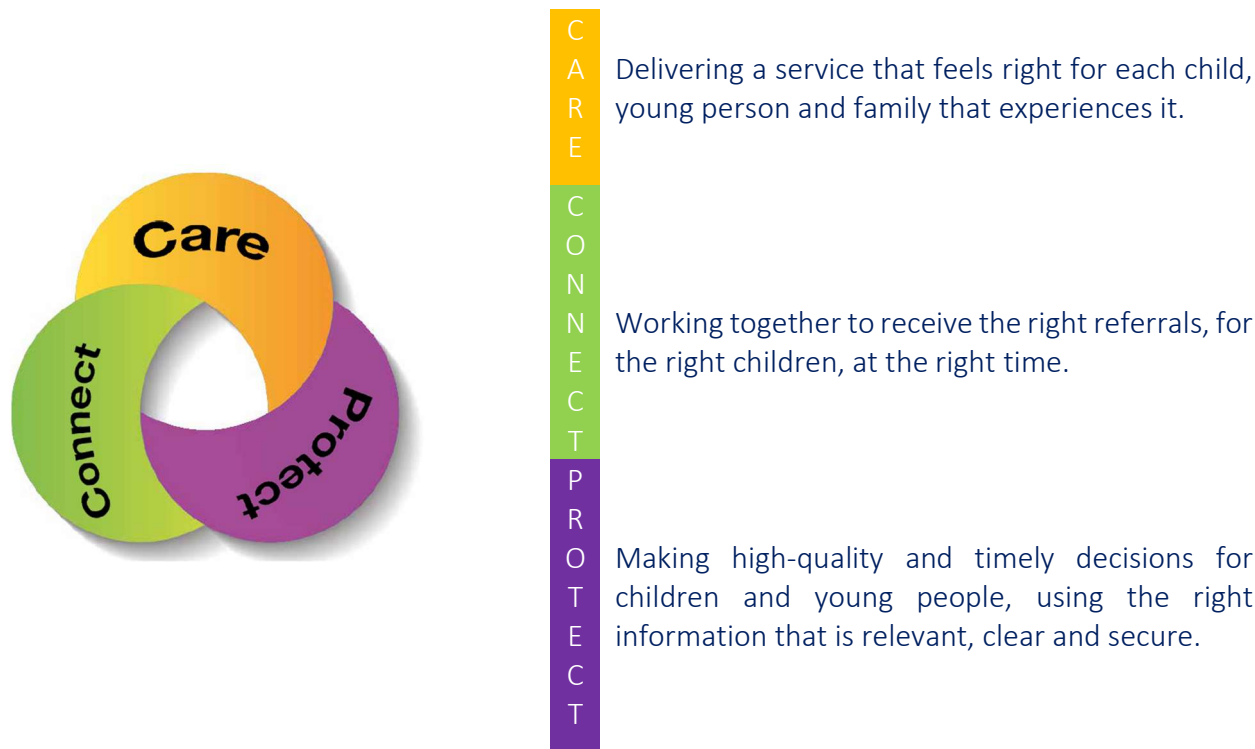
Respectful: Everyone is respected and treated fairly, inclusively and lawfully.

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

Strategic Aims

SCRA’s 2020-24 Corporate Plan sets out three strategic aims; Care, Connect, Protect.

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 Plans by the supporting strategies. 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.



Strategic Framework

Our activities are underpinned by our values, seeks to deliver on our aims and objectives and aspires to meet our vision. Our organisation's vision links to the Scottish Government's National Outcomes.



1.1.2 Chief Executive's Foreword

Welcome to SCRA's 2022-23 Annual Report and Accounts, which reflects the third year of the 2020-24 Corporate Plan.

Business Plan Progress

The 2022-23 Business Plan incorporates seventeen high level objectives spanning across four Priority Aims; 1. Investment in People, 2. Effective and Efficient Service Delivery, 3. Child Centred Corporate Parenting, 4. Engagement with the Political Environment and Influencing Social Policy. Each objective contains specific actions that are delivered by the relevant organisational strategies. All of the objectives are aligned with SCRA's 2020-24 Corporate Plan.

The objectives contained within the 2022-23 Business plan cascade across two years to enable sufficient time for research, testing and implementation. Good progress was made across all seventeen objectives, which is highlighted by the percentage progress. Narrative is provided in Section 1.3 on the key areas of work undertaken during 2022-23 across the organisation towards the Business Plan.

Managing change

- Having achieved assimilation of the Standard Operating Model across the service, we have further committed to ongoing improvement to our organisation wide 'Target Operating Model'. This will include optimising ways of working between Reporters and Locality Support Administrators, reducing where possible unnecessary transactional work.
- We have built a successful programme of work on health and wellbeing across SCRA – with a focus on individual and collective health, team building, respect, kindness and a positive organisational culture and will continue to expand on this going forward.
- Following an in-depth survey of SCRA skills, undertaken by an independent expert organisation, we will deliver a targeted programme of learning and skills development with the aim of improving the confidence and effectiveness of the 15% or so of the workforce who expressed a need for more intensive help and training.
- In addition, a comprehensive programme of training for all managers on the Scottish Government Quality Improvement model is underway and is helping to plan, design and test improvements at team and locality level. Over and above this, we have recommenced the Professional Managers Award after a suspension during the pandemic

Staff survey

- There are some areas where the staff survey shows improvement – in areas such as communication, support and supervision, support that people feel from their line manager and within their teams, our approach to health and wellbeing and uptake and impact of our learning and development programmes. Despite all the many challenges and frustrations that people currently feel, they overall reported enjoying their job.
- The staff survey reflected that SCRA and its staff group are experiencing some of the most difficult times for many years. The current limitations placed on our resources, the pressure being

experienced by all of our staff in responding to the cost of living, the protracted nature of our pay discussions and the scale of potential future change and expectations placed on the Hearings system are having a cumulative impact. And of course we have asked many people to change their roles and widen their responsibilities at an already difficult time. Workload is not a new pressure but remains a very significant challenge to us and we continue to review our equalisation approaches. We have programmes of work in place to respond to the issues identified by many staff as we work towards the most optimal ways of working and making use of efficient, effective resources, skills and capacity.

- In October, we felt compelled to put in place the first vacancy freeze in many years in response to the review of the Scottish budget and to ensure we could respond to an unknown and high risk financial position. We managed to secure funding to extend many of our temporary staff for a 12 month period whilst working our way through detailed but extended pay discussions with UNISON – albeit within the constraints of ministerial pay policy. We have just recently delivered a pay offer that has been accepted by staff.

The Promise

- We are working hard to ensure the role of the Children’s Reporter will be a prominent part of future change within the Promise. A series of proposals were made in May 2023 by the Hearing System Working Group. The insights and expertise of SCRA staff has been and will be very influential in determining the way ahead and helping with the uncertainty that has been playing on people’s minds about future arrangements. We fully anticipate significant changes to the role (both in practice and in statutory terms) of the Children’s Reporter.
- In addition, we have seen the first draft of the Children’s Care and Justice Bill introduced to Parliament. The work which has been done by SCRA staff in assessing the necessary investment to raise the age of referral has been recognised and forms a substantive part of the Financial Memorandum.

Audit

We had a successful internal audit of our Promise work and received substantial assurance over the design and operational effectiveness of the controls in place in relation to SCRA’s work in delivering The Promise.

The areas of good practice during the review includes:

- SCRA’s programme of work clearly aligns with the priorities of the Promise and actions set out within the 2021-24 plan.
- SCRA plays a very active role and are engaged in the redesign process for the Children’s Hearing System.
- SCRA actively monitor the progress of all projects, using the project management software, ZOHO.
- There is regular reporting on Keeping The Promise to the Keeping The Promise Team, the Keeping The Promise Programme Board, the SCRA Board, EMT, and the Hearings Systems Working Group.

Moving forward

The 2023-24 Business Plan is well aligned with and responds to many aspects of the staff survey results including learning and development, roles and functions and modernisation of the estate. These programmes of work will help us deliver our overall review of supporting systems and processes to ensure that they are as effective and efficient in supporting staff to undertake their duties and improve their skills.

We know that good management of change follows a set of key principles, structures, approaches, communication and decision making – is based on testing, reviewing, learning and application of tangible improvements – which is why we are aiming to put in place a series of programme structures that will provide more rigour, more visibility, more regulated approaches and more engagement than we have been able to achieve in recent years.

Principal Reporter
Neil Hunter

1.1.3 Business Plan

SCRA's 2020-24 Corporate Plan sets out the strategic direction for the organisation under three Aims; Care, Connect and Protect, and their respective objectives align with yearly Business Plans. The Business Plan is regularly monitored, reviewed and updated, and reported to show progress and identify risks.

The following table provides the completion percentage for the high level Business Plan objectives, which span across two years (2022-24). The Business Plan is managed through an online project system with dynamic live reporting.

The business plan objectives are divided under four priority aims; 1. Investment in People, 2. Effective and Efficient Service Delivery, 3. Child Centred Corporate Parenting, 4. Engagement with the Political Environment and Influencing Social Policy. Each objective contains multiple actions that are delivered across a wide range of organisational strategies and plans.

As of the current date, the 2022-23 Business Plan is 63% complete. The outstanding objectives and actions within the plan will be progressed throughout 2023-24, either as business as usual or mainstreamed into the 2023-24 Business Plan.

Progress varies across the objectives because they are based on two-year timescales, with some objectives and their respective actions continuing throughout 2023-24 whilst others (Aim 1) had discrete actions allocated to year one, which are complete with the following work due to take place year two.

 Complete	 In Progress (continuing throughout 2023-24)
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Business Plan Objectives (2022-24)	Completion Rate	Aligned to Corporate Plan Objective
Aim 1: Investment in People		
PRIORITY OBJECTIVE 1.1: We will lead a planned and coordinated approach to change management – ensuring managers and their teams have the necessary information, skills and tools to successfully lead and deliver change across the organisation that enables us to meet our aims, The Promise, and other external and internal requirements.	100%	CP1.5
PRIORITY OBJECTIVE 1.2: We will ensure an effective and efficient service through: <ul style="list-style-type: none"> • A review of roles and responsibilities across the organisation. • Rolling out and embedding tools, training and supports to promote an agile and flexible workforce. • Conducting an analysis of workloading capacity and improvement activity to ensure a fair and equitable workload division so that all staff have a fair and equal opportunity to engage with wider organisational activity. • Raising the awareness of the quality within our work. 	100%	CP1.5

Business Plan Objectives (2022-24)	Completion Rate	Aligned to Corporate Plan Objective
PRIORITY OBJECTIVE 1.3: We will develop a Learning and Development Plan in consultation with staff, Localities, Head Office Teams and the SCRA Learning Network to ensure staff have quality access to a range of learning opportunities, coaching and mentoring to support their development, ensuring that they have the skills to deliver their objectives and respond to our Promise Route Map.	100%	CP2.4
PRIORITY OBJECTIVE 1.4: A strategy for organisational wellbeing will be designed, developed and delivered to: <ul style="list-style-type: none"> • Support and implement wellbeing activities and changes which enhance people's experience of work. • Deliver national and local programmes to ensure physical and mental wellbeing and resilience of individuals and teams. • Support people as we move out of the pandemic and into a more stable environment – through learning and continuing our ability to adapt. 	100%	CP2.5
PRIORITY OBJECTIVE 1.5: We will focus on effective and inclusive recruitment by: <ul style="list-style-type: none"> • Following a pilot of e-recruitment across Head Office, roll out e-recruitment to Localities ensuring the process adds value to good recruitment decision making across the organisation. • We will aim to make our workforce more diverse through our recruitment and selection processes. 	100%	CP1.5
PRIORITY OBJECTIVE 1.6: Over a two year period, we will develop a digitally confident and mature workforce. The first year will focus on undertaking a baseline assessment, analysis of training required and sourcing learning to meet the established need. The second year will see the delivery of the training and continuous support for staff.	100%	CP1.4
PRIORITY OBJECTIVE 1.7: Our organisation will foster a culture where our people feel included, valued, respected and cared for – promoting rights, equalities and inclusion by ensuring: <ul style="list-style-type: none"> • We focus on training our workforce on inclusion and diversity. • We will introduce and consult on an Inclusive Leadership & Behavioural Framework which will sit alongside our Code of Conduct to ensure our people reflect SCRA's values and expected behaviours. 	100%	CP3.4
Aim 2. Effective and Efficient Service Delivery		
PRIORITY OBJECTIVE 2.1: An agile and effective operating model will be developed and embedded across the service by: <ul style="list-style-type: none"> • Aligning the reviewed staff profile to effectively deliver the Standard Operating Model. • Developing best practice in operation of CSAS, Practice Direction and Operational Process. • Establishing a balanced model of national and local management of virtual hearings. • Developing the next iteration of the Standard Operating Model to reflect user feedback, expand its scope to include our approach to virtual hearings, and develop best practice around Hearing arrangement in line with The Promise. 	17% (on schedule for 2023-24)	CP2.5

Business Plan Objectives (2022-24)	Completion Rate	Aligned to Corporate Plan Objective
PRIORITY OBJECTIVE 2.2: Our systems will be optimised and enhanced to support the operating model for effective and efficient service delivery through: <ul style="list-style-type: none"> • Development of core operational systems architectures to maximise ease of use and efficiencies. • Review and development of the ongoing need for virtual hearings post pandemic and its coupling with CSAS. • Optimisation of the CSAS MVP delivered, ensuring planned benefits are achieved and making enhancements to that MVP where it is believed the existing functionality can be improved. • Standardising the data quality approach to ensure consistency and high quality recording across the organisation. 	44% (on schedule for 2023-24)	CP1.6
PRIORITY OBJECTIVE 2.3: Our services will be procured, designed, shaped and delivered to meet the needs of staff, children and families by: <ul style="list-style-type: none"> • Developing the Finance Strategy to influence the 2023/24 budget settlement and assist the organisation to develop corporate strategies with more certainty. • Undertaking planned improvements to core properties that support flexible service delivery and smarter working. • Developing the organisational digital strategy for the period 2022/2025 to support the needs of our staff, children and families and the partners we work with. 	86% (on schedule for 2023-24)	CP3.3
Aim 3. Child Centred Corporate Parenting		
PRIORITY OBJECTIVE 3.1: We will improve the experience of the Hearings System through delivery of our Promise Route Plan for improvement by: <ul style="list-style-type: none"> • Delivering a Route Plan that demonstrates evidenced improvements to the experience of the hearings system. • Undertaking and learning from research aligned to our aims for improvement. • The development of qualitative improvements in casework and operational improvements aligned to the Route Plan. • Ensuring clear and accessible information is available to everyone in and around the hearings system to support better preparation, participation and feedback. • Ensuring that our staff are central to these improvements – through their own learning and development, experience and enablement. 	70% (on schedule for 2023-24)	CP3.5

Business Plan Objectives (2022-24)	Completion Rate	Aligned to Corporate Plan Objective
PRIORITY OBJECTIVE 3.2: Work with partners and people with lived experience to determine the way that we deliver on our Promise Route Plan by: <ul style="list-style-type: none"> • As one of many routes of consultation we will develop engagement groups. • Working with OHOV to deliver on the 40 Calls to Action – and align this to Keeping The Promise. • Re-engaging with local champions boards as we take forward our Promise work with fewer restrictions now in place. • Working collaboratively with our partners - CHS, The Promise, CHIP Partners and Scottish Government to ensure alignment and cohesion in system wide improvements. • Working with others to provide scrutiny, challenge and support for our route plan – ensuring that it is set to deliver and promote rights for children and families, inclusive service provision and good corporate parenting, driven by the voice of children and young people. 	70% (on schedule for 2023-24)	CP3.1
PRIORITY OBJECTIVE 3.3: Keeping The Promise for SCRA will be grounded in evidence by: <ul style="list-style-type: none"> • Utilising qualitative research methodology to inform improvement and reform. • Undertaking, learning from and drawing on research to inform our work. • Collecting, analysing and utilising data and information to aid discussion and debate around improvement and reform including reporting on the impact of these for children and families. 	55% (on schedule for 2023-24)	CP1.5
PRIORITY OBJECTIVE 3.4: We will ensure that we have the right facilities and infrastructure in place to enable the best hearings experience by: <ul style="list-style-type: none"> • Undertaking further hearing room improvement projects. • Through our digital strategy, supporting and responding to initiatives and the requirements in the improvement and reform agenda. 	90% (on schedule for 2023-24)	CP2.6
Aim 4. Engagement with the Political Environment and Influencing Social Policy		
PRIORITY OBJECTIVE 4.1: We will work with The Promise and with partners to reform the areas of the Hearings system, outlined in Plan 2021-24 by: <ul style="list-style-type: none"> • Working as a key partner in the Hearings System Working Group to drive forward, influence and collaborate on The Promise Reform agenda, using our extensive knowledge of the system, the large volume of data and research and our experience in legislation and policy. • Ensuring all our work in Reform is informed by evidence, learning and voice. • Working consultatively with staff, partners, children and families to ensure all voices are heard. • Working with the Office of Chief Designer, Scottish Government to ensure robust methodology is explored and applied regarding reform work. 	68% (on schedule for 2023-24)	CP2.6

Business Plan Objectives (2022-24)	Completion Rate	Aligned to Corporate Plan Objective
PRIORITY OBJECTIVE 4.2: We will respond to consultations and provide insights and influence into policy development such as implementation of UNCRC, Raising the age of Referral, Care and Justice Bill to shape Reform, Social Policy and Legislation by: <ul style="list-style-type: none"> • Responding to any consultation where we have a meaningful contribution to make, and particularly in relation to any proposals that have an impact on the hearing system. • We will meaningfully participate and contribute to multi-agency forums, and engage with Scottish Government and other partners, in order to share our knowledge and experience and influence policy change that is going to improve the lives of children and young people. 	60% (on schedule for 2023-24)	CP1.2
PRIORITY OBJECTIVE 4.3: Develop our infrastructure towards Net Zero by: <ul style="list-style-type: none"> • Identifying suitable properties and developing a package of work to improve the environmental performance of our estate. • Secure external support to contribute towards Net Zero objectives. 	10% (on schedule for 2023-24)	CP2.4

1.1.4 Performance Summary

With all set two year objectives either complete, in progress or planned for, demonstrable delivery against SCRA's Corporate Plan 2020-24 can be clearly evidenced. All activity set out under the three Aims of Care, Connect and Protect has been progressed. The links across to the Corporate Plan identified at figures 1-4 below, along with the accompanying narrative demonstrate clear alignment to these aims along with many working examples of implementation – from how we engage with children, families, staff and partners, to our Digital planning, our Practice and Policy work and our inclusive People strategy – to undertake the work required now to deliver the best service that we can and to plan for and enable a future system that recognises the Promise, the Care and Justice Bill, UNCRC and all that we need to do and prepare for this. Work that has been undertaken across all areas of the Business has been driving towards delivery, readiness for change and careful, considered planning for the next stage. By end 2024, the Corporate Plan is on track to deliver what has been set out as part of a continuum for the future vision of the Hearings System.

1.1.5 Key Issues and Risks

The key strategic risks tracked throughout 2022/23 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;
- 2023/24 Scottish Government budget does not deliver required level of revenue funding with impact on ability to deliver a quality service and respond effectively to new legislative and policy pressures;
- Failure to progress Board approved Environmental plan and inability to accelerate plans to meet new targets;
- Inability to engage with digital inhibits realisation of full potential of new technologies resulting in significant operational disruption;
- The optimum model for CSAS ownership and accountability and a joint future partnership between SCRA and CHS is not adequately defined and agreed; and
- Inability to meet staff expectations on pay/reward resulting in operational disruption/staff engagement in change.

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 2023/24. In relation to the 2023/24 Scottish Government Budget risk, this did crystallise however SCRA worked with Scottish Government to ensure required resources are in place to delivery core services and prepare for policy and legislative change and meeting the challenges of Hearing Systems Working Group recommendations. The 2022/23 Operational and Locality Plans and risk registers focused on actions to deliver organisational recovery and operational stability. There is a continued focus in locality risks on staffing capacity and dealing with significant changes in the operating environment including a focus on efficient and effective casework.

The Executive Management Team have identified two new strategic risks:

- Inability to spend 2023/24 CCJB capital allocations due to lack of specificity of the necessary adaptations to facilities and systems for referral of 16 and 17 year olds with the result that less optimal solutions reduce the efficiency of staff and the quality of service when the legislation is implemented in 2024/25.
- A cautious approach to potential organisational change by the Programme Board¹ limits the scope of the programme or project work resulting in too narrow a set of recommendations for stage 2 leading to an inability to identify consequential efficiencies.

Details of the risk management arrangements are set out in section 2.3.12 on page 54.

¹ The programme Board refers to SCRA's internal programme board set up as part of the Programme management framework to oversee programme work within SCRA.

1.2 Performance Analysis

The following sections provides the key performance activities during 2022-23 across the Business Plan.

1.2.1 Financial Performance

In 2022/23, SCRA received core funding of £25.16m for resource expenditure and £1.95m (of which £1.85m drawn down) for capital expenditure. In addition, SCRA received the following allocation:

- Spring Budget Review – HMT Resource £3.308m

The following section provides a summary of our financial performance for the year against our annual operating budget. Total operating expenditure for the year was £896k less than budget: when excluding the impact of the introduction of a new accounting standard where rental payments are split between repaying a lease liability and interest payments, this underspend falls to £125k (0.44%).

Expense Head	Budget 2022/23 £000	Outturn 2022/23 £000	Variance £000
Staff Costs	22,510	22,468	-42
Property Costs	3,005	2,274	-731
Travel Costs	112	116	+4
Other Operating Charges	2,892	2,682	-210
Capital Financing	3	75	+72
Other Income	-422	-411	+11
Total expenditure	28,100	27,204	-896
Revenue Grant In Aid	-28,260	-28,468	-208
Net Expenditure	-160	-1,264	-1,104

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

Property and Digital Programme spend in the period to March 2023 was £1,741k. Of this £1,631k is capital and £110k is revenue. The programme investments we made in 2022/23 were:

Capital Investments	Cost
Property alterations (Hamilton, Stirling, Alloa, Aberdeen)	£707k
Hearing room improvements	£124k
Minor property works and LED lighting retrofits	£124k
Capital element of long-term lease obligation (Livingston)	£50k
Project designs	£20k
CSAS Further Development	£459k
Technology Refresh	£173k
Contingency	£84k
Total	£1,741k

A significant programme of property and digital developments was delivered in 2022/23 in a period of challenging market conditions. Major property projects in Hamilton and Stirling not only provided smarter working and enhanced hearing room facilities but also allowed some excess space to be released delivering ongoing revenue savings. The Digital programme delivered further enhancements to the core operating system (CSAS) and improvements/upgrades to hearing room connectivity and monitors.

More detail regarding SCRA's income and expenditure can be found in the financial statements section starting on page 73. The Statement of Comprehensive Net Expenditure shows net expenditure for the year of £34.9m (2021/22: £34.2m), including pensions and depreciation costs of £6.8m comprising IAS 19 adjustment of £4.4m and depreciation & amortisation £2.4m (2021/22: £6.5m, comprising IAS19 adjustment £5.1m, depreciation & amortisation £1.4m). These are excluded from the table above. The table also excludes total Grant in Aid income of £30.3m (2021/22: £28.4m) which, under international accounting standards, is taken directly to the general fund reserve.

The Statement of Financial Position (page 74) shows that SCRA's assets exceed its liabilities by £10.8m (2021/22: liabilities exceed assets by £29.1m). This movement is largely due to a £56.3m reduction in the value of pension fund liabilities (reduced from £179.8m to £123.5m) in 2022-23. Pension valuations are volatile and whilst there is no recognised pension fund liability in 2022-23, typically the fund has been in deficit. As a result, the Scottish Government has provided assurances to the SCRA Board that there is a statutory obligation to provide the services that SCRA deliver and there are no plans to change the existing arrangement whereby pension contributions are paid from future Government grants. 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 depreciation budget for 2022/23 was £2,535k and the final outturn was £2,391k. In relation to AME, a budget of £5,826k was allocated at the Spring Budget Review and the outturn was £5,550k.

1.2.2 Performance Review

The Performance Review provides a summary of the work undertaken during 2022-23 across the six strategies that deliver the four priorities of the 2022-23 Business Plan.

Key activities across the four Priority Aims are summarised in figures 1, 2, 3 and 4 on pages 33-36.



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

2022-23 Key Activities

An updated Financial Strategy for the period 2023/24 to 2027/28 was presented to the SCRA Board in September 2022. The Strategy was updated after the September Board meeting to reflect the assessed budgetary impact of the implementation of the Children's Care and Justice Bill (CCJB), particularly as it relates to the referral of 16 and 17 year olds to the Children's Reporter. The main impacts are increased staffing from 2024/25 and up front capital investment in 2023/24 and 2024/25 in the estate and digital tools.

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 post Covid-19 service delivery model is more complex particularly in relation to scheduling a hearing with new and different modes of attendance available to all participants. Beyond this, the Strategy highlighted the new agile working model which is supported by the now embedded case management system (CSAS) rolled out in 2020, and the upgraded virtual hearings platform (VHP). Allied to these developments is the Standard Operating Model (SOM) which continued to evolve throughout 2022/23. The introduction of CSAS and the SOM provide the foundations for an intensive focus on more effective and efficient case processing.

The planned legislative and policy changes which will impact on SCRA over the period of the Financial Strategy, includes the Children (Scotland) Act, UNCRC incorporation, the CCJB, the Age of Criminal Responsibility Act, and the very significant developments that will flow from The Hearing System Working Group (HSWG) recommendations and consequent legislation.

The Strategy reflects required revenue grant in aid increases of 9% in 2023/24 and 6% in 2024/25, 2025/26, 2026/27 and 2027/28.

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 continued capital investment in CSAS to support effective and efficient case processing, regular technology refreshes and investment to ensure IT systems keep pace with legislative and policy changes. Progress was made on CSAS functionality improvements, sharing data between CSAS and the VHP, moving control of development tools to SCRA and negotiating a significant reduction in Microsoft licences and subscriptions.

The Strategy also recognises that continued investment in SCRA's estate is critical as many core properties require significant adaptation to meet the demands of referral of 16 and 17 year olds, improved customer care through the lens of The Promise and environmental sustainability.

Core funding, excluding additional in year funding, allocated by Scottish Government for 2022/23 was:

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

Additional resource funding of £3.308m was drawn down to fund known pressures. Total capital drawdown was £1.85m, £0.1m less than available funding.

Regular reporting to the Board throughout the year confirmed that SCRA operated within the resources allocated by the Scottish Government, which included additional funding for a higher pay settlement agreed with Unison in March 2023.

Looking to 2023/24, funding allocated by the Scottish Government is:

- Resource – £25.16m (third year of standstill).
- Capital – Property £1m.
- Capital – Digital £0.9m.

In addition, resource funding of £0.83m is available for extension of temporary contracts, up to £5.1m for remaining resource pressures and capital of £0.8m for CCJB implementation.



Digital Strategy: The Digital Strategy continues to drive improvement across our services 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.

2022-23 Key Activities

SCRA's Digital Team has been at the forefront of supporting service delivery for the last three years and, with the introduction of new ways of working during the pandemic, has provided new digital services at pace in response to needs.

The restructured Digital Team focused on consolidation and improvements to systems that were introduced in the previous three years during the pandemic where digital was a key capability for the ongoing delivery of the Children's Hearings System. It was identified that there was still a great deal to do in the following years to maintain the digital transformational journey underway within SCRA and across the wider children's hearing service. Focus would be on consolidation and optimisation of the new ways of working digitally in the period 2022/23. We advised we would look to develop and/or freshen up and modernise the SCRA digital strategy with a horizon planned of the next three to five years in period. That we would research and identify new digital opportunities in support of the significant proposed changes across the hearing service as well as partner automated data transfers and that these would figure highly in any new digital strategy.

Some key undertakings in the period included:

- The mainstreaming of the Virtual Hearings Service from a specialist team managed centrally by the national Digital Team, to Localities. This improved the opportunities for local staff to identify options for children and families to participate in Hearings. From a technical point of view, this involved significant investment to ensure secure data transfer between two internal systems – to improve the service offered and to create enhanced capability for the future.
- Sustainability and affordability continues to be a main feature of the digital management teams considerations, continually exploring ways to maximise use of digital services and introducing more – while ensuring these are affordable and an improvement on existing services. The digital team undertook a new procurement for the Microsoft licencing and subscriptions required to support the core platform. Because of key, and on occasion, difficult technical choices made previously, this led to a nearly £100k saving on licensing and subscriptions with the new procurement.
- During 2022/23, the Digital Engagement Group was formed, consisting of operational staff and key head office roles, to prioritise Digital Projects and system improvements that were asked for by staff using the systems to improve performance, useability and interface.
- A Digital Modern Apprentice was recruited late in 2022, to supplement the restructured Digital Team, and they supported the technology refresh that focused on monitor replacement across the estate.
- Three new SCRA locations were added to the wide area network – Alloa, Bellshill and Fraserburgh – in recognition of the need for improved digital connection for Hearings. This will allow connection to Hearings and to internal systems in those areas.

- A project was initiated in January 2023 to improve the efficiency and effectiveness of our communications through The Documents Core Pack – the system that produces the letters that we send out to children, families and our Partners. This project allowed us to understand our current position and what could be improved to help us to move towards redesign in the coming year – to improve the look, the language and the flexibility of what we produce.
- A feature throughout the period 2022/23 was a process of continual improvement on functionality built into the original CSAS Minimum Viable Product (MVP). In order to support this, and to ensure sound change management for the live systems, a core systems digital change management strategy was developed with accountable boards providing oversight and governance. This has worked really well for both CHS and SCRA, ensuring all change in the core platform is managed in a fair, safe and equitable way across CHS and SCRA.

Throughout the year, the Digital Team has maintained an internal focus on supporting the three core corporate Programmes Protect, Care and Connect which were all in the early stages of developing structures and exploring requirements. External drivers such as the Hearings For Children Report, the Care and Justice Bill and UNCRC are yet to be fully fleshed out in terms of requirements and these will feature heavily in the revised digital strategy (which has been temporarily paused as we await greater detail, requirements and decisions). Meantime we continue to work alongside the internal programmes through their development of requirements – enabling and supporting user engagement workshops and investing in proof of concepts. We continue to engage with our stakeholders, as well as look at every aspect of the digital financial model to ensure ongoing value for money and focused investments.

Future Planning 2023/24

Digital will continue to be guided by the ongoing external reviews, policies and change – across “Keeping the Promise”, Hearings for Children report and recommendations, and Children’s Care and Justice Bill. Once greater clarity in terms of digital deliverables and requirements are better understood, Digital in collaboration with representations from these groups and our internal corporate focus groups covering “Protect, Care and Connect” will develop its revised Digital Strategy – taking into account the strategic digital needs required between period 2024 and likely 2028.

In addition, Digital will respond to any short term demands in terms of digital needs to support all of these initiatives, programmes and projects during the period 2023/24. There are a number of areas of larger scale improvement of the core platforms we will look to assess during the period 2023/24. New technology becoming available means we now have more choices in terms of the limited technology available and chosen to support our core platform four years ago. This will ensure the platform remains on a solid technology roadmap taking advantage of emerging and maturing digital tools and services as part of SCRA overall development strategy and expansion of digital services to create a more agile, personable and robust set of offerings for the many users of the hearing system – with a particular focus on the Child and their family needs.

A few areas of development to conduct feasibility and discovery sessions, and if possible, complete development for in the period 2023/24 includes:

- Better harmonisation and use of out of the box Office 365 functionality which is a rich suite of productivity applications as yet not being fully put to use.
- Review of the approach to digital document management, editing and sharing across the wider user base.
- Calendars/diary management – develop functionality within CSAS to easily manage oversight of hearings and communicate information across the Locality Teams.
- Record of Proceedings (ROP) Chronologies – introduce a condensed ROP from structured data available within CSAS.
- SharePoint – development of SharePoint Strategy and document management needs of SCRA.
- Email exchange – review of current email functionality within CSAS. Assessment to be undertaken and improvement roadmap developed.
- Siblings – review of how siblings are processed through the service redesign, looking at efficiencies and quality improvements.
- Role based access controls (RBAC) review of the current RBAC model to assess and facilitate cross locality operations and flexibility.
- Follow up on creation of more organisational autonomy and agility through decoupling services between CHS and SCRA where its deemed more effective.

The planning year 2023/24 is likely to be a continuation of 2022/23 where the main drivers and challenges are coming from the many external influences alongside internal improvement programmes – and of course, from the voice of Children and Young People and what they are telling us would support them to interact with the system. This requires us to be responsive, flexible and collaborative as we develop our strategy on an emerging set of needs – both internally and externally. To try and establish balance in terms of known activity we can undertake, we will look to make use of available resources and capacity to address significant areas where we believe new technology can improve both the user experience and efficiencies for the service as detailed in the possible development options listed above.



Practice and Policy Strategy: The Practice and Policy 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.

2022-23 Key Activities

- The Practice and Policy plans and actions were impacted again by the pandemic in 2022-23, although not as severely as the 2 previous years. We were able to maintain our core services, providing Practice support and training and fully engaging in the policy world. Training has been able to be delivered again in person. Engagement with partners was fully maintained and, although this has mostly stayed on-line, some face to face meetings and events have really helped to fully engage and enhance relationships with partners.
- Although there has been a return to more traditional delivery of our services, the use of remote attendance in hearings has required further review of our Hearings guidance. The continued use of virtual court has also required Practice support and direction. Often this guidance required consultation with partners, in particular CHS. The provisions of the Coronavirus Act 2020 were removed, with some provisions remaining as they related to courts. This has required us to return to normal timescales and expectations, and adapt to changes. Practice support and discussion with partners was crucial during these times of transition.
- Policy activity has been higher than ever this year. There has been a huge amount of engagement on many policy agendas – review of the Age of Criminal Responsibility Act, further development of the advocacy service for Children’s Hearings, Youth Justice Strategy, and Child Protection agendas. However, there have been three key areas that have demanded an extraordinary level of engagement – work on the Promise and in particular involvement in the Hearing System Working Group (HSWG); the Children’s Care and Justice Bill, which seeks to raise the age of referral to the Reporter; and development of the Bairnshoose in Scotland.
- The redesign of the hearing system through the HSWG, and the Children’s Care and Justice Bill will together bring about the most significant transformational change in the hearing system since its inception. The level of engagement has therefore been enormous in order to influence and shape what will come in the future. SCRA has invested time and significant organisational capacity to these key areas, extracting key staff from operational roles and backfilling them. We have significantly influenced the work of collaborative re-design as a result. We attended every session of the HSWG, which reported in Spring 2023. We have also dedicated much Practice input to the Bill Team for the Children’s Care and Justice Bill, and created an internal group to inform our submission for the financial memorandum for the Bill. It has been an intensive, but highly stimulating year for Practice and Policy.



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.

2022-23 Key Activities

2022-23 was the first full year without restrictions imposed on working life as a result of the COVID-19 pandemic. As such we saw a return to more typical levels of recruitment in 22/23, however the implementation of the Vacancy Management Procedures in the final six months of the year, which were put in place to manage and prepare for a challenging financial position in 23/24, kept recruitment campaigns lower than we would normally see.

Through successfully securing additional SG funding we were able to retain, in advance of the Children's Care and Justice Bill, the additional Reporters and Assistant Reporters employed to support recovery from the pandemic. This ensures that we retained skilled and invested in staff whilst ensuring the allocation of these additional resources was aligned with locality workforce data. Whilst this means that our fixed term contracts is higher than we would normally support we will review this position alongside established vacancies throughout the year.

In 2022/23 we delivered a staff pay offer which was one of the largest consolidated offers across the NDPB network. Negotiations were protracted but we avoided industrial action and a negative impact on employee relations with UNISON.

The Health and Wellbeing Group again 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. There were some really positive outcomes from the staff survey on issues like communications and management support. However there were also some strong themes around workload, reward and morale that will be a specific focus for action in 23/24. The Principal Reporter/Chief Executive held team brief sessions focusing on the outcomes of the staff survey, which enhanced the feedback further.

We concluded the review of the support roles in Localities and implemented the single role of Locality Support Administrator. As part of the transition to the new single unified role we agreed a transition period of 12 months. A training plan will be delivered in 23/24 will support the transition period and will include digital and CSAS skills training, Corporate Parenting and customer care training.

We consulted on our Inclusive Standards and Behaviours Framework during 2022/23 and, in partnership with our managers, will plan the implementation of the framework for roll out and training in 2023/24. This consultation included consideration of the application of the Framework in relation to our approach to line management; supervision and appraisal; recruitment and selection; and succession planning and talent management.

In 2022, we saw a very active health and wellbeing agenda led out across the organisation including creative and considered approaches by local health and wellbeing groups which have become completely embedded in locality culture and included in locality plans. Local health and wellbeing groups are led by staff, for staff and ensure that staff days or initiatives offer a mixture of fun activity, mindfulness, yoga, networking, sharing, listening, offering support and connecting with each other. Their impact is incredible. The national initiatives in 2022 focused on a number of areas, as follows:-

- In partnership with UNISON, SCRA increased its cohort of trained Mental Health First Aiders.
- Offered staff a national big walk team challenge which saw over 100 participants walk the equivalent, and beyond, of reaching all SCRA offices across Scotland.
- Committed to the Menopause at Work Standard, launched a Menopause Toolkit and delivered a number of menopause sessions to all staff, held discussion cafés on menopause and held strengthening pelvic floor sessions.
- Developed a specific Connect page for financial advice in response to the challenging financial climate.
- Promoted Mental Health Week with Loneliness as the theme and held 'Time to Talk' days in February - encouraging people to ask how others were and listen.
- National mindfulness sessions.
- Grief Awareness sessions run by Strathcarron Hospice.
- Andy's Mans Club webinar which is a men's suicide prevention charity – the webinar was offered to all staff not just men.
- Held Locality based secondary trauma sessions and offered staff trauma informed e-learning modules.

We reviewed our Managing Fixed Term Workers, Career Break, Volunteering, Standby, Probation and Learning and Development Policies in 2022/23, ensuring that they reflected best practice, fairness, transparency and inclusion in the developments. Our most significant new policy development was the Right to Disconnect Policy which is scheduled for implementation in 2023/24. This policy recognises that every employee is entitled to switch off outside of their normal working hours and enjoy their time away from work, and that disconnecting from work is vital to a healthy and sustainable work-life balance - and to support personal resilience.

We provided Change Management training for managers at the Managers Day in November 2022, and have delivered a series of Quality Improvement Workshops to support Locality Management and Head Office Teams to develop the skills to enable change in their Teams.

We implemented our Learning Plan and delivered 160 learning and e-learning events in 2022/23, with staff receiving a total of 5139 hours of training across 1455 separate attendances. On average, staff attended 3.5 learning events in 2022/23. Events included; Keeping the Promise Engagement events, GDPR Refreshers, Professional Management Programme, Menopause awareness, Practice Training and Health & Safety training.

We completed a digital skills audit in 2022/23, and will deliver a programme of events and support in 2023/24 to further develop staff's digital skills and confidence. To support this we have invested in an enhanced Operational Development Support Team to work alongside individual staff members and Localities in digital upskilling staff.

We have revived the LRM and LSM networks as part of our engagement and development programme with managers.

We ran a Lessons Learned exercise with all teams on SCRA and its staff managed during the pandemic period. The sessions focused on, but were not limited to, communications, home working, change management, CSAS implementation, changing roles, technology and business continuity.



Rights, Inclusion and Corporate Parenting Strategy: 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.

2022-23 Key Activities

Rights and Inclusion

- Our Equality Outcomes are now fully aligned with SCRA's corporate aims of care, connect and protect, which are themselves aligned to the Scottish Government's National Performance Framework (or National Outcomes) which are Scotland's localisation of the UN Sustainable Development Goals. Aligning our Equality Outcomes in this way ensures that SCRA, as a public body, plays its part in contributing towards national and international goals in relation to inequality and sustainability.
- To further embed and mainstream equality, diversity and inclusion in everything we do, we have created a new Locality Equality Leads Network, with at least one representative from each Locality. This Network provides peer support and guidance and a place to share ideas and good practice at local level. This Network ensures that strategic national inclusion and diversity priorities are communicated and discussed within Localities, but that Localities can identify areas of local inclusion and diversity work to 'feed up' into the national programme. This top down, bottom up approach to inclusion and diversity ensures that strategic priorities and local needs remain at the forefront of our inclusion and diversity work, in effect providing a feedback loop from Localities to ensure our inclusion and diversity work is needs-based.
- We have embedded equality, diversity and inclusion in our corporate planning process, ensuring that equality, diversity and inclusion is reflected across all areas of the business and at all levels – strategic and operational, national and local.
- We have launched a new Fairer Scotland Group which will work to proactively understand the impact of socio-economic disadvantage and focus on how we can limit the impact of poverty in the work that we do, both strategically and operationally.
- We introduced a new mandatory equality, diversity and inclusion e-learning course for all staff – 'Diversity, Equality & Discrimination'. This is in addition to two other mandatory e-learning courses 'Bullying, Harassment & Victimisation' and 'Unconscious Bias'. These courses are also part of induction for new members of staff.
- SCRA received the Employers Network for Equality & Inclusion (enei) Silver TIDE Award in 2022/2023. 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 2023/2024.

Corporate Parenting

During 2022-23 The Promise has been the key driver for Corporate Parenting across the organisation alongside our ongoing commitment to delivering on Our Hearings Our Voice's 40 Calls to Action. Through collaborative planning we have been able to develop a set of plans that draw together the asks of the Promise, 40 Calls and those from local Champs Boards, working groups and others to allow a clear set of improvement projects.

We have been working closely with young people with experience of the Hearings System as we have developed our plans and projects right through to co-design of final outputs.

Whilst we are drawing together the asks to allow streamlined planning, we are taking great care to provide feedback directly to the groups on their own asks – as well as them being part of the work.

The Route Plan, launched in 2022, continues to be the map of our Promise Journey, setting out the aims, projects within it.

The Promise – Improvement, summary of achievement

- Project charters are complete for each project setting out clear aims, benefits, actions, measures and evaluation methods alongside the resource committed to the work.
- A number of improvement projects have taken place across the year and have been evaluated, a number are still underway and more have been approved to begin – a couple of examples of the projects underway can be found below in more detail.
- Improvement projects have been designed to meet the asks of the Promise, Our Hearings Our Voice, CELCIS VIP group and others, and clear lines of communication are in place with these groups.
- Regular internal communications to engage staff have been in place – updates on Connect, Team Brief updates, Webinars - these were used as a method of consulting with staff, amending and refining plans and also prioritising and sequencing work.
- Full programme governance is in place to ensure a consistency in approach and evaluation.
- All managers across the organisation were trained in Quality Improvement Methodology and are using this to take forward local projects (that are aligned to the Business Plan).
- Promise activity has provided a practical framework to use improvement methodology in SCRA and to cascade this approach.
- A key part of the Promise is that the workforce be supported, over the past year Trauma training has been rolled out across five of the localities, with the rest planned. This is in person localised training followed up by online materials, further learning and team meetings on the topic.
- As well as trauma training, a range of other learning opportunities have been available to enhance our Corporate Parenting: British Sign Language taster, Speech and Communication needs, Neurodiversity including the identification of local neurodiversity champions, Fetal Alcohol Spectrum Disorders, Advocacy, Victim Information roadshows, Secure Care standards, Children in Conflict with the Law, Hidden Disabilities. A number of further opportunities are planned for next year – Contextual Safeguarding, Child Sexual Exploitation and Child Criminal Exploitation.

- In response to feedback from OHOV and others, a new form called Hearing About Me was co-designed with Proud2Care in Inverclyde and rolled out nationally - this form provides children and young people with the opportunity to tell us in advance what they would like us to know – about them, what they are feeling good about, what they would like to change – and what they would like the Hearing to know. This is now available in paper and online.
- A second annual progress report was written and sent to Our Hearings Our Voice to update them on our progress towards delivery of their 40 Calls to Action.

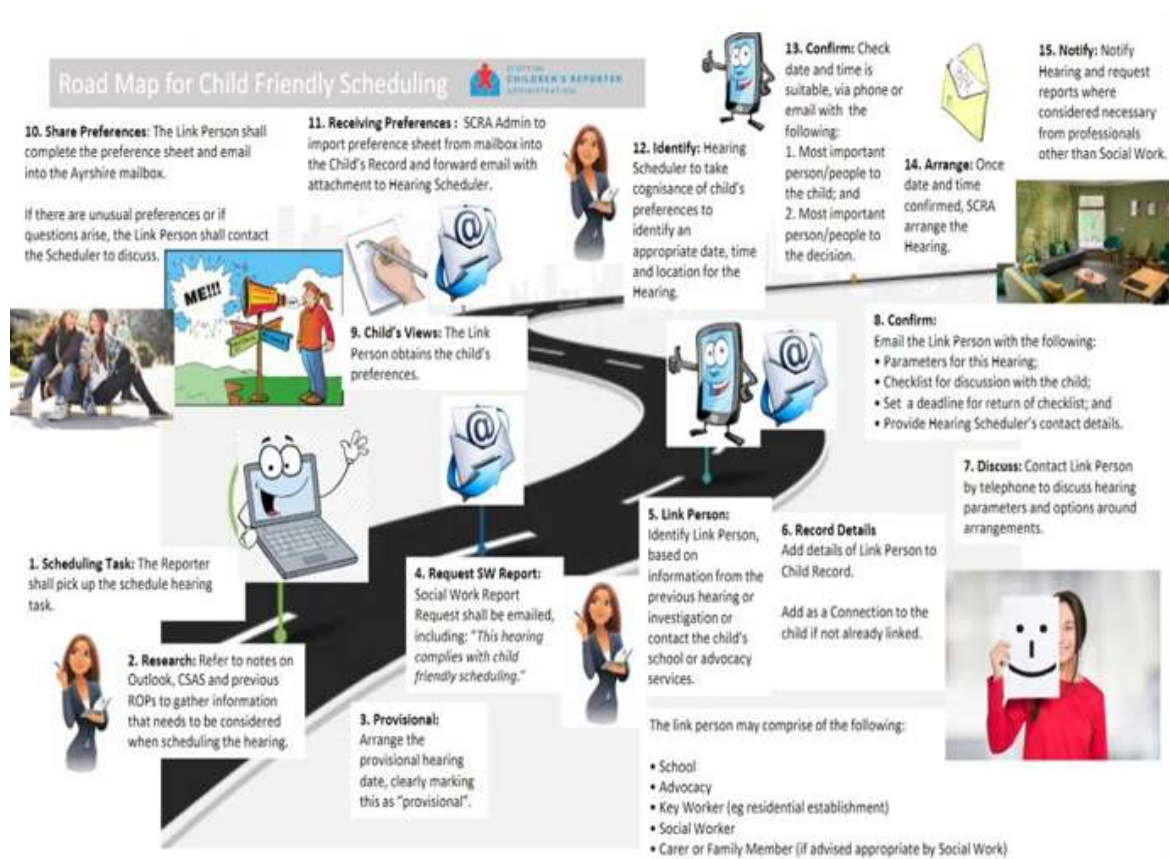
Child Friendly Scheduling

The Child Friendly Scheduling Project being piloted in Ayrshire aims to provide a more personal, bespoke service to every child and young person attending Hearings by giving them a choice about the date, time and location/type of Hearing. This improvement project responds to:

“When meetings take place, they must be at times and in locations that work for the child and must not adversely impact on their life and education.” (The Promise)

“The times of the Hearings and how children are removed from school has meant they have missed lessons and felt stigmatised in comparison to other pupils.” (The Promise)

“The times of Hearings should be more flexible to fit around my life. I should have choice about the date/time and location of my Hearing.” (Our Hearings, Our Voice 40 Calls to Action)



This project aims to trial and test a move towards a more bespoke hearing experience for children and families. Times of hearings will be more flexible to fit around children's lives and all children aged 5-17 will have choice about the date, time and location of their Hearing. Quality Improvement Methodology and Change Management Training has been delivered to staff involved in the pilot. The project initiated in January 2023 will be evaluated in Spring 2023.

Language

The Language Project has a two workstreams – one internal to SCRA engaging with staff and one a multiagency piece of work looking at how we can change the language used in the Children's Hearings System.

The internal workstream has focussed on workshops with staff to reflect on Language used – in our written communications, in our work with children and families – and with each other. These sessions have received excellent feedback with people commenting that taking that time to reflect has really made them think differently about what they are saying – what it means and the impact that it can have on people hearing it.

The external group, Language Leaders, is made up of six young adults with lived experience of Hearings, five professionals from across the Hearings System (SCRA, CHS, Social Work, Advocacy and Children's Rights) with facilitation by Our Hearings, Our Voice. This group are looking at how to tackle Language cross organisationally in the system and will continue with this work into next year. This work is absolutely critical as it cuts across many of the other projects that are in place – Letters, Reports, Trauma, Customise my Hearing – language is key to all of these being improved.

Sensory Corners



What words would you use to best describe the sensory corner?

distracting
different
calming
fulfilling
chilled
reflective
fun
entertaining
progressive

The Independent Care Review found that many “children who appear at Hearings have a known speech, language and communication issue and there is an over representation of children with additional support need.” The Review concluded that children “must be provided with all the support they need to fully participate and be heard in Hearings.” The findings in the review was supported by findings in SCRA

research during the development of a Disability toolkit and research exploring the experiences of children under the age of twelve living in residential care settings.

A Sensory Corner was piloted in our Glenrothes office to support children coming into Hearings.

What we did:

- Developed a pilot sensory corner within Glenrothes.
- Developed a briefing note on the sensory corner for staff within Glenrothes.
- Developed and published a visual information guide for Glenrothes hearing centre including the sensory corner.

This project was fully evaluated and below are some pictures and feedback. This is now being considered when looking at Hearing Room Improvements within our property strategy.



'I was always worried about them and nervous but this room helps deal with it all.'

'Yes. From an adult perspective very calm and relaxing. For a child also entertaining.'



#KeepThePromise



the promise
scotland



SCOTTISH
CHILDREN'S REPORTER
ADMINISTRATION

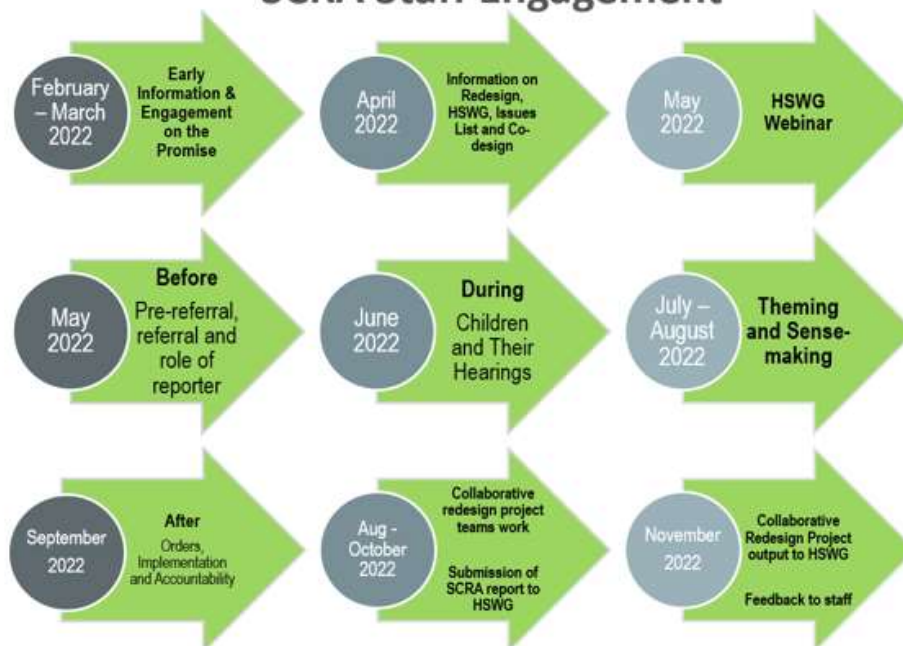
In addition, all Hearings centres now provide takeaway sensory kits for children and young people attending Hearings to support their attendance and participation.

The Promise – Reform

- We have been fully engaged in the Promise Hearings System Working Group that was set up to take forward the work around reform of the Hearings System. This group was chaired by Sherriff David Mackie and has worked throughout the year to develop a set of recommendations. We have been key partners in this work and will be part of the collaborative approach to delivery.
- Engagement and consultation was critical during the year to ensure that everyone working in and with the hearings system were able to provide their thoughts, suggestions and challenges to support the discussions in the working group and related collaborative redesign.
- An extensive exercise of staff engagement took place to give our staff – the experts in their profession, the opportunity to guide the report that we provided the Hearings System Working Group on our views in relation to the Issues List – the focus for the reform.
- The engagement was hugely encouraging in terms of attendance numbers, ideas and observations. The engagement was very honest, open to change and creative. Views coming from the staff group were wide ranging – and at times offered opposing views – but we saw this as positive, demonstrating different perspectives and potential to be explored.

- The key product of this engagement was a report, compiled to summarise the extensive data that had been collected. Within the report, the areas that were most consistently put forward by staff were highlighted for the group to consider.
- The report was to be used by of Hearings System Working Group (HSWG) as one of the many pieces of evidence to support their deliberations.
- As part of the reform work, a collaborative redesign project took place – this was an intensive piece of multi-agency work, using the Scottish Approach to Service Design model, to explore and agreed set of issues to feed into the reform work.
- The collaborative redesign project were tasked to produce a set of proposals, focussed on different parts of the Hearings System for presentation to the Hearings System Working Group, based on the Hearings System Working Group Issues List categories:
 - Avoiding the need for compulsory measures of supervision (“Before”)
 - Children and their Hearing (“During”)
 - Meeting the needs of children after their Hearing (“After”)
- The collaborative project teams began work at the end of August and worked together until the end of October in line with the service design methodology.
- The final output prepared by the Support Teams is a document which includes prototype pages for each of the approx. 30 prototypes developed including an image of the prototype and sections detailing the problem the prototype solves, the goal, the vision, the description of the concept, unintended consequences and a testing plan along with a prototype map showing how they fit together across the system.
- The HSWG considered the design work along with the other research they have instructed. They will be spending time in early 2023 considering, deliberating and decision-making in relation to the final recommendations to be made to the Scottish Government by Spring 2023.

SCRA Staff Engagement





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 dovetails 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.

2022-23 Key Activities

Operationally, the work of the organisation has continued to be impacted by the legacy from the Pandemic. Whilst we have been able to address the backloads and delays caused by Covid we have seen a transition across the year that has returned us to business activity that reflects pre-pandemic levels in some cases. This has resulted in returning to face-to-face activity in our Courts and an increase in the footfall within our hearing centres.

Our priorities this year included:

- Contributing towards and support the work of SCRA's Keep The Promise Team.
- Developing a digitally confident and mature workforce.
- Embedding a flexible and agile working model.
- Ensuring the organisation is ready and equipped for improvement and transformational change.
- Working towards improving environmental sustainability.
- Developing and embedding an agile effective operating model. Engaging with developments to optimise and enhance the operating model for effective and efficient service delivery.

All of our nine localities made significant progress in working towards the priority activity in the operational plan.

Operational staff heavily contributed towards the work of the Hearing Systems Working Group through staff consultation and workshops. At a local level there is consistent improvement work with partners in working towards Keeping the promise. There are some innovative test of change projects taking place such as a new approach to 'child friendly scheduling' taking place in our Ayrshire locality.

Post pandemic we have effectively introduced an agile approach to office working that has embraced new technology to increase operational resilience, support staff wellbeing and encourages better use of our estate.

We have supported staff in becoming more skilled in the use of digital technology and refined some of our core operational services, such as support for virtual attendance at hearings. The virtual hearing service was born of a response to the pandemic but now provides a choice of method of attendance for Hearing participants and has moved from a nationally based service provision (that was necessary to manage and support a Covid response) to local management that can be better tailored to the needs of individual in their localities.

This year Localities have also engaged with our Program Framework that as well as being focused on Keeping the Promise has also introduced a workstream on effective and efficient case processing.

Staff across the localities have been contributors to the development of this work, with focus in preparing for the challenges that are on the horizon.

Localities have reintroduced a focus on performance management, but the environment for service delivery remains challenging with high vacancy rates in local authority social work teams and pressure on panel member numbers in some areas. Good partnership work has been essential to ensure the needs of the most vulnerable children are prioritised.

Figure 1. Key Activities

INVESTMENT IN PEOPLE

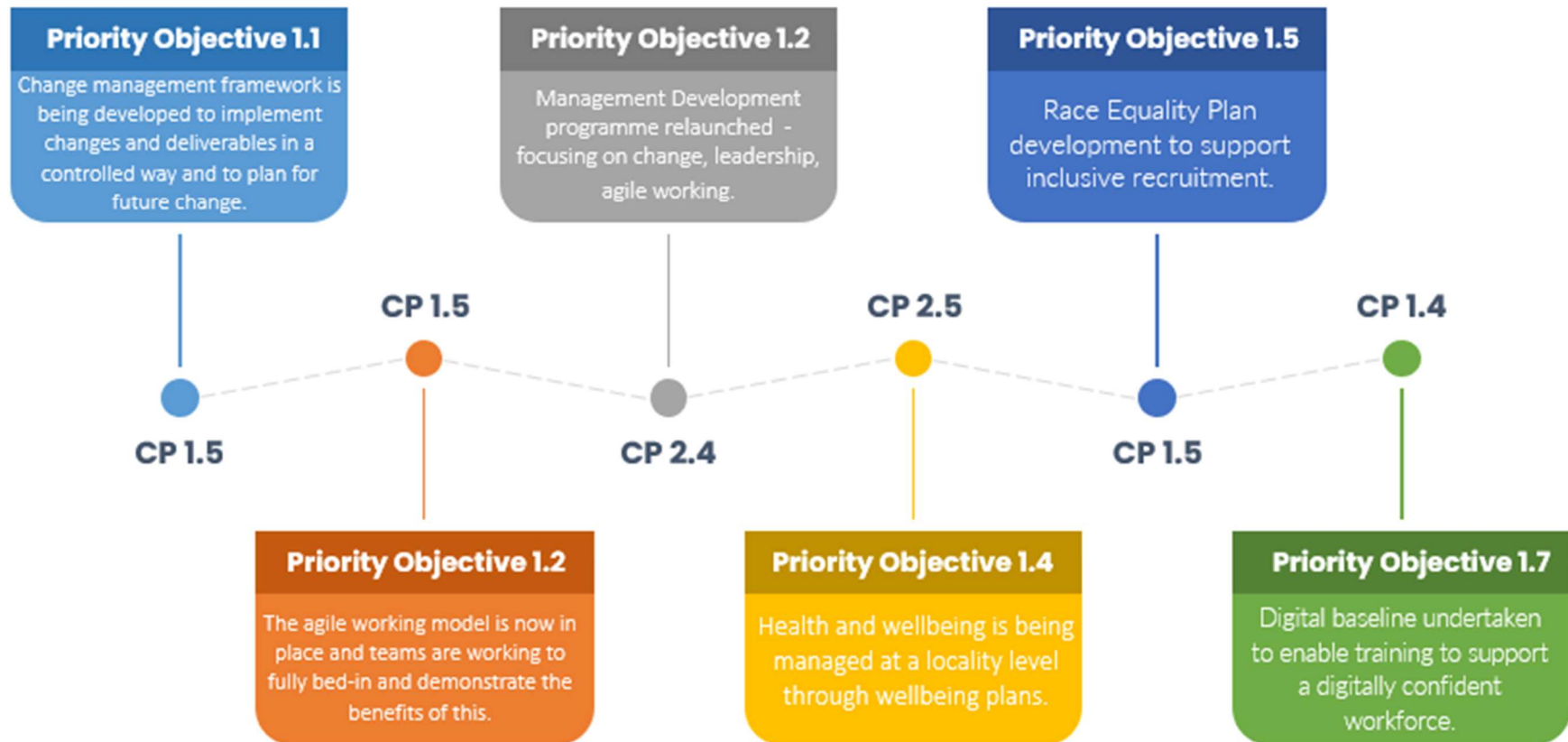


Figure 2. Key Activities

EFFECTIVE AND EFFICIENT SERVICE DELIVERY



Figure 3. Key Activities

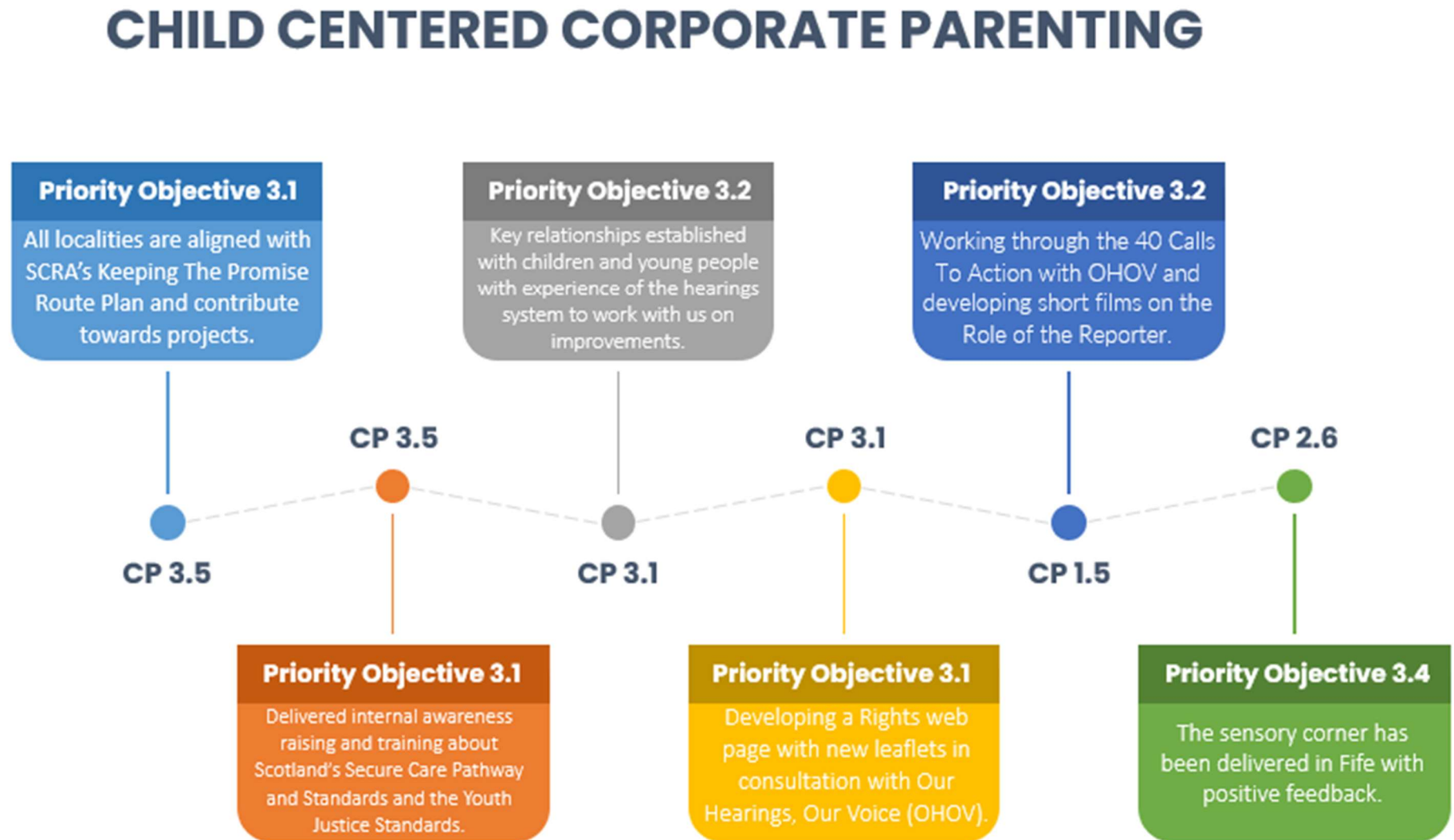
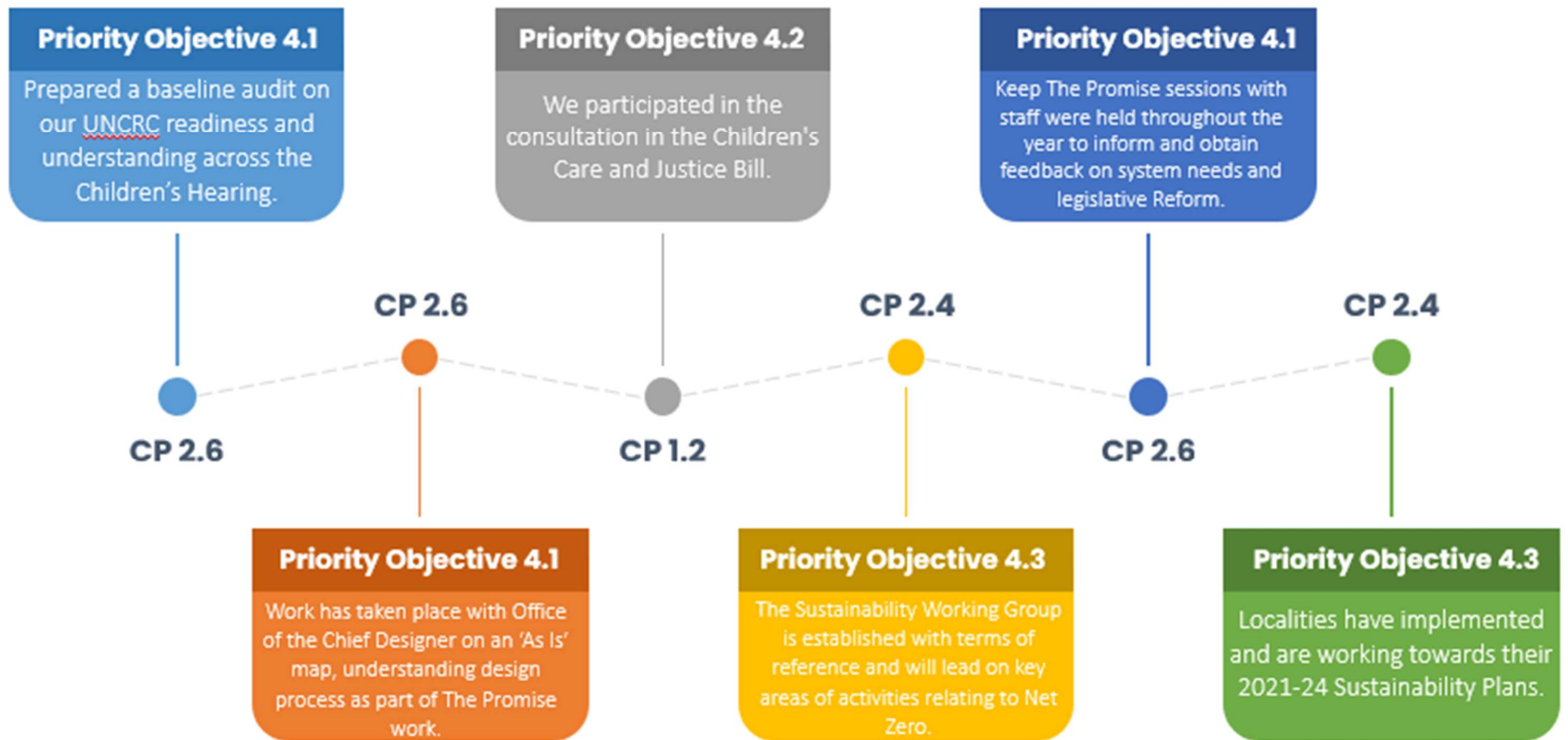


Figure 4. Key Activities

ENGAGEMENT WITH THE POLITICAL ENVIRONMENT AND INFLUENCING SOCIAL POLICY



1.2.3 Key Performance Indicators

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

2022/23 is the first full year since the pandemic where SCRA have not been operating under emergency legislation. As the legislation will impact comparisons with 2021/22, it is important to still recognise the key areas that the legislation supported, including:

- Removing the requirement for 2nd working day Hearings for Child Protection Orders;
- Extending Compulsory Supervision Orders 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: [Coronavirus legislation – changes to the law - SCRA](#).

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 5.

Performance measures	Target	Outcome	Prior Year
a) The percentage of decisions on referrals made within 50 working days of receipt	n/a	69%	69%
b) The percentage of Hearings scheduled to take place within 20 working days	n/a	57%	50%
c) The percentage of working days lost to short term absence	2%	2.0%	1.6%
d) The percentage of working days lost to long term absence	2%	3.7%	3.4%
e) Variance in annual revenue spends as a percentage of the available revenue budget	1%	0.4%	0.7%
f) Percentage of revenue savings achieved in the year	1.3%	1.9%	2.5%
g) Variance in annual capital spends as a percentage of the available capital budget	5%	14.7%	15.1%
h) The Scottish Government efficiency savings target will be met	0.6%	Met	Met

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

(a) Decision making by Reporters within 50 working days was unchanged against the prior year though this was against an increased number of decisions compared to 2021/22.

(b) Hearing scheduling was up 7 percentage points (pp) in the year to 55%. 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 had an impact on the ability to schedule grounds Hearings within the 20 working day target. The performance in 2022/23 starts to reflect the move away from the pandemic.

(c) Short term absence at 2.0% was within the 2% target and was 0.4pp higher than the prior year. We have seen more staff return to office working in 2022/23 which may have increased the short term absence experienced on previous years when staff were more consistently working from home. Agile working is still giving staff more flexibility about where they work from even when they are feeling unwell, but not unwell enough to be absent from work.

(d) Long term absence at 3.7% was up 0.3pp from the prior year and well above the 2% target. We have seen a rise in long term absences, particularly in relation to psychological absences. The post pandemic period has been challenging for staff and which is manifesting in complex personal, work or a mixture of both, stress related absences. We have trained a number of mental health first aiders and our Mental Wealth Group is particularly active across the organisation in terms of signposting supports, health and wellbeing tools and initiatives and local health and wellbeing groups are responding to Locality needs. Appropriate management of our long term cases is in place, including occupational health advice and guidance, employee assistance counselling provision, and potential ill-health retirements.

(e&f) Revenue savings mainly arose from vacancy management in the latter half of the year allowing the target to be exceeded while capital spends (g) were underspent mainly due to delays on the Elgin refurbishment and property Minor Works projects and a pause in an IT development project.

There are two quality measures around property. 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 - 2022/23

1 Percentage of Hearing centres that comply with our requirements 69.7% (60.6% in 2021/22)

2 The average percentage quality score achieved across the estate 90.4% (89.1% in 2021/22)

1.2.4 Operational Performance

This section provides the operational context for the report, focussing on activities which were used to support the Children's Hearings System in the year. The Operational Strategy and a summary of 2022/23 key activities can be found on page 31.

Children referred

In 2022/23, 9,025 children were referred on non-offence grounds this is up 3.8% from the previous year. Likewise, the number of children referred on offence grounds in the year at 2,637 was up 10.0%.

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 442, 37 fewer children had CPOs (7.7%) granted in the year.

Reporter Decisions

When making a final decision in relation to a referral, the Reporter will select the ground which reflects the principal concern(s) about the child. These grounds are set out in section 67(2) of the Children's Hearings (Scotland) Act 2011, and are summarised, 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.

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, 21.2% of children with a referral decided, had a decision to arrange a Hearing. This was a 2pp decrease 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/und deem 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.

PHPs increased by 193.6% to 963 against 328 last year. Numbers have increased significantly now the emergency Covid legislation around removing requirement for a child to attend a Hearing is no longer in place (two-thirds of Pre-Hearing Panels had this as a purpose for the meeting).

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 2.0% to 22,340 against 21,909 in the prior year, an increase of 431.

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, 1,976 applications were determined in 2022/23 and 90.5% were held to be established by the Sheriff. This was 96 fewer applications determined in the year (4.6%).

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, 6,789 children were subject to CSOs. This is 476 fewer than the prior year-end, a decrease of 6.6%.

Appeals

Children and/or their relevant persons can appeal to the Sheriff against decisions made by Children's Hearings and Pre-Hearing Panels. In 2022/23, 346 children had 450 appeals concluded, a 20.8% decrease from the prior year. A child may have multiple appeals within the year. Of the 450 appeals concluded, 53.3% of appeals were refused by the Sheriff or abandoned by the appellant. This is down 2.2pp from the prior year.

Consultation with employees

SCRA is committed to involving staff throughout the organisation in its decision-making process - 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 have committed to reviewing our Partnership Agreement with UNISON in 2023/24 to ensure that it continues to meet our consultation and engagement ambitions with staff.

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. Partnership working is strong across SCRA and is the root of our organisation development, consultation and collective bargaining processes. UNISON are our recognised Trade Union and work hard to ensure that partnership working is successful in SCRA. As an organisation we would encourage staff to join the SCRA UNISON branch so that they can feel the benefits and have a voice in a strong partnership relationship.

SCRA's People Strategy seeks to develop local organisational conversations to engage with staff on all aspects of organisational development, and 2022/23 saw a large increase in the number of staff engagement and consultation sessions. The Principal Reporter has implemented Team Brief Sessions open to all staff which have been very well attended, there was a Lessons Learned exercise undertaken with all staff to understand the impact of working throughout the pandemic period, we engaged with staff on their digital skills the outcome of which has developed into a digital skills strategy, clear investment in engaging with staff on Keeping the Promise, the relaunch of the LRM/LSM networks, the 13th year of SCRA's staff survey and the conclusion of the review of the support role. 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 2023, SCRA paid 77% (31 March 2022: 76%) 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 2023/24.

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

Our annual Climate Change report was submitted to Scottish Government at the end of November 2022 and included our emissions figures for 2021/22. Our reported direct and indirect GHG emissions have reduced very slightly compared with last year.

Emission Source & Scope		2021/22			2020/21	
	<u>Unit</u>	<u>C</u>		<u>E</u>	<u>C</u>	<u>E</u>
Heating - Natural Gas	1 kWh	1,457,088	↑	266.9	1,439,020	264.59
Heating - Oil	1 litres	3,001	↑	7.6		
Electricity (generation)	2 kWh	708,558	↑	150.4	688,999	160.63
Electricity (transmission losses)	3 kWh	708,558	↑	13.3	688,999	13.81
Business Travel - miles	3 miles	67,627	↑	19.0	42,018	11.79
Water - Supply	3 m3	2,289	↑	0.3	2,081	0.23
Water - Treatment	3 m3	2,289	↑	0.5	2,081	0.48
Waste - mixed recycling	3 tonnes	14	↓	0.3	21	0.46
Waste - paper recycling	3 tonnes	46	↑	1.0	12	0.25
Waste - Landfill	3 tonnes	15	↓	7.0	37	17.09
Waste - Combustion	3 tonnes	24	↑	0.5		
Homeworking	3 %home-based	60.00%	↓	81.2	75.00%	98.23
Total (tCO2e)		548.0				567.56

C – Consumption in units (↑/↓)

E – Emissions (tCO2e) calculated from consumption using emissions factor provided.

Whilst there has been a slight reduction in our annual emissions for 2021/22 at 3.5%, this compares to an 11.5% reduction last year. Whilst emissions have reduced overall, our consumption against a number of sources remains relatively consistent or has increased. Energy consumed for heating (scope 1) in particular remains broadly the same from year to year.

When we report our GHG emissions each year, they are set out in three specific categories or “scopes” of direct and indirect emissions:

- **Scope 1:** Scope 1 emissions are those made **directly**, through the burning of fuels to heat our business premises or are from Fleet vehicles (n/a for SCRA)
- **Scope 2:** Scope 2 emissions are those made **indirectly**, for example the electricity we consume in our premises that has been produced on our behalf.

- **Scope 3:** Scope 3 emissions are any **indirect** emissions associated with our business activity e.g. business travel, employee commuting, manufacturing of the goods and products we use and customer activity that is happening as a result of our services.

Scope 3 emissions are the most difficult to quantify as there is no definitive list and there is a risk of double counting scope 3 emissions between organisations. At present SCRA has set its boundaries for reporting as Scope 1, 2 and parts of 3.

To work towards net zero and meet the sustainability duties placed on SCRA, key areas for organisational action have been identified previously and remain relevant:

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

A new strategic group, focused on Sustainability and chaired by Neil Hunter, has been set up to develop our strategic approach to the key areas listed above and ensure that they are fully captured in the next updates to our Corporate, Business and Locality plans.

The annual climate change reporting requirements have been strengthened and every public sector organisation is required to i) set targets for reducing emissions, ii) state how it will use its resources to meet those targets and to iii) provide a date for reaching Net Zero. At Appendix C, a copy of our response is included within the Emissions and Projects section of the Climate Change report. In addition, a table is provided setting out our current reporting boundary and the GHG emission sources that are within and outside that boundary.

Initial targets for reducing emissions are included in our climate change report. This includes the overall 3 year target approved by the Board in 2021 of reducing GHG emissions by between 10% and 20%. As at year 2, the reduction is on target at 14.5%. The following additional corporate targets have now been added within our return for 2021/22:

- Net zero direct emissions from our estate by 2038
- Zero waste sent to landfill by 2030
- Become a net zero organisation by 2045

As the majority of our reported emissions are from buildings, managing the overall size and efficiency of our estate is a key priority. The covid-19 pandemic has accelerated new ways of working and reduced the amount of office space needed. The introduction of SCRA's Agile Working policy and a smart working approach to office refurbishment has allowed a reduction in the space leased at our Elgin, Glasgow and Hamilton locations. This is expected to feed through to a reduction in GHG emissions when our 2023/24 climate change report is produced.

1.2.5 2023/24 Planning

The Business Plan objectives for 2023-24 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 2022-23 in embedding CSAS and the Standard Operating Model.

The 2023-24 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 2022-23 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 2023-24 is helping the organisation to take forward an internal improvement agenda, prepare for changes that will be required to respond to the Hearing System Work Group recommendations and to get ready for implementation of referral of 16/17 year olds.

Neil Hunter
Accountable Officer

2 Accountability Report

2.1 Director's Report

The table below shows the date of appointment for Board members in 2022/23.

Board Member	Appointment Date
Michelle Miller (Chair)	01 May 18
Anela Anwar	01 Dec 14 – 30 Nov 22
Tam Baillie	01 Sep 18 – 31 Aug 22
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
Hazel Smith	01 Dec 22
Ying Zhang	01 Dec 22

All current Board members have fixed term contracts and of the above current members six are female and two 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 2022/23.

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 – 01 May 23

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.

2.1.1 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 2022/23 to 2026/27 the Auditor General has appointed Audit Scotland to undertake the audit of SCRA. The general duties of the auditors of central government bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

2.1.2 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/>.

2.1.3 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 three breaches reported to the ICO in 2022-23. 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.

2.1.4 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 29 incidents in 2022-23 where Non-Disclosure Orders/Rule 16 were breached. The SCRA was responsible for 17 Non-Disclosure/Rule 16 breaches, and two of these were reported to the ICO. In comparison, there was a total of 56 Non-Disclosure/Rule 16 breaches in 2021-22.

2.1.5 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. The three breaches that were reported to the ICO are summarised below:

- CSO and RoP containing carers Non Disclosure address was sent to a Relevant Person. There was a failure to identify that the case was Non Disclosure, so no redaction tasks were triggered.
- A report for Child A was included in the Hearing papers for Child B. The papers were accidentally mixed up at the photocopier.

- Rule 16 was applied to a relevant person's address but not extended to name of the child's school.

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 Governance Statement

2.3.1 Scope of responsibility

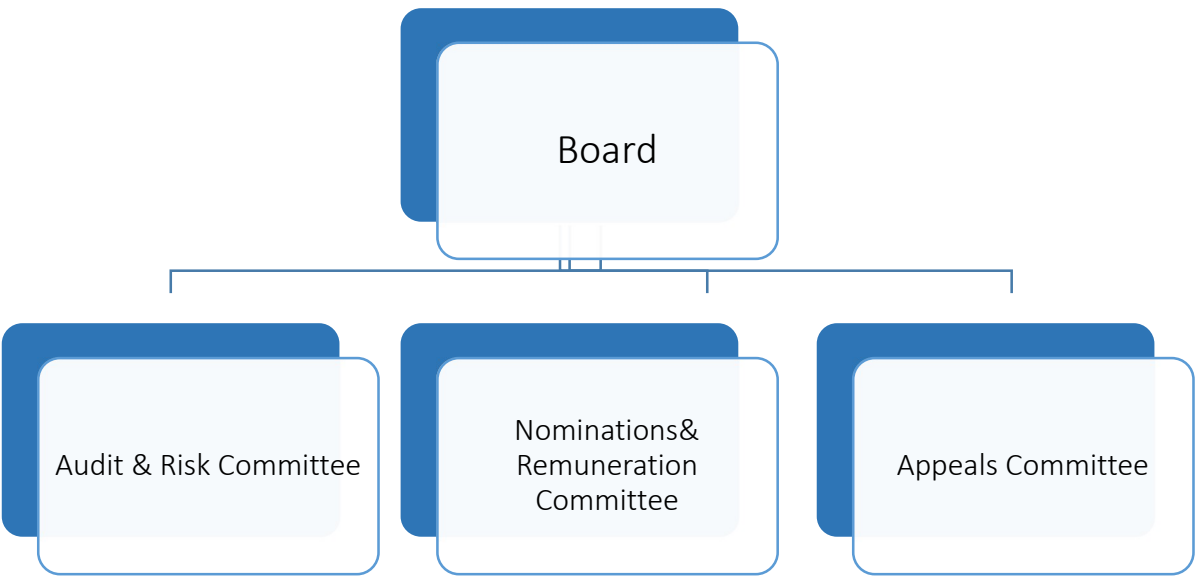
As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of SCRA’s policies, aims and objectives, as set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with 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 2023 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.

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.



2.3.4 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 six times during 2022/23 (June 2022, September 2022, December 2022, January 2023 and two meetings in March 2023) on regular business. Two Board Development days were held in April 2022 and November 2022. Two joint meetings of the Board with Children's Hearings Scotland's Board were held in February and August 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.

2.3.5 Board programme of business

Standing Items	Specific Items for 2022/23
<ul style="list-style-type: none"> • Committee Minutes • Chief Executive's Report • Budget Monitoring • Organisational Performance • New Risks 	<ul style="list-style-type: none"> • The Promise – Reporting and Governance Structure, Promise Progress Updates • Board Member Recruitment • Internal Review • Staff Survey • Draft Budget 2023/24 • Draft Business Plan 2023/24 • Review of risk policy • Communications Plan
Annual	
<ul style="list-style-type: none"> • Budget • Annual Accounts and Management Representation Letter • Annual Report • Corporate and Business Plans • Locality Performance 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 Standing Orders and Terms of Reference Review • Influencing Report 	
Bi-annual	
<ul style="list-style-type: none"> • Strategic and Operational Risk Registers 	

2.3.6 Board Development Meetings

Business conducted at the Board Development Days (April and November 2022) included:

- Inclusion and diversity training
- Cyber security training
- Board governance – learning plan, objectives, committee membership, Board effectiveness
- GDPR refresher training
- Role of the Reporter
- Mock hearing

2.3.7 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. The Audit and Risk Committee carries out an annual self-assessment and reports annually on its activities to the Board.

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• ARC self-evaluation	
Quality Assurance and Performance <ul style="list-style-type: none">• Case Sampling Reports			
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			
Risk Management <ul style="list-style-type: none">• New Risks			
Topical/Regulatory/Governance Issues		Bi-annual <ul style="list-style-type: none">• Review of Strategic and Operational Risk Registers• Internal Audit Recommendations Follow-up• Pensions Update	
Specific Items during 2022/23 (in addition to above) <ul style="list-style-type: none">• Performance Report• Risk Management Policy Review			

2.3.8 Nominations and Remuneration Committee

The Nominations and Remuneration Committee comprises the Chair and three 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.

Business dealt with during 2022/23 (meetings held April 2022, June 2022, August 2022, September 2022):

- Pay Award Proposals 2022/23
- Pay Award Proposal PR/CE
- Board Member Recruitment

The meeting held in April 2022 was the final meeting of the Nominations Committee and the meeting held in June 2022 was the first meeting of the Nominations and Remuneration Committee.

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 2022/23.

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 2023, 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 2023 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 are continuously reviewed at Locality Management Team meetings using the new risk management software. Digital Strategy risks are monitored by the Digital Change Advisory Board. EMT is supported in discharging its risk management responsibilities by the Planning and Performance Network.

The key strategic risks tracked throughout 2022/23 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;
- 2023/24 Scottish Government budget does not deliver required level of revenue funding with impact on ability to deliver a quality service and respond effectively to new legislative and policy pressures;
- Failure to progress Board approved Environmental plan and inability to accelerate plans to meet new targets;
- Inability to engage with digital inhibits realisation of full potential of new technologies resulting in significant operational disruption;
- The optimum model for CSAS ownership and accountability and a joint future partnership between SCRA and CHS is not adequately defined and agreed; and
- Inability to meet staff expectations on pay/reward resulting in operational disruption/staff engagement in change.

SCRA's internal auditors are BDO, appointed for the period 1 July 2017 to 30 June 2021, further extended to June 2023 under the terms of a Framework Agreement. The Internal Auditor delivered risk management training in 2022/23 which was attended by risk leads in the organisation. The new risk management software provider delivered training for users of the tool.

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 new Core Systems and Applications (CSAS) was fully implemented in 2021/22 and the main focus throughout 2022/23 has been on further development of the system functionality and consolidation and optimisation of new ways of working digitally. Additional activity was focused on supporting transition of virtual hearings capability from a central team to locality control, improvements in sharing data between CSAS and the virtual hearing platform (VHP), new procurement for Microsoft licensing and subscriptions, mainstreaming the tracking of benefits and a programme of technology refresh.

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 three 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.

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 of address or SCRA is informed of the new address, but delays in updating it on CSAS. 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.

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. The case sampling programme for 2022/23 consisted of 4 exercises, two of which took a different approach to usual in that they were aligned to the Promise programme of work focussing on a topic of relevance to issues under consideration for reform or improvement. The first of these, considered by the May committee, was on the Reporters decision to refer the child to the local Authority for voluntary support and guidance. The August committee considered a report on the drafting of grounds by the Reporter in cases involving domestic abuse. The second exercise aligned to the Promise was on deferred hearings, and the report from this was before the committee in November 22. The final exercise of the year, considered by the committee in February 23 was an observation exercise on the role of the Reporter in the hearing.

The Practice and Quality network continues to 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. In addition to sharing the findings from case sampling and identifying and over-seeing improvements arising from these, the network provides a forum for sharing learning from local partnership learning reviews (previously significant case reviews) and joint inspections of services for children.

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 2022/23. 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 arrangement

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 2022/23 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 2022/23, 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 Nominations and Remuneration Committee (unaudited)

As detailed in 2.3.8, the Nominations and Remuneration Committee is responsible for governance of the pay and remuneration policy for the organisation and the approval of Principal Reporter/Chief Executive appraisal and pay.

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 (unaudited)

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	01 May 2023	3 months
<i>Head of Digital Delivery</i>			

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

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.

Non-executive Board Members	Salary and allowances 2022-23 £000	Salary and allowances 2021-22 £000
Michelle Miller (Chair)	20-25	20-25
Anela Anwar (left office 30 Nov 22)	0-5	0-5
Tam Baillie (left office 31 Aug 22)	0-5	0-5
Kay Barton	0-5	0-5
James Edgar	0-5	0-5
Lorraine Moore	0-5	0-5
Catherine Robertson	-	0-5
Hazel Smith (from 01 Dec 22)	0-5	-
Martin Toye	0-5	0-5
Suzanne Vestri	0-5	0-5
Ying Zhang (from 01 Dec 22)	0-5	-

The full year equivalent remuneration for Anela Anwar, Tam Baillie, Hazel Smith and Ying Zhang falls within the band £0-£5,000.

Executive Management Team Members	Salary and allowances 2022-23 £000	Pension benefits 2022-23 £000	Single total figure of remuneration 2022-23 £000	Salary and allowances 2021-22 £000	Pension benefits 2021-22 £000	Single total figure of remuneration 2021-22 £000
Neil Hunter	100-105	24	125-30	100-105	15	115-120
<i>Principal Reporter/Chief Executive</i>						
Edward Morrison	70-75	2	75-80	70-75	(14)	55-60
<i>Head of Finance and Resources</i>						
Susan Deery	70-75	2	75-80	70-75	(13)	55-60
<i>Head of Human Resources</i>						
Helen Etchells	70-75	35	105-110	65-70	11	75-80
<i>Senior Operational Manager</i>						
Paul Mulvanny	70-75	37	110-115	65-70	9	75-80
<i>Senior Operational Manager</i>						
Alistair Hogg	70-75	13	85-90	70-75	0	70-75
<i>Head of Practice and Policy</i>						
Lisa Bennett	70-75	19	90-95	70-75	6	75-80
<i>Head of Strategy and Organisational Development</i>						
Lawrie McDonald	75-80	29	105-110	75-80	24	95-100
<i>Head of Digital Delivery</i>						

No senior manager received any benefits in kind or non-cash remuneration in 2022-23 (2021-22: £nil). No significant awards were made, or compensation paid, to former senior managers in 2022/23 (2021/22: none).

Senior managers' pension entitlements

Executive Management	Real increase in pension in year to 31 March 2023	Real increase in lump sum in year to 31 March 2023	Total accrued pension at 31 March 2023	Total accrued lump sum at 31 March 2023	CETV* at 31 March 2022	CETV* at 31 March 2023	Real increase in CETV* during year
Team Members	£000	£000	£000	£000	£000	£000	£000
Neil Hunter	0-2.5	0	25-30	0	342	403	20
<i>Principal Reporter/Chief Executive</i>							
Edward Morrison	0-2.5	(5)-(2.5)	40-45	65-70	739	823	11
<i>Head of Finance and Resources</i>							
Susan Deery	0-2.5	(5)-(2.5)	40-45	65-70	694	772	10
<i>Head of Human Resources</i>							
Helen Etchells	0-2.5	0	25-30	0	332	396	28
<i>Senior Operational Manager</i>							
Paul Mulvanny	0-2.5	0-2.5	30-35	45-50	513	603	38
<i>Senior Operational Manager</i>							
Alistair Hogg	0-2.5	(2.5)-0	30-35	30-35	466	529	15
<i>Head of Practice and Policy</i>							
Lisa Bennett	0-2.5	(2.5)-0	20-25	10-15	252	292	11
<i>Head of Strategy and Organisational Development</i>							
Lawrie McDonald	0-2.5	0	5-10	0	49	83	23
<i>Head of Digital Delivery</i>							

* CETV is Cash Equivalent Transfer Value.

Senior managers' pension entitlements: prior year comparatives

Executive Management	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
Team Members	£000	£000	£000	£000	£000	£000	£000
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>							

Other staff members' remuneration

The full-time equivalent remuneration paid to SCRA staff ranged from £17,356 to £101,559 (2021-22: £17,356 to £101,059). Remuneration figures exclude cash-equivalent transfer values and employer pension contributions.

	2022-23 Salary	2022-23 Allowances	2022-23 Total remuneration	2021-22 Salary	2021-22 Allowances	2021-22 Total remuneration
Highest paid Executive Management Team member	£101,559	£0	£101,559	£101,059	£0	£101,059
25 th percentile	£26,571	£0	£26,571	£24,949	£0	£24,949
Median	£34,341	£0	£34,341	£32,245	£0	£32,245
75 th percentile	£47,361	£0	£47,361	£44,470	£0	£44,470

The 25th percentile pay ratio has decreased from 4.05:1 to 3.82:1. The median pay ratio has decreased from 3.13:1 to 2.96:1. The 75th percentile pay ratio has decreased from 2.27:1 to 2.14:1. In all cases, these ratios are decreasing due to the highest paid Executive Management

Team member's salary and overall remuneration increasing by 0.5% between 31 March 2022 and 31 March 2023, whereas the median and percentile staff quoted above received pay awards of over 4%.

SCRA believes the median pay ratio for 2022/23 is consistent with its pay, reward and progression policies for SCRA employees taken as a whole.

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

Children's Hearings Scotland paid SCRA £5,430 and £nil in 2022/23 in respect of senior management services from Edward Morrison and Susan Deery respectively (2021/22: £5,165 and £2,583 respectively).

2.4.5 Staff breakdown by gender and permanent/non-permanent contracts (unaudited)

	2022-23	2021-22
Staff with permanent contract - Male	45	48
Staff with permanent contract - Female	310	315
Agency staff/staff with short-term contract - Male	9	9
Agency staff/staff with short-term contract - Female	74	72
Total	438	444

Average numbers are calculated using actual whole-time person equivalents at 1 April 2022, 30 June 2022, 30 September 2022, 31 December 2022 and 31 March 2023.

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

	2022-23 £000	2021-22 £000
Salaries and wages	13,740	13,313
Social security costs	1,494	1,368
Contributions to pension scheme	2,818	2,799
Cost of early retirement	(25)	(126)
IAS 19 adjustment to pension scheme contributions	4,440	5,121
	22,467	22,475

(ii) Staff costs – other staff

	2022-23 £000	2021-22 £000
Salaries and wages	2,927	2,725
Social security costs	314	249
Contributions to pension scheme	562	493
	3,803	3,467

(iii) Staff costs – all staff

	2022-23 £000	2021-22 £000
Salaries and wages	16,667	16,038
Social security costs	1,808	1,617
Contributions to pension scheme	3,380	3,292
Cost of early retirement	(25)	(126)
IAS 19 adjustment to pension scheme contributions	4,440	5,121
	26,270	25,942

The average pay per FTE employee, excluding the Principal Reporter/Chief Executive, increased by 7.80% between 31 March 2022 and 31 March 2023, reflecting SCRA's implementation of its 2022/23 pay policy.

(iv) Exit packages

SCRA agreed no exit packages during 2022/23 (2021/22: none).

(v) Consultancy

In 2022/23, SCRA spent £94,478 on consultancy (2021/22: £54,092).

2.4.7 Staff Sickness Absence (unaudited)

In the year to 31 March 2023 average staff sickness absence was 5.7% (2022: 5.0%). The target for the year to 31 March 2023 was 4% (31 March 2022: 4%). Further detail can be found in the Performance Report.

2.4.8 Disability, Diversity and Equal Treatment (unaudited)

SCRA is a Disability Confident Employer. We continue to work on our portfolio for assessment to become a Disability Confident Leader and will be engaging with other Disability Confident Leaders in learning from 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 Inclusion Ambassadors who lead our Disability Group/Network 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 have trained Mental Health First Aiders available to staff across the organisation.
- 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.

More information on SCRA's approach to supporting diversity and equal treatment in employment can be found in our People Strategy (page 23) and our Rights, Inclusion and Corporate Parenting Strategy (page 25).

2.4.9 Facility time (unaudited)

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
9	8.51

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%	6
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	£72,375 inc. of on-costs
Provide the total paybill	£21,855k
Provide the percentage of the total paybill spent on facility time, calculated as: (total cost of facility time ÷ total paybill x 100)	0.33%

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 2023.
- No reportable special payments were made in the financial year to 31 March 2023.
- No reportable fees or charges were received in the financial year to 31 March 2023.
- There are no remote contingent liabilities as at the date the accounts were signed.

Neil Hunter
Accountable Officer

2.6 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 2023 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 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2023 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 2022/23 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 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. 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:

- using my understanding of the central government sector to identify that the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;

- discussions among my audit team on 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 parts 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 parts of the Remuneration and Staff Report have 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 parts 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 Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

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

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

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

Matters on which I am required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the audited parts 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 108 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.

Asif A Haseeb OBE
Audit Scotland
8 Nelson Mandela Place
Glasgow
G2 1BT

3 Financial Statements

3.1 Statement of Comprehensive Net Expenditure for year ending 31 March 2023

	Note	2022-2023	2021-2022
		£000	£000
Expenditure			
Staff costs	3	26,270	25,942
Other expenditure	4	5,417	6,029
Depreciation and amortisation	5,7,13	2,391	1,422
		<u>34,078</u>	<u>33,393</u>
Income	2	<u>(411)</u>	<u>(466)</u>
Net expenditure		33,667	32,927
Interest payable		75	3
Interest receivable		-	-
Pension scheme finance cost	11	1,110	1,268
Net expenditure before Scottish Government funding		<u>34,852</u>	<u>34,198</u>
Other comprehensive net expenditure			
Items which will not be reclassified to net expenditure:			
Actuarial loss/(gain) on pensions	11	(44,408)	(28,166)
Revaluation loss/(surplus) on property	5	-	-
Comprehensive net expenditure/(surplus) for the year		<u>(9,556)</u>	<u>6,032</u>

3.2 Statement of Financial Position as at 31 March 2023

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Property, plant and equipment	5	7,219	7,869
Right of use assets	13	6,538	-
Intangible assets	7	4,133	4,568
<i>Total non-current assets</i>		<u>17,890</u>	<u>12,437</u>
Current assets			
Trade and other receivables	8	627	875
Cash and cash equivalents	9	2,201	673
<i>Total current assets</i>		<u>2,828</u>	<u>1,548</u>
Total assets		20,718	13,985
Current liabilities			
Trade and other payables	10	2,603	2,099
Other provisions	14	507	218
Lease obligations	13	717	48
<i>Total current liabilities</i>		<u>3,827</u>	<u>2,365</u>
Non-current assets less net current liabilities		16,891	11,620
Non-current liabilities			
Payables	10	43	347
Pension liability/(asset)	11	-	39,039
Provision for unfunded pensions	12	159	182
Lease obligations	13	5,866	1,103
<i>Total non-current liabilities</i>		<u>6,068</u>	<u>40,671</u>
Assets less liabilities		<u>10,823</u>	<u>(29,051)</u>
Taxpayers' equity			
General fund	19	(19,932)	(15,398)
Pension reserve	11	28,277	(16,131)
Revaluation reserve		2,478	2,478
Total taxpayers' equity/(deficit)		<u>10,823</u>	<u>(29,051)</u>

The Accountable Officer authorised these financial statements for issue on 20 September 2023.

Neil Hunter
Accountable Officer

3.3 Statement of Cash Flows for year ending 31 March 2023

	Notes	2022-2023 £000	2021-2022 £000 Restated
Cash flows from operating activity			
Net expenditure		(33,667)	(32,927)
Adjustments for non-cash items			
Increase/(Decrease) in pension fund liability		(39,039)	(21,942)
Increase in pension reserve		44,408	28,168
Depreciation and amortisation charges	5,7,13	2,391	1,422
Permanent diminution	4	-	-
Loss on disposal of tangible non-current assets	4,5	-	1
IFRS16 Adjustment to Right of Use Asset		46	-
<i>Movements in working capital</i>			
Decrease/(Increase) in trade and other receivables	8	248	(268)
Decrease/(Increase) in trade and other payables	10,13,14	172	(395)
<i>Movements in provisions</i>			
Increase/(Decrease) in provision for unfunded pensions	12	(23)	(143)
Net cash outflow from operating activities		(25,464)	(26,084)
Cash flow from investing activities			
Purchase of property, plant and equipment	5	(1,166)	(802)
Purchase of intangible assets	7	(319)	(555)
Purchase of assets under construction	5,7	62	-
Proceeds of disposals of property, plant and equipment		-	-
Interest received		-	-
Cash flow from financing activities			
Scottish Government funding for year		30,318	28,377
Repayment of leasing liabilities		(718)	-
Interest paid on lease obligations		(72)	-
Other interest paid		(3)	(3)
Net interest expense on pension asset	11	(1,110)	(1,268)
Net increase/(decrease) in cash and cash equivalents		1,528	(335)
Opening Cash Balance		673	1,008
Closing Cash Balance		2,201	673

The 2021-22 statement of cash flows has been restated to exclude movements in creditors relating to capital expenditure, in line with the Government Financial Reporting Manual (FReM). This has resulted in a reduction of the purchase of property, plant and equipment (£0.312m), intangible assets (£0.086m) and assets under construction (£0.018m), and an increase in the movement of trade and other payables of £0.416m.

3.4 Statement of Changes in Taxpayers' Equity

	General Fund £000	Pension Reserve £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2021	(9,577)	(44,299)	2,478	(51,398)
Changes in taxpayers' deficit for 2021-22				
Actuarial gain 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)
Changes in taxpayers' deficit for 2022-23				
Actuarial gain on pension reserve		44,408		44,408
Net expenditure for the year	(34,852)			(34,852)
Total recognised income and expense for 2022-23	(50,250)	28,277	2,478	(19,495)
Funding from Scottish Government	30,318			30,318
Balance at 31 March 2023	(19,932)	28,277	2,478	10,823

3.5 Notes of the financial statements

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2022-23 *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 2022-23 were an average of 6.6% by employee and 20.6% 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 interim 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 accounted 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	lesser of 10 years and the remaining term of the lease
Right of Use assets	lesser of useful life and 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 2023 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 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.

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 2023, 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 2023	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in Real discount Rate	2%	2,465
1 year increase in member life expectancy	4%	5,061
0.1% increase in the Salary Increase Rate	0%	316
0.1% increase in the Pension Increase Rate (CPI)	2%	2,184

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, the actuary estimates 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 obligations as at 31 March 2023 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, based on the profile (average member ages, retirement ages etc.) 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.

2. Income

Income of £411k (2021-22: £466k) is comprised mainly of property rental income, shared services income, and staff secondment income.

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

	2022-23	2021-22
	£000	£000
Running costs	2,325	2,427
Other property costs	2,060	1,932
Hearing and legal costs	350	338
Training, recruitment and other staff costs	315	253
Rentals under operating leases	201	969
Board fees and expenses	48	46
Auditor remuneration	43	34
Internal auditors' remuneration	29	29
Loss on disposal of non-current assets	0	1
IFRS 16 adjustment to Right of Use asset	46	0
	5,417	6,029

5. Property, plant and equipment

Additions of total property, plant and equipment in the schedule of £1.123m (2021/22: £1.132m) appear in the cash flow as £1.104m (2021/22: £0.802m restated) after adjustment for opening and closing property, plant and equipment accruals in trade and other payables.

	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 2022	1,473	5,430	25	4,591	1,645	1,430	2,512	145	17,251
Additions			169	570	219	158	7		1,123
Transfers		(1,786)	(142)	18	124	51	(51)		(1,786)
Disposals				(1,250)	(223)	(312)	(85)		(1,870)
Impairment									0
At 31 March 2023	1,473	3,644	52	3,929	1,765	1,327	2,383	145	14,718
Accumulated depreciation									
At 1 April 2022	0	927	0	4,043	1,146	855	2,266	145	9,382
Provided in year	0	128	0	202	165	198	92		785
Withdrawn on disposal				(1,250)	(223)	(312)	(85)		(1,870)
Withdrawn on transfer		(798)				39	(39)		(798)
At 31 March 2023	0	257	0	2,995	1,088	780	2,234	145	7,499
Net book value									
At 31 March 2023	1,473	3,387	52	934	677	547	149	0	7,219
At 31 March 2022	1,473	4,503	25	548	499	575	246	0	7,869

Prior year comparatives

	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		(2)	22	168	360	442	142	0	1,132
Transfers			(4)		4				0
Disposals					(115)		(8)		(123)
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		171		181	80	165	70	3	670
Withdrawn on disposal					(114)		(8)		(122)
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

6. Assets held for sale

SCRA has no assets held for sale as at 31 March 2023 (2022: none).

7. Intangible assets

Additions of total intangible assets in the schedule of £0.436m (2021/22: £0.641m) appear in the cash flow as £0.319m (2021/22: £0.555m restated) after adjustment for opening and closing intangible asset accruals in trade and other payables.

	Intangible assets under construction £000	Software licences £000	Information Technology £000	Total £000
Cost/Valuation				
As at 1 April 2022	0	280	6,000	6,280
Additions	0	0	436	436
Transfers	0	0	0	0
Disposals	0	0	0	0
At 31 March 2023	0	280	6,436	6,716
Accumulated amortisation				
At 1 April 2022	0	269	1,443	1,712
Provided in year	0	4	867	871
Withdrawn on disposal	0	0	0	0
At 31 March 2023	0	273	2,310	2,583
Net Book Value				
At 31 March 2023	0	7	4,126	4,133
At 31 March 2022	0	11	4,557	4,568
Prior year comparatives				
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

8. Trade and other receivables

(i) Current assets

	2022-23	2021-22
	£000	£000
Prepayments	248	441
Other receivables	379	434
At 31 March	627	875

(ii) Intra governmental balances

	2022-23	2021-22
	£000	£000
Balances with local authorities	280	33
Balances with other central government bodies	59	430
Balances with bodies external to government	288	412
At 31 March	627	875

9. Cash and cash equivalents

	2022-23	2021-22
	£000	£000
Balance at 1 April	673	1,008
Net change in cash and cash equivalents	1,528	(335)
Balance at 31 March	2,201	673
Bank accounts	2,197	661
Petty cash balance	4	12
	2,201	673

All bank balances at 31 March 2023 are held with commercial banks.

10. Trade and other payables

(i) Current liabilities

	2022-23	2021-22
	£000	£000
Trade payables	107	209
Tax and social security	877	401
Other payables	632	41
Accruals	987	1,448
Balance at 31 March	2,603	2,099

The increase in total trade and other payables of £0.504m (2021/22: decrease £0.245m) is shown in the statement of cash flows as an increase of £0.172m (2021/22: decrease £0.395m restated) after adjustment for movements in property, plant and equipment (note 5) and intangible assets (note 7).

(ii) Non-current liabilities

	2022-23	2021-22
	£000	£000
Public Works Loan Board (PWLB) loans	37	37
Other payables, accruals and deferred income	6	310
Balance at 31 March	43	347

(iii) Intra governmental balances

	Payables: current 2022-23 £000	Payables: non-current 2022-23 £000	Payables: current 2021-22 £000	Payables: non-current 2021-22 £000
Balances with local authorities	1,277	0	7	10
Balances with other central government bodies	898	37	427	38
Balances with bodies external to government	428	6	1,665	299
At 31 March	2,603	43	2,099	347

11. Pensions

Financial assumptions

The assumptions SCRA instructed the actuary to use are:

Period Ended	31 March 2023 % per annum	31 March 2022 % per annum
Pension Increase Rate (CPI)	2.95%	3.20%
Salary Increase Rate	3.55%	3.80%
Discount Rate	4.75%	2.70%

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 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% per annum for both males and females. Based on these assumptions, the average future life expectancies at age 65 for SCRA, assuming future pensioners members are aged 45 as at last formal valuation date, are:

	Males	Females
Current Pensioners	20.0 years	22.7 years
Future Pensioners	21.2 years	24.7 years

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowances for future improvements, for both current and future pensioners, are 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% per annum.

Please note that the mortality assumptions used to value SCRA's obligations in the Closing Position are different to those used to value SCRA's obligations in the 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.

All other demographic assumptions are as per the latest funding valuation of SCRA.

Asset ceiling adjustment

The fair value of plan assets at 31 March 2023 exceeds the estimated present value of liabilities. In accordance with International Financial Reporting Interpretations Committee Interpretation 14 ("IFRIC 14"), SCRA is not recognising this excess as a net asset in its Statement of Financial Position.

**Change in the fair value of plan assets, defined benefit obligation and net asset/liability
for the year end 31 March 2023**

	Assets	Obligations	Net asset (liability)
	£000	£000	£000
Fair value of plan 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)
Opening position as at 31 March 2022	144,202	183,241	(39,039)
Service cost			
- Current service cost	0	7,803	(7,803)
- Past service cost (including curtailments)	0	0	0
- Effect of settlements	0	0	0
Total service cost	0	7,803	(7,803)
Net interest			
- Net income on plan assets	3,907		3,907
- Net cost on defined benefit obligation		5,017	(5,017)
Total net interest	3,907	5,017	(1,110)
Total defined benefit cost recognised in the Statement of Comprehensive Net Expenditure	3,907	12,820	(8,913)
Cash flows			
- Participants' contributions	1,095	1,095	0
- Employer contributions	3,363	0	3,363
- Estimated benefits paid	(3,244)	(3,244)	0
- Estimated unfunded benefits paid	(182)	(182)	0
- Estimated contributions in respect of unfunded benefits paid	182	0	182
- Effect of business combinations and disposals	0	0	0
Expected closing position	149,323	193,730	(44,407)
Remeasurements			
- Change in financial assumptions	0	(74,830)	74,830
- Change in demographic assumptions	0	(1,175)	1,175
- Other experience	0	8,793	(8,793)
- Return on assets excluding amounts included in net interest	(2,641)	0	(2,641)
- Asset ceiling adjustment	(20,164)	0	(20,164)
Total remeasurements recognised in Statement of Taxpayers' Deficit	(22,805)	(67,212)	44,407
Fair value of employer assets	126,518	0	126,518
Present value of funded liabilities	0	123,510	(123,510)
Present value of unfunded liabilities	0	3,008	(3,008)
Closing position as at 31 March 2023	126,518	126,518	0

**Change in the fair value of plan assets, defined benefit obligation and net asset/liability
for the year end 31 March 2022**

	Assets	Obligations	Net asset (liability)
	£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)

Fair value of employer assets at 31 March 2023

Asset Category	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	%
Equity securities:				
Consumer	8,956.8	-	8,956.8	6%
Manufacturing	7,856.4	-	7,856.4	5%
Energy and utilities	5,108.7	-	5,108.7	3%
Financial institutions	10,668.4	-	10,668.4	7%
Health and care	4,800.1	-	4,800.1	3%
Information technology	11,885.9	-	11,885.9	8%
Other	1,433.3	-	1,433.3	1%
Debt securities:				
Corporate bonds (investment grade)	-	-	-	0%
Corporate bonds (non-investment grade)	-	-	-	0%
UK Government	6,004.7	-	6,004.7	4%
Other	2,736.9	-	2,736.9	2%
Private equity:				
All	-	1,766.9	1,766.9	1%
Real estate:				
UK property	-	9,085.4	9,085.4	6%
Overseas property	-	12.2	12.2	0%
Investment funds and unit trusts:				
Equities	37,869.9	-	37,869.9	26%
Bonds	7,795.4	-	7,795.4	5%
Hedge funds	-	-	-	0%
Commodities	-	-	-	0%
Infrastructure	-	15,950.9	15,950.9	11%
Other	5,683.3	3,021.8	8,705.1	6%
Derivatives:				
Inflation	-	-	-	0%
Interest rate	-	-	-	0%
Foreign exchange	-	-	-	0%
Other	-	-	-	0%
Cash and cash equivalents:				
All	6,045.0	-	6,045.0	4%
Totals	116,845	29,837	146,682	100%

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%

12. Provision for unfunded pensions

	2022-23	2021-22
	£000	£000
Balance at 1 April	182	325
Provisions utilised during the year	(15)	(23)
Actuarial valuation adjustment	(8)	(120)
Balance at 31 March	159	182

13. Leases

For any new contracts entered into on or after 1 April 2022, SCRA considers whether a contract is, or contains, a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

To apply this definition, SCRA assesses whether the contract meets two key evaluations:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to SCRA;
- SCRA has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.

Measurement and recognition of leases

At lease commencement date, SCRA recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by SCRA, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). SCRA depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. SCRA also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, SCRA measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the HM Treasury discount rate promulgated in the PES papers of 0.95% in 2022 and 3.51% in 2023. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset.

In line with the FReM, SCRA has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the Income and Expenditure Account on a straight-line basis over the lease term.

New accounting standard

SCRA has adopted IFRS 16 *Leases* from 1 April 2022 which has resulted in changes to the financial statements.

The adoption of this new Standard has resulted in SCRA recognising a right-of-use asset and related lease liability in connection with all former operating leases, except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

SCRA has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, SCRA has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. The costs relating to these leases amounted to £191,767 for the year ended 31 March 2023.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 0.95%.

SCRA's right of use assets and corresponding lease obligations are for buildings used for offices and hearing centres.

Commitments under operating leases as at 31 March 2022 under IAS 17 as disclosed in the financial statements to 31 March 2022

	Buildings £000	Other £000	Total £000
Not later than 1 year	709	0	709
Later than 1 year and not later than 5 years	1,558	0	1,558
Later than 5 years	951	0	951
Balance at 31 March	3,218	0	3,218

Commitments under finance leases as at 31 March 2022 under IAS 17 as disclosed in the financial statements to 31 March 2022

	2021-22 £000
Gross lease liabilities	
Within 1 year	92
Between 2 and 5 years	366
After 5 years	1,138
	<u>1,596</u>
Future interest	(445)
Net lease liability	<u>1,151</u>
Repayable as follows:	
Within 1 year (current liability)	48
Between 2 and 5 years	210
After 5 years	893
Total over one year (non-current liability)	<u>1,103</u>

Reconciliation of total operating lease commitments at 31 March 2022 to the lease liabilities recognised at 1 April 2022

	£000
Operating lease commitments as at 31 March 2022 under IAS 17	3,218
Leases with remaining lease term of less than 12 months	(10)
Effect of extending past break point in lease and of discounting using the incremental borrowing rate at 1 April 2022	5
Finance lease liability at 31 March 2022	1,151
Adjustment to existing lease liability at 31 March 2022	14
Total lease liabilities recognised under IFRS 16 at 1 April 2022	<u>4,378</u>

	2022-23 £000	2021-22 £000
Cost/valuation		
Opening Balance	0	-
Additions	6,331	-
Transfers	1,786	-
Adjustment on adopting IFRS 16	(144)	-
Closing Balance	<u>7,973</u>	<u>-</u>
Accumulated depreciation		
Opening balance	0	-
Provided in year	735	-
Transfers	798	-
Adjustment on adopting IFRS 16	(98)	-
Closing Balance	<u>1,435</u>	<u>-</u>
Net Book Value	<u>6,538</u>	<u>-</u>

Maturity analysis of lease liabilities at 31 March 2023

	Lease payments £000	Finance charges £000
Within one year	717	106
Between 1-2 years	528	156
Between 2-3 years	622	144
Between 3-4 years	624	131
Between 4-5 years	649	115
Between 5-10 years	2,755	331
Between 10-15 years	567	65
Between 15-20 years	121	4
Balance at 31 March	6,583	1,052

14. Other provisions

	2022-23 £000	2021-22 £000
Balance at 1 April	218	156
Released in year	(139)	0
	79	156
Provided in year	428	62
Balance at 31 March	507	218

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 (SGED). 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 (2021/22: £nil).

18. Capital commitments

SCRA has no capital commitments as at 31 March 2023 (31 March 2022: £nil).

19. Reserves

SCRA's General Fund balance as at 31 March 2023 is a deficit of £19.9m (31 March 2022: £15.4m). 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 April 2023 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.

4 Appendix

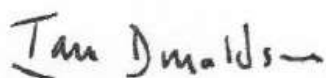
4.1 Direction by the Scottish Ministers



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 2023, 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 9 June 2022 is hereby revoked.



Ian Donaldson

A member of the staff of the Scottish Ministers

Dated: 22 May 2023



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