



children's
hearings
scotland

Annual Report and Accounts 2021 - 22

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Performance Report

Introduction: From Our National Convener / Chief Executive

Working as well as possible within the context of a global pandemic was once again at the forefront of our minds for the second year running. This meant another year of significant change, fast-paced developments, and challenging and complex service delivery.

At the start of the year I set out, in our Business & Corporate Parenting Plan, four focussed priorities to direct the work of Children's Hearings Scotland during 2021-22. These were:

- **COVID-19 recovery** – continuing to ensure children and young people are receiving the best possible hearings and decisions in ways that safe and responsible. We must make sure our volunteer community is supported to deliver on this.
- **Implementing legislative change** – we will see important legislative change on the rights of children and their brothers and sisters, and we must be ready to embrace this.
- **Establishing our 'Promise Programme'** – delivering on The Promise, we will work at both a local and national level, to implement lasting change that will improve the experiences of children, young people and their families attending hearings. We will spend this year laying the ground work for its development, including making improvements in strategy, policy and practice that arise out of implementation of legislation.
- **Embedding our digital platform** – with our new digital system now in place, we will focus on making sure it is delivering exactly what and how we need it to.

I am pleased to report that strong progress across these areas was achieved during the year. Amongst a substantial array of other work, we rolled out a new digital hearings platform across the country, delivered pre-service training to new Panel Members, supplied and provided support for devices to our volunteer community to enable virtual hearings to take place, created training linked to new legislation, monitored use of emergency legislation in hearings, and supported our staff and volunteer community through wellbeing packages.

But our focus was not only fixed on the short-term management of hearings undertaken during restrictions. We established a programme of significant, important work – the CHS Promise Programme - that will ensure that Children's Hearings Scotland implements the findings of the Independent Care Review and 'keeps the promise' made to Scotland's children.

The volunteers and staff within the hearings system again went above and beyond this year to make sure that children and young people have decisions that are well-considered and in the child's best interest. I would like to thank them all for their contributions.

- Elliot Jackson

Performance Overview

Who We Are and What We Do: Our Purpose, Activities, Structure and Values

The children's hearings system was established as Scotland's unique care and justice system for children and young people over 50 years ago. It exists to ensure the safety and wellbeing of vulnerable children and young people through a decision making lay tribunal called a children's hearing. Each hearing is made up of 3 members of the national Children's Panel which is comprised of specially trained volunteers drawn from local communities.

The Children's Hearings (Scotland) Act 2011 – commenced in June 2013 – introduced a single national Children's Panel where volunteer Panel Members receive accredited national training which enables them to make the best possible decisions for children and young people in the children's hearing system. The Act created the role of the National Convener to lead this work. Currently, the National Convener also acts as the Chief Executive of CHS. The Act strengthened hearings by ensuring Panel Members have local and national support and advice on best practice through the National Convener – supported by one organisation – Children's Hearings Scotland (CHS), which was formed in 2011 and assumed its full responsibilities in 2013.

We are one of a number of organisations who work within the children's hearings system, including the Scottish Children's Reporter Administration (SCRA), local authorities, health, and Police Scotland. Our activities within this are focussed on recruiting, training and supporting the volunteer Panel Members.

Our Vision is of a forward looking and evolving children's hearings system, working as a community to ensure infants, children and young people are cared for, protected and their views are heard, respected and valued.

Our Purpose is to equip our volunteer community to engage positively with infants, children, young people and families; ensuring children are loved, cared for, respected and feel part of decisions taken to improve their lives.

CHS engages around 2,500 volunteer Panel Members in the children's hearings system, who are appointed for 3 year terms – there is no limit on multiple terms of appointment. The Panel Members are supported locally by an additional 400 volunteers as part of 22 Area Support Teams (ASTs) covering all 32 local authority areas. Each AST is led by a volunteer Area Convener.

CHS employs around 40 staff as part of our 'National Team', led by the National Convener/Chief Executive. CHS is governed by a Board of non-executive members, which meets formally at least four times a year to set and monitor the strategic direction of the organisation. CHS is financed by grant-in-aid from the Scottish Government as approved by the Scottish Parliament. The grant-in-aid value for 2021/22 was £4.912m.

Our Values:

- **Child centred** – making sure everything we do is in the best interests of children and young people.
- **Respectful** – treating children, young people, their families, partners and each other with care and consideration.
- **Fair** – making sure that everyone is treated with dignity and according to their individual needs; that our information and services are accessible to all; that we provide a consistent level of service to all.
- **Creative** – considering innovative and imaginative ways of approaching the issues we face in the work we do.
- **Challenging** – not being complacent, but questioning ourselves and others to help us improve.
- **Open** – listening, responding to, and learning from, feedback; acting honestly; ensuring processes are transparent; sharing information and being accountable for our actions and decisions.

What We Want to Achieve: Our Strategic Themes and Business Objectives

This was the second year of CHS' corporate plan, *Our Strategic Outlook 2020-23*.¹ In this plan, we set four strategic themes to guide our work:

Theme 1: Better protect and uphold the rights of children:

Rights-based working is built in to Scotland's children's hearings system. Decisions are required to be made in the best interests of the child and it gives children and young people the right to have a say in decisions about them. But we recognise that we have a responsibility to integrate the obligations of the United Nations Convention on the Rights of the Child (UNCRC) in to our work and this will form a major strand of our effort over the coming years.

Theme 2: Deliver consistently high-quality hearings:

We want the hearings experience to be the best it can be and produce sound decisions which move infants, children, young people and their families forward, positively, in their journey. We want children's hearings to be seen as an exemplar of empathetic, loving and respectful practice that promote dignity and avoid stigma.

Theme 3: Continue to build an effective and empathetic panel, that is well-supported:

Central to the quality of hearings is Scotland's Children's Panel. They must be knowledgeable and skilled to undertake their role and understand the range of experiences that infants, children and young people may have and the impact of those experiences. To do this, the Children's Panel must be supported with not only the technical aspect of their role, but also the personal effect of making significant decisions.

¹ [CHS Corporate Plan 2020-23 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

Theme 4: Be well-informed and influential in our environment and communities:

Over the coming years, we want to develop not only hearings, but also how we deliver our work and how we operate within the wider system and sector. We will look to evidence – from data, research, but also from what we are told by people with experience of hearings - to under-pin our decision making and adopt structured approaches to pilots and innovations. We will also look for opportunities to lead change within the care system and engage actively with our partners.

From these Strategic Themes, we produce an annual Business & Corporate Parenting Plan that establishes our key Business Objectives for the year.²

What Concerns Us: Our Key Issues and Risks

The CHS Audit and Risk Management Committee monitors the strategic risks that have the potential to impact significantly on CHS' performance, fulfilment of statutory duties, and future prospects and developments.

In 2021-22, the risks reported up to the Audit and Risk Management Committee were:

1. CHS fails to embed children's rights in its core business. After controls, this was considered a medium level risk. To mitigate this risk, a new rights and inclusion strategy was launched, pre-service training continued to highlight that importance of rights in hearings and new practice and policy roles were introduced.
2. CHS fails to contribute to positive outcomes for babies, infants, children, young people and families due to poor quality hearings and hearings decisions. After controls, this was considered a medium level risk. To mitigate this risk, training continued to be delivered to new and existing panel members, practice guidance was updated and issued, hearings continued to be observed by Panel Practice Advisors, National Standards continued to be in place, and a Scottish Public Services Ombudsman-compliant public complaints procedure continued to operate.
3. CHS fails to contribute to positive outcomes for babies, infants, children, young people and families due to not maintaining an informed, trauma-sensitive, sustainable, resilient and motivated volunteer community. After controls, this was considered a medium level risk. To mitigate this risk, a volunteer wellbeing package continued to operate, plans for trauma-specific work were put in place, training continued to be offered through the Learning Academy, and a volunteer recognition reward was made during the year.
4. CHS' reliance on partner organisations results in delay to on-going work, inconsistencies in communication and processes, increased workload and inconsistent messages to the CHS community. After controls, this was considered a high level risk. To mitigate this risk, operational and strategic links with key partner organisations were maintained at local and national levels, memberships of key

² 2021-22 Plan: [CHS Business and Corporate Parenting Plan 2021-22 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

external bodies were continued, positions on key legislative and policy topics were developed and communicated, and cross-organisational digital implementation approaches were agreed.

5. Inability to fulfil statutory responsibilities of fulfilling the rota while we engage in the work of tests of change which may affect volunteer roles and model. "Fulfilling the rota" means being unable to get trained volunteers onto panels, due to a shortage of volunteers or other factors. After controls, this was considered a high level risk. To mitigate this risk, internal communications capacity was increased, a new volunteer engagement programme began and existing processes continued, and key influencing roles in the sector were maintained.

Further organisational risks managed through the year are identified in the 'Key Issues and Risks' section of the Governance Statement, below. A full review of the strategic risk register took place for Q1 of 2022/23. This has led to the inclusion of a number of new risks, including external/internal reputation management as a result of increased media attention.

Performance Analysis

What We Did and Achieved in 2021-22: Performance Analysis and Key Activities

Organisational Performance Summary

In order to monitor organisational performance and the delivery of our Corporate and Business Plans, we tracked the delivery of 36 Business Objectives through the year. These Objectives were broken down in to milestones with timescales and/or targets. Progress on the milestones and Objectives were reported to the CHS Board and Senior Management Team on a quarterly basis. As in-year performance and delivery is reviewed, Board approval is sometimes sought to remove milestones or Objectives from CHS' planned delivery for the year. This may be due to internal or external factors. This process of 'de-scoping' is documented in the quarterly performance reports and reflected in the 'RAG' status of Objectives, as detailed below.

A summary of our performance is provided in the table below, with Business Objectives categorised as 'Green' for completed, 'Amber' for some progress made (between 50% and 99% of the Objective) or the Objective was partially de-scoped during the year, 'Red' for little significant progress made towards completion (below 50% of the Objective) or Objective fully de-scoped during the year:

Strategic Theme	Number of Business Objectives in category		Number of 'Red' Objectives due to de-scoping
COVID Response and Recovery	Green	10	n/a
	Amber	0	n/a
	Red	0	0
Theme 1: Better protect and uphold the rights of children	Green	3	n/a
	Amber	2	n/a
	Red	0	0
Theme 2: Deliver consistently high quality hearings	Green	4	n/a
	Amber	1	n/a
	Red	0	0
Theme 3: Continue to build an effective and empathetic panel, that is well-supported	Green	7	n/a
	Amber	1	n/a
	Red	1	1
Theme 4: Be well-informed and influential in our environment and communities	Green	3	n/a
	Amber	1	n/a
	Red	0	0
Organisational Effectiveness and Staff Support	Green	3	n/a
	Amber	0	n/a
	Red	0	0
TOTALS	Green	30	n/a
	Amber	5	n/a
	Red	1	1

Business Activity Exception Report

Below, those activities that are not marked 'Green' above are detailed:

Theme	Business Objective	Status at Year End	Comment
1	Dedicated work focussed on implementation of United Nations Convention of the Rights of the Child in our work	Amber	UNCRC legislation did not come in to force in Scotland as anticipated. Our work was re-scoped significantly in Q4 and will be delivered in 2022/23.
1	Implementation of Children (Scotland) Act in our work	Amber	Core implementation activities (training; practice updates) were delivered successfully. Follow up activities and evaluation were re-scoped during the year and further delivery will take place in 2022/23.
2	Improving the extent to which hearings are trauma-responsive	Amber	Ground work on training took place, but project was re-scoped in Q4 and further delivery will take place in 2022/23.
3	Delivery of volunteer engagement events across Scotland	Amber	Events could not take place as anticipated, but some engagement activities did take place. Work now included in wider project for delivery in 2022/23.
3	Evaluation of pilot of issuing and providing support to volunteer devices	Red	Work de-scoped to enable virtual hearings development and platform roll-out.
4	Improving our digital systems	Amber	A number of improvements were successfully delivered, but work on management information reporting was not completed to the extent anticipated.

Key Activities and Achievements

During the year, CHS volunteers sat on 22,045 hearings.

Below we outline the key activities we undertook towards the delivery of our 2021/22 Business Objectives. Descriptions of all of our identified Objectives can be found in our 2021/22 Business and Corporate Parenting Plan.

COVID-19 Response:

- Rolled out a new virtual hearings platform across all areas of the country in collaboration with the Scottish Children's Reporter Administration (SCRA).
- Continued to produce practice and operational guidance for our volunteer community on managing hearings during the pandemic.
- Monitored and reported on the use of emergency legislation in hearings.
- Continued to contribute to multi-agency strategic and operational groups focussed on recovery and business continuity.

- Re-instated Panel Practice Advisor observations to quality assure Panel Member practice and conduct.
- Continued to issue and provide support for devices for our volunteer community to use in virtual hearings.

Theme 1: Better Protect and Uphold the Rights of Children:

- Launched our first set of Participation Standards,³ developed by a working group of people with lived experience.
- Created an open-access learning module covering the Children (Scotland) Act 2020, including the rights of siblings.
- Produced practice guidance covering the Age of Criminal Responsibility (Scotland) Act 2019.

Theme 2: Deliver Consistently High-Quality Hearings:

- Produced practice guidance on a range of topics including minimising attendance at hearings, virtual safeguarding and Panel requests for reports.
- Delivered local projects focussed on areas such as improving participation in hearings and improving the quality of reports at hearings.

Theme 3: Continue to Build an Effective and Empathetic Panel, that is Well-Supported:

- Following an award-winning recruitment campaign, completed our largest ever Panel Member pre-service training programme, delivered to over 550 new Panel Members.
- Reappointed over 260 Panel and AST Members for a further 3 years.
- Supported ASTs to produce Area Plans.
- Published an Equality, Diversity & Inclusion Strategy.⁴

Theme 4: Be Well-Informed and Influential in our Environment and Communities:

- Contributed to the work of the Hearings System Working Group, including leading aspects of the hearings redesign project.
- Responding to consultations on the National Care Service, Getting It Right For Every Child practice guidance, cross-border placements of children in residential care, and data protection regulations.
- Participated in a number of research advisory groups.

Organisational Effectiveness and Staff Support:

- Launched a new People Strategy for our staff.
- Rolled out new Project Management software.
- Delivered a series of wellbeing sessions for staff.

³ [Children's rights and inclusion \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

⁴ [Equality, Diversity & Inclusion Strategy \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

Key Performance Indicators

The table below presents the results of our Key Performance Indicators.

	Key Performance Indicator (KPI)	2021/22 Target	2021/22 Result	Past Performance
1	% Panel Members successfully reappointed	70%	74%	2017/18: 83% 2018/19: 68% 2019/20: n/a 2020/21: n/a
2	% Panel Members retained during the year	86%	79%	New measure
3	% complaints resolved within SPSO guidelines	100%	85%	2017/18: 100% 2018/19: 92% 2019/20: 100% 2020/21: 99%
4	% employee attendance	96%	96%	2017/18: 93% 2018/19: 96% 2019/20: 96% 2020/21: 99%
5	% invoices not in dispute paid within 10 working days	90%	85%	2017/18: 80% 2018/19: 86% 2019/20: 85% 2020/21: 88%
6	% of applicants put forward for pre-service training who complete the full training	92%	87%	2017/18: 90% 2018/19: 91% 2019/20: 61% 2020/21: n/a
7	% pre-service trainees who felt that their learning objectives were met	98%	98%	2019/20: 98% 2020/21: n/a
8	% positive staff survey feedback on opportunities for learning and development	70%	N/A	2018/19: 33% 2019/20: 52% 2020/21: 65%

Regarding the specific KPIs above:

KPI 1: This KPI was not reported on in 2019/20 and 2020/21, so no result is given for those years.

KPI 2: This was a new measure, with an ambitious target set. 79% retention in a year that continued to be heavily disrupted by COVID-19 is a positive result.

KPI 3: A number of complex complaints and challenges gathering evidence and holding meetings led to this KPI target being missed. 100% complaints were acknowledged within 3 days of receipt, however.

KPI 5: Target missed due to (1) a number of invoices having been put on hold, pending requests for back-documentation or further investigation and (2) the volume of payments has increased 24% from 2020/21, with many from new suppliers. This can cause a delay in payment while suppliers' payment details are independently verified to prevent fraud and error.

KPI 6: This result, although slightly short of target, represents a strong performance for a year in which pre-service training was delivered all virtually for the first time, and within the context of on-going COVID restrictions. Pre-service training did not run in 2020/21, hence no result is given for that year.

KPI 7: 2019/20 was the first year this measure was reported on. Pre-service training did not run in 2020/21, hence no result is given for that year.

KPI 8: Employee engagement survey ran in April 2022 meaning results will be captured in 2022/3 year. This KPI was first introduced in 2018/19.

National Convener Functions

The National Convener carried out the following statutory duties set out in the Children's Hearings (Scotland) Act 2011:

- 635 requests for panel member continuity were made as part of decisions for 951 children. This year, we are unable to report on how many of these requests were met. Requests for continuity may not be met for a number of reasons. For example, the request may not have been authorised, the hearing to which continuity was to apply may not have taken place, or no Panel Member was available to enable continuity. We are investigating a new reporting method to identify how many requests are met.
- We received and responded to 0 requests for written advice about any matter arising in connection with the functions conferred on children's hearings under section 8 of the Children's Hearings (Scotland) Act 2011.
- 1 request to serve notice on the implementation authority of their failure to implement the terms of a Compulsory Supervision Order was made under section 146 and 147 of the Children's Hearings (Scotland) Act 2011.
- 0 applications were made to the Lord President of the Court of Sessions to remove a panel member under para 1(6) of Schedule 2 of the Children's Hearings (Scotland) Act 2011.
- 0 referrals were received about excluded pupils under section 127 of the Children's Hearings (Scotland) Act 2011.

In addition, Children's Hearings Scotland received 24 requests for independent reports. Of these, 18 were completed, 3 were no longer required, and 3 remain in-progress as of July 2022.

Environmental Impact and Biodiversity

CHS is committed to meeting the Public Bodies duties set out the Part 4 of the Climate Change (Scotland) Act 2009. CHS does not have a property footprint beyond its Head Office, which, for the duration of the reporting year, was in Thistle House, Haymarket, Edinburgh.

Office space in Thistle House has been rented by CHS from the Scottish Legal Aid Board (SLAB) from April 2019 and we occupy 8.5% of the building.

Owing to the timing of environmental reports by SLAB, only emissions associated with gas and electricity are available immediately after the end of the financial year. Other emissions associated with Thistle House will therefore now be reported in the Annual Report of the following year (i.e. recycling and waste emissions for 2021/22 will be reported in 2022/23).

	2021/22	2020/21	2019/20
Carbon Emissions (kgCO₂e) - Gas	6,551.2	5,539.5	7,315.2
Carbon Emissions (kgCO₂e) - Electricity	6,868.7	5,693.5	10,833.4
SUB-TOTAL (Gas and Electricity Only)	12,919.9	11,233.0	18,148.6
Carbon Emissions (kgCO₂e) – Water	Not Yet Available	3.2	Not Available ⁵
Carbon Emissions (kgCO₂e) – Refuse	Not Yet Available	1,106.0	Not Available ⁶
TOTAL	-	12,642.2	-

Our impact associated with business mileage is given below:

	2021/22	2020/21	2019/20	2018/19
Total Travel Distance (miles)	10,495	1,002	55,743	23,303
Emission Factor (kgCO₂/mile)⁷	0.28053	0.28052	0.29103	0.29561
Carbon Emissions (kgCO₂e) (travel distance*emission factor)	2,944.2	281.1	16,222.9	6,888.6

Relaxation in restrictions due to COVID-19 meant that business mileage increased in 2021/22 compared to 2020/21, when significant restrictions on movement and meeting were in place.

Opportunities to promote biodiversity are kept under review, but these are restricted due to the limited property footprint with no outside space which could be effectively adapted to promote biodiversity. We will continue to assess the long-term impact and sustainability of home-working arrangements for the organisation and encourage staff to engage with opportunities that either promote biodiversity or help reduce carbon emissions.

⁵ No report was available, owing to COVID-19 restrictions on access to Thistle House.

⁶ No report was available, owing to COVID-19 restrictions on access to Thistle House.

⁷ Emission Factor for 'average sized petrol car' is used here.

How We Allocated Our Resources in 2021-22: Our Financial Performance

In the year ended 31 March 2022, CHS reported net expenditure before Scottish Government funding of £5,379k (31 March 2021: £4,286k) against Scottish Government funding of £4,912k (31 March 2021: £5,271k), an excess of net expenditure over Scottish Government funding of £0.467m (31 March 2021: an excess of Scottish Government funding over net expenditure of £0.985m) with revenue grant-in-aid of £4.629m (31 March 2021: £4.721m). The General Fund has a surplus of £0.245m at 31 March 2022 (£0.712m as at 31 March 2021).

Capital grant-in-aid was £0.283m (2020/21: £0.55m). The final spend of £0.302m funded a significant programme of investment in technology for volunteers and staff technology refresh. Capital grant-in-aid was initially £0.4m, with £0.117m of this transferring to SCRA in-year to fund development of the shared digital system.

In accordance with *International Accounting Standard 19 (revised) 'Employee Benefits'*, the financial statements reflect at fair value the assets and liabilities arising from CHS' retirement benefit obligations. As a result, CHS has a deficit of £0.611m on its pension reserve at 31 March 2022 (£1.631m at 31 March 2021). Further details of pension liabilities are provided in the Remuneration Report and the Notes to the Financial Statements.

The Board of CHS has no reason to believe that the Scottish Government's future sponsorship and future Ministerial approval will not be forthcoming or will only provide a reduced support to CHS. Given the above it is considered appropriate to adopt a going concern basis for the preparation of these financial statements. This is in line with the underlying assumption in the Government Financial Reporting Manual (FRoM) that Government accounts are prepared on a going concern basis.

In line with Scottish Government guidance, CHS' policy is to pay all invoices, not in dispute, within the lesser of 10 working days and the agreed contractual terms. During the year ended 31 March 2022, CHS paid 85% (31 March 2021: 88%) of invoices within the terms of its payment policy.

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

Equalities, Social Responsibility and Human Rights

CHS' central purpose is to ensure that children in Scotland who come to hearings have decisions made that ensure they are loved, cared for, and respected. CHS aims to contribute to social progress within Scotland through the delivery of activities to the National Performance Framework for Scotland. Specifically, we undertake work that aligns with those outcomes focussed on (1) ensuring children and young people can realise their full potential (2) respecting and protecting children's rights (3) living in empowered, inclusive safe and

resilient communities (4) creating a well-educated and skilled society (5) tackling poverty by sharing opportunities. Fuller exploration of these are available on page 16 our Corporate Plan.⁸

Better protecting children's rights is one of our core strategic themes. This year, work has been focussed on developing and launching our participation standards that will enable our work to be more effectively informed by the views of children and young people. We also undertook work around how best to implement legislation that came in to force that strengthens children's rights.

CHS has continued to make steady progress towards achieving equality ambitions over the past year. The Equality, Diversity and Inclusion (EDI) working group formed in December 2019 consisting of members from the national team, and representation from our Area Convener group continued to meet and progressed work throughout 2021 - 2022.

CHS published its third Gender Pay Gap report in March 2022.⁹ Since the last report the staff headcount had increased by 10% with females making up 72% of the staff headcount and accounting for 60% of our senior management team. When using the mean to calculate, our overall pay gap between male and female salaries is now 5.85% (in favour of men), compared with 1.8% two years ago. When the median is used, our gender pay gap is 5.75% (in favour of men), compared with -18.36% two years ago.

While the mean and median gender pay gaps within CHS have increased over the past two years, this is largely due to an increase in the overall headcount as well as a change in the gender distribution within the organisation. Previously male employees represented a smaller percentage of a smaller staff team at CHS (20.5% of 39 total employees in 2020, for example) compared to now (28% of 43 employees in 2022). CHS next reports on this in 2024.

CHS published its Equality Outcomes 2020 – 2022 Final Report on April 1st 2022.¹⁰ A detailed update on how each outcome had been progressed during this time was presented to the CHS Senior Management Team and to the CHS Board in advance of publication. Detailed within the progress report were two annual breakdowns of equality monitoring for CHS staff and from all the staff recruitment campaigns covering the two year period 2020–2022.

The outcomes presented a blend of equality ambitions that focus on both our employee group and our volunteer community. They also follow the established principle of being proportionate to an organisation of CHS' size and were therefore achievable, having staggered deadlines within which to achieve the outcomes by April 2022.

Over the course of 2021, the EDI working group developed an over-arching Equality Strategy for CHS and were supported in this work by people with lived experience of the hearings system. The strategy was published in October 2021,¹¹ encapsulating the

⁸ [CHS Corporate Plan 2020-23 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/corporate-plan-2020-23)

⁹ [CHS Gender Pay Gap and Equal Pay Report 2022 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/gender-pay-gap-report-2022)

¹⁰ [CHS Equality Mainstreaming and Outcomes 2020 - 2022 Progress Report \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/equality-mainstreaming-outcomes-2020-2022)

¹¹ [Equality, Diversity & Inclusion Strategy \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/equality-diversity-inclusion-strategy)

ambitions that CHS has to create, promote and celebrate an equal, diverse and inclusive culture within the CHS community through a process of continual engagement, communication, training and development. The end goal of this work is to ensure that equality, diversity and inclusion underpins positive outcomes for children, young people and their families. Implementation of the strategy is now well underway.

CHS and Island Communities

Under s.12 of the Islands (Scotland) Act 2018, CHS is required to publish information about the steps it has taken to comply with the duty to have regard to island communities in carrying out its functions. This section is designed to fulfil this requirement, covering the first reporting period since s.12 came in to force. This reporting period is 23/12/2020 to 22/12/2021.

CHS operates in every Local Authority in Scotland and is conscious of the particular challenges faced by island communities. We have two Area Support Teams (ASTs) that are dedicated to supporting volunteers to make effective decisions for children and young people in island communities (Orkney and Shetland) and others that include island communities as part of their areas (e.g. Argyll & Bute). These ASTs work alongside colleagues in other services and organisations (such as social work, children's reporters, third sector organisations) locally.

In 2021, Area Support Teams produced Area Plans to localise the delivery of national objectives and identify the priorities of the local volunteer community. Shetland and Orkney Area Support Teams both produced plans focussed on their specific local needs.

The CHS Learning Academy deliver services regionally taking into account island community numbers, distances for any travel and out of pocket expense requirements. During 2021-22 training delivery was greatly affected by the government guidelines for movement and mixing during the Coronavirus pandemic. CHS Learning Academy therefore adapted training delivery transferring all teaching and training materials online. Virtual learning sessions enabled island Panel and AST members to complete essential and optional learning at times and a pace that suited them. Moving the training service online enabled a higher number of training sessions to be delivered to island communities as the need to travel geographically to in person training sessions, was removed. Local learning and development co-ordinators, supported by CHS national team and a national Learning and Development Co-ordinators forum, offered local learning and development sessions to bring island communities together and to continue to complement national training.

CHS did not complete any Island Communities Impact Assessments during the reporting period, but work is planned for 2022 to integrate these in to an organisational impact assessment process that more robustly identifies when and how they should be completed.

What We'll Do Next Year

Next year we will continue to deliver work that contributes to our strategic themes. As part of this work, we will prioritise those activities that help us keep our commitments to implementing the conclusions from the Independent Care Review. Specific pieces of work next year will include:

Theme 1: Better Protect and Uphold the Rights of Children:

- Assess the impact of our work on the Children (Scotland) Act 2020
- Embed our participation standards throughout our work
- Improve accessibility and quality of participation opportunities.

Theme 2: Deliver Consistently High-Quality Hearings:

- Undertake work to improve the extent to which hearings and our work takes trauma and its impacts in to consideration
- Contribute to the hearings redesign process through the Hearings System Working Group
- Grow our volunteer Practice Bank to involve volunteers in emerging practice areas.

Theme 3: Continue to Build an Effective and Empathetic Panel, that is Well-Supported:

- Deliver new structures to effectively support the people needed for a redesigned hearings system
- Continue to implement area plans within each locality
- Review our community concerns model.

Theme 4: Be Well-Informed and Influential in our Environment and Communities:

- Deliver a major new participation, engagement and consultation project, working with volunteers and people with lived experience
- Undertake developments to our digital systems
- Engage with emerging legislation that can improve outcomes for children and young people.

2022/23 is the third year of our Corporate Plan, *Our Strategic Outlook 2020-23*. This was due to be the final year of the plan, but to allow time for detailed planning focussed on the re-design of the hearings system to be finalised, an additional year has been added to the strategic planning cycle. The plan will therefore now come to an end in 2024.

Elliot Jackson
Accountable Officer

Accountability Report

Corporate Governance Report

Directors' Report

Board members in 2021/22	Original appointment	End of appointment
Garry Coutts (chair)	8 April 2014	07 April 2022
John Anderson	11 March 2013	30 June 2021
Beth-Anne Logan	1 July 2017	30 June 2023
Henry Robson	1 March 2017	28 February 2025
Barbara Neil	1 February 2019	31 January 2025
Katie Docherty	1 July 2021	30 June 2025
Sean Austin	1 July 2021	30 June 2025
Jo Derrick	1 February 2019	31 January 2023

All Board members have fixed term contracts and of the above four are female and four are male. Katharina Kaspar joined the Board, replacing Garry Coutts as chair, in April 2022.

Board members are appointed by the Scottish Ministers on the basis of having knowledge or experience relevant to the general purpose and specific requirements of CHS or to the functions of the National Convener/Chief Executive.

The Senior Management Team (SMT) in 2021/22 comprised:

SMT member	Job title	Appointment
Elliot Jackson	National Convener/Chief Executive	07 Oct 19 – 06 Oct 24
Stephen Bermingham	Head of Practice and Policy	25 Oct 21
Lynne Harrison	Head of Strategy, Development and Depute Chief Executive	07 Oct 19
Christine Mullen	Head of Practice, Improvement and Learning	07 Oct 19 – 31 Dec 21
	Head of Learning	1 Jan 22
Carol Wassell	Head of Area Support and Community Improvement	13 Jan 20

Audit

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each central government body in Scotland. For the financial years 2016/17 to 2020/21 the Auditor General appointed Audit Scotland to undertake the audit of CHS. The appointment was extended to cover the 2021/22 financial year as a result of the COVID 19 public health crisis. The general duties of the auditors of central government bodies, including their

statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Register of Interests

A Register of Interests for Board members and senior staff can be accessed on our website at <http://www.chscotland.gov.uk/about-chs/our-people/the-chs-board/meet-the-chs-board/> or by contacting the Business Operations & Governance Lead (<https://www.chscotland.gov.uk/about-us/meet-the-team>).

Personal data related incidents

For more information on incidents relating to personal data, please refer to the Governance Statement below.

Statement of disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the organisation's auditors are aware of that information.

"Relevant audit information" means information needed by the organisation's auditors in connection with preparing their report.

Statement of Accountable Officer's Responsibilities

Under section 21(1) of the Children's Hearings (Scotland) Act 2011, the Scottish Ministers have directed CHS 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 CHS 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 (FReM) and in particular to:

- observe the Accounts Direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on the 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 CHS designated the National Convener/Chief Executive of CHS as the Accountable Officer for the organisation. 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 organisation's assets, are set out in Managing Public Money by the HM Treasury.

As Accountable Officer, I confirm that:

- as far as I am aware, there is no relevant audit information of which the auditors are unaware, and I have taken all the steps that I feel 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 judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of CHS' 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.

Governance framework

CHS' governance framework accords with generally accepted best practice principles and guidance from Scottish Ministers in the Scottish Public Finance Manual and has been in place for the financial year ended 31 March 2022 and up to the date of the approval of the annual report and accounts.

CHS has a Board which meets at least every two months to consider the overall strategic direction of CHS within the policy, planning and resources framework determined by the Scottish Ministers. The Board seeks assurance that corporate objectives are being progressed through the delivery of agreed targets in the business plans and corporate plan on performance, implementation of strategic projects, effective use of resources and management of strategic risks.

The Board Committee structure comprises a Remuneration and Appointments Committee (RAC) and an Audit and Risk Management Committee (ARMC). Each Committee has developed its terms of reference which are documented, approved and reviewed on a regular basis.

The Remuneration and Appointments Committee meets as required (in this year it met three times) and reviews the arrangements for:

- the performance appraisal process for the Chief Executive, Directors and CHS staff
- the recruitment and remuneration of all CHS employees.

In 2021/22 the Committee also considered the launch and implementation of the CHS People Strategy, Staff Forum progress, Equality, Diversity & Inclusion outcomes reporting, and Gender Pay Gap reporting.

The Chair of the Remuneration and Appointments Committee briefs the Board following each meeting and the latter receives an annual report on the performance of the Committee.

The Audit and Risk Management Committee meets quarterly and reviews the adequacy of the arrangements for ensuring sound internal control arrangements and provides the Board and Accountable Officer with advice and assurance with regard to the arrangements for:

- financial control and reporting
- risk management
- Information Governance
- legal and regulatory compliance
- Digital Programme

The Chair of the Audit and Risk Management Committee briefs the Board following each meeting and the Board receives an annual report on the performance of the Committee.

CHS has an internal audit service provided under contract by BDO, which operates to standards defined in the Public Sector Internal Audit Standards. During 2021/22, Internal Audit undertook reviews of Information Governance arrangements within CHS, Contract management for the Learning Academy, and Area Support Team Governance arrangements, as well as providing support on risk management and reviewing progress against outstanding audit actions. The Committee scrutinises all internal audit reports and the actions taken by managers in response to audit recommendations.

In the auditor's 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.

Operation of the Board

The Board met five times during 2021/22, held five Board development sessions and one Strategy session.

Key issues for the Board in 2021/22 included:

- Agreeing five-year Financial Plan
- Framework Document
- Impact Report
- Trauma Training Strategy
- Approving quarterly performance reports
- Board Code of Conduct
- Scrutiny of ongoing progress with Digital Programme
- Approving the Budget for 2022/23
- Approving the Business and Corporate Parenting Plans for 2022/23
- Approving the Annual Accounts and Impact Report
- Reviewing Learning Academy progress and Learning & Development Strategy
- Volunteer Recruitment
- Equalities
- OHOV Calls to Action
- Resilience & Recovery
- Approving the accounting policies to be used for the preparation of CHS' statement of accounts for 2021/22

Strategic and operational finance support is provided through a shared services arrangement with SCRA and CHS has a dedicated HR/OD Lead. The Head of Finance & Resources provides strategic finance advice to the CHS Board and Committee meetings and other meetings as appropriate.

Assessment of corporate governance arrangements

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

- the executive managers within CHS 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 who submit reports to the Audit and Risk Management Committee
- regular reports which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of CHS' system of internal control together with any recommendations for improvement
- comments made by the external auditors in their management letter and other reports

The following internal control systems are assessed annually as part of the Scottish Government Certificates of Assurance process which must be completed by the National Convener. No major control gaps have been identified in 2021/22.

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

Key issues and risks

A framework for identifying, measuring, controlling and monitoring strategic risks has been in place throughout the financial year during which time the senior team managed a transition to a new risk register format proposed by the Internal Auditors. A regular review of the Strategic Risk Register is undertaken by the Senior Management Team and the Strategic Risk Register is reported to the Audit and Risk Management Committee on a quarterly basis. Strategic and operational risk management is embedded in CHS' corporate and business planning processes and performance management arrangements.

The key strategic risks identified and monitored during 2021/22 included: impact of COVID-19 on ability to maximise use of grant-in-aid resource in 2021/22; digital systems do not meet user's needs or there is a low uptake of systems developed; systems fail due to poor cyber resilience, failing to have an influential voice in sector policy and practice; failure to meet UNCRC obligations; failure to contribute to positive outcomes for babies, infants, children, young people and their families due to poor quality hearings and hearings decisions and not maintaining an informed, trauma sensitive, sustainable, resilient and motivated volunteer community; Reduction in Panel member capacity leads to inability to fulfil statutory requirements, reliance on partner organisations leads to delay in ongoing work.

Digital Programme

The main focus of activity throughout 2021/22 has been on supporting Panel Members to participate in virtual children's hearings through training and provision of devices to support virtual activity; working with the supplier on the development backlog of functional improvements; identifying and establishing CHS Digital staffing requirements moving forward and setting in place a digital team.

CHS has worked to embed the use of the O365 and Teams platform launched in 2019/20 and, despite the impact of Covid on operations, opening rates of Teams posts/community newsletters has grown steadily. Take up of the functional digital services remains at a slower pace/volume than originally planned for due to the impact of Covid on operations e.g. expenses not being claimed frequently as hearings are virtual. Implementation continues to be monitored and volunteers supported to access services; Panel Practice Advisor Observations re-started in 2021 with the digital service being used to support this activity.

Due to the digital programme moving into a Business As Usual phase, the Digital Oversight Committee and Digital Delivery Board, Product and Technical Assurance Groups and the Security Accreditation Group were stepped down in 2021. SCRA and CHS have been working with an external partner to support the introduction of Change Control Boards to support the governance and implementation of improvements or changes to the digital platform.

An Organisational Readiness team including functional business owners, continues to be in place to support product development and successful uptake of the new systems. Extensive digital engagement with our volunteer community has taken place in year, in

particular support to access new virtual hearing technology (RAVHI), this was supported by the Children's Hearings Scotland Learning Academy. To enable continued hearing operation, CHS have worked with SG to continue to provide managed Chromebook devices and each new Panel Member Trainee recruited in 2021 was provided with a device. Volunteer Digital Champions continue to be a welcome addition within each AST, promoting and supporting digital take up locally.

Personal data related incidents

During 2021/22, CHS has had 12 information security incidents recorded and investigated (including near misses), one of which was reportable to the Information Commissioners Office.

Mitigating measures are in place to reduce the likelihood of data breaches and include compulsory training for all panel and AST members, Clerks, CHS National Team and Board members. Observed trends in breaches lead to the introduction of new or updated mitigations when necessary.

Conclusion

As Accountable Officer, I am satisfied that CHS has effective corporate governance arrangements in place.

Remuneration and Staff Report

Remuneration and Appointments Committee

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

For 2021/22, the Remuneration and Appointments Committee consisted of:

- Jo Derrick (chair)
- John Anderson (to 30 June 2021)
- Beth-Anne Logan
- Katie Docherty (from 1 July 2021)

Proposals on the remuneration of the National Convener/Chief Executive are made by the Remuneration and Appointments Committee and form the basis of recommendations to the Scottish Government. Proposals in relation to remuneration of other senior managers and staff remuneration are included in a pay and grading remit, which is submitted to the Scottish Government for approval following approval by the Remuneration and Appointments Committee.

CHS' overall remuneration policy aims to:

- attract, retain and motivate competent and skilled staff at all levels of the organisation
- ensure that salaries are as competitive as possible
- reward staff for their contribution to CHS by arrangements which are simple, fair and transparent.

Senior Management Team (SMT) members' Service Contracts

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Any payment in relation to termination of employment through retirement or redundancy is governed by CHS' relevant policies and procedures. Any discretionary payment made to any member of staff on termination is subject to approval by the Board and/or Scottish Government.

SMT member	Job title	Appointment
Elliot Jackson	National Convener/Chief Executive	07 Oct 19 – 06 Oct 24
Stephen Bermingham	Head of Practice and Policy	25 Oct 21
Lynne Harrison	Head of Strategy, Development and Depute Chief Executive	07 Oct 19
Christine Mullen	Head of Practice, Improvement and Learning	07 Oct 19 – 31 Dec 21
	Head of Learning	1 Jan 22
Carol Wassell	Head of Area Support and Community Improvement	13 Jan 20

There are three female senior managers and two male senior managers. All contracts have a notice period of 3 months and are permanent unless indicated otherwise by a future end date.

Board and SMT Remuneration (audited)

Remuneration	Salary and allowances ¹	
	2021/22	2020/21 (restated)
Senior Management Team	£000	£000
Elliot Jackson	80-85	80-85
Stephen Bermingham ²	25-30	n/a
Lynne Harrison	65-70	65-70
Christine Mullen	50-55	50-55
Carol Wassell	65-70	65-70
Board		
Garry Coutts	20-25	15-20
John Anderson	0-5	0-5
Sean Austin	0-5	n/a
Katie Docherty	0-5	n/a
Barbara Neil	5-10	0-5
Jo Derrick	0-5	0-5
Beth-Anne Logan ³	5-10	20-25
Henry Robson	0-5	0-5

¹ Excludes pension contributions paid by employer. In previous years, salaries and allowances have been reported inclusive of employer's pension contributions: the 2020/21 salaries and allowances have been restated. In respect of any Non-Executive Board Members, CHS does not make any contribution to the Local Government Pension Scheme (LGPS) nor provide any other form of pension benefit.

² Appointed 25 October 2021: the full-year equivalent salary and allowances would be between £65,000 and £70,000.

³ Throughout 2020/21 and 2021/22, this Board member has been remunerated through CHS for additional duties in relation to wider Scottish Government Secure Care projects.

Senior managers' pension entitlements

Senior Management Team Members	Real increase in pension in year to 31 March 2022 £000	Real increase in lump sum in year to 31 March 2022 £000	Total accrued pension as at 31 March 2022 £000	Total accrued lump sum at 31 March 2022 £000	CETV ¹ at 31 March 2021 £000	CETV ¹ at 31 March 2022 £000	Real increase in CETV ¹ during year £000
Elliot Jackson	5-7.5	7.5-10	40-45	70-75	688	794	107
Stephen Bermingham ²	n/a	n/a	0-5	0	n/a	7	n/a
Lynne Harrison	0-2.5	0	5-10	0	50	68	18
Christine Mullen	0-2.5	0	5-10	0	67	85	18
Carol Wassell ³	10-12.5	n/a	10-15	0	21	150	129

¹ Cash-equivalent transfer value

² Member has under 2 years' service, therefore no accrued entitlements

³ This member's figures include a transfer in of benefits which took place in the 2021/22 year. This member had no pension entitlement last year, so the entirety of the increase in pension is the full pension amount this year.

Prior year comparatives

Senior Management Team Members	Real increase in pension in year to 31 March 2021 £000	Real increase in lump sum in year to 31 March 2021 £000	Total accrued pension as at 31 March 2021 £000	Total accrued lump sum at 31 March 2021 £000	CETV ¹ at 31 March 2020 £000	CETV ¹ at 31 March 2021 £000	Real increase in CETV ¹ during year £000
Elliot Jackson	2.5-5	2.5-5	35-40	65-70	631	688	56
Lynne Harrison	0-2.5	0	0-5	0	33	50	17
Christine Mullen	0-2.5	0	0-5	0	50	67	17
Carol Wassell ²	0	0	0	0	0	21	21

¹ Cash-equivalent transfer value

² Member had under 2 years' service, therefore no accrued entitlements

Senior managers' remuneration as a single figure

Previous annual reports have included employer's pension contributions within salary and allowances. Last year's salary and allowances, and the total remuneration as a single figure, have been restated to enable a fair comparison to 2021/22.

Senior Management Team Members	2021/22 Salary and Allowances	2021/22 Pension benefits ¹	2021/22 Compensation	2021/22 Total	2020/21 Salary and Allowances (restated)	2020/21 Pension benefits ¹	2020/21 Total (restated)
	£000	£000	£000	£000	£000	£000	£000
Elliot Jackson	80-85	110-115	n/a	195-200	80-85	45-50	130-135
Stephen Birmingham ²	25-30	(5)-0	n/a	25-30	n/a	n/a	n/a
Lynne Harrison	65-70	25-30	n/a	90-95	65-70	20-25	85-90
Christine Mullen	50-55	20-25	n/a	75-80	50-55	15-20	70-75
Carol Wassell ³	65-70	230-235	n/a	300-305	65-70	(10)-(5)	60-65

- ¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (real increase in lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.
- ² Member was appointed on 25 October 2021 and has under 2 years' service and therefore has no entitlement yet to a transfer value or pension
- ³ This member's figures include a transfer in of benefits which took place in the 2021/22 year. This member had no pension entitlement last year, so the entirety of the increase in pension is the full pension amount this year.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the following percentile remuneration of the organisation's workforce.

Remuneration (continued)	Salary	Allowances	Total remuneration	Salary	Allowances	Total remuneration
	2021/22	2021/22	2021/22	2020/21	2020/21	2020/21
Highest-paid director	£80,859	£0	£80,859	£78,876	£1,845	£80,721
25 th percentile	£28,166	£0	£28,166	£32,157	£0	£32,157
Median	£39,793	£0	£39,793	£39,892	£0	£39,892
75 th percentile	£51,419	£0	£51,419	£50,135	£0	£50,135

The highest-paid director's salary increased by 2.5% from 2020/21: however, because of the cessation of an organisational relocation allowance during 2020/21, the increase in the highest-paid director's overall remuneration is only 0.17%.

The 25th percentile pay ratio has increased from 2.51:1 to 2.87:1 due to the reduction of the 25th percentile pay, which itself was caused by an increase in complement of support and administrative staff in the lowest quartile.

The median pay ratio has increased from 2.02:1 to 2.03:1. CHS believes the median pay ratio for 2021/22 is consistent with its pay, reward and progression policies for CHS' employees taken as a whole.

The 75th percentile pay ratio has decreased from 1.61:1 to 1.57:1.

The full time equivalent remuneration paid to CHS staff as at 31 March 2022 ranged from £25,184 to £80,859 (31 March 2021: £24,384 to £78,876).

In 2021/22 no employees received remuneration in excess of the highest-paid director (2020/21: none). CHS does not have a separate performance pay scheme for senior managers. The Scottish Government-wide remuneration policy is applied equally to all staff, including senior management.

Compensation

No compensation payments were made in 2021/22 (2020/21: none).

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HMRC as a taxable emolument. No benefits in kind were received in 2021/22 (2020/21: none).

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

CHS paid Scottish Children's Reporter Administration (SCRA) £5,165, £2,583 and £nil in 2021/22 in respect of senior management services from Ed Morrison Head of Finance and Resources, Susan Deery Head of Human Resources and Lawrie McDonald Head of Digital Delivery (2020/21: £18,751, £8,492 and £25,032 respectively). Ed Morrison joined CHS' Senior Management Team in July 2015; Susan Deery joined CHS' Senior Management Team in April 2016. Both left office on 31 March 2021.

Staff breakdown by gender and permanent/non-permanent contracts

Average number of employees (whole-time equivalents)	2021/22	2020/21
Staff with a permanent contract – male	7	4
Staff with a permanent contract – female	23	22
Staff without a permanent contract – male	2	2
Staff without a permanent contract – female	4	6
	36	34

Staff costs (audited)

Staff with a permanent (UK) employment contract	2021/22 £000	2020/21 £000
Wages and salaries	1,328	1,266
Social security costs	143	128
Contributions to pension scheme	330	390
IAS 19 pension charge	401	(8)
	2,202	1,776

Staff without a permanent (UK) employment contract	2021/22 £000	2020/21 £000
Wages and salaries	362	266
Social security costs	20	27
Contributions to pension scheme	50	36
	432	329

All Staff	2021/22 £000	2020/21 £000
Wages and salaries	1,690	1,532
Social security costs	163	155
Contributions to pension scheme	380	426
IAS 19 pension charge	401	(8)
	2,634	2,105

The average pay per FTE employee reduced by 0.23% between 31 March 2021 and 31 March 2022, due to the increase in complement of support and administrative staff in the lowest quartile.

Exit packages

No exit packages were agreed during 2021/22 (2020/21: none).

Expenditure on consultancy

In 2021/22, CHS spent £49,225 on consultancy (2020/21: £67,007).

Staff Absence

In the year to 31 March 2022, staff absence was 10.4 days (2021: 2.9 days).

Disability

CHS is committed to equality and diversity.

- We plan for, and make reasonable adjustments to, the assessment and interview process
- During employment, we proactively offer and make reasonable adjustments as required
- We provide an environment that is inclusive and accessible for staff and volunteers
- We support employees to manage their disabilities or health concerns

- We ensure there are no barriers to the development and progression of 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 wellbeing and mental health conditions and have been particularly proactive in doing this during COVID-19 restrictions by providing regular mental health and wellbeing updates via the Staff Forum channel on MS Teams. This included providing the daily promotion of health and wellbeing initiatives, ideas and resources featuring different themes during the course of Mental Health Awareness Week at the end of May. Line managers are encouraged to have conversations with their staff about staff mental health and wellbeing during their regular 121 'remote' meetings, at this current time.
- We provide occupational health services and an employee assistance programme (EAP) and have been promoting the EAP resources to staff, particularly during COVID-19 restrictions.

CHS reports against the statutory Public Sector Equality Duty and in addition has several policies relating to supporting disability in the workplace including:

- Equal Opportunities policy
- Flexible Working policy
- Recruitment and Selection policy
- Dignity at Work policy

With regards to disability, CHS included the following over-arching Equality Outcome that is specifically focussed on supporting those with caring responsibilities.

Increasing accessibility, and promoting inclusion has removed participation barriers to all individuals who make up our CHS Community.

Under this outcome, CHS has a subset of outcomes with the following outcome particularly focused on carers, who by association, can be directly or indirectly discriminated against on the grounds of disability in the general working environment, due to their caring responsibilities for those who have disabilities.

CHS is a recognised as an employer of choice by individuals with caring¹² responsibilities due to its positive and open recruitment approach and its flexible working and attendance management policies and practices.

Our Volunteer Community continue to be fully aware of and undertake their functions with equality in mind. Our CHS Learning Academy (West Lothian College) incorporate Equality and Diversity learning and assessment into essential training for our panel members before they are appointed. All new panel members complete a qualification awarded by the Scottish Qualifications Authority (SQA) – the Professional Development Award (PDA) Children's Hearings in Scotland – Panel Members.

¹² A carer is someone who provides unpaid care by looking after an ill, frail or disabled family member, friend or partner. (<http://www.carerpositive.org/>)

The training delivered by our CHS Learning Academy focuses on the 2010 Equality Act. In particular, the qualification focuses on the acquisition of skills and knowledge that demonstrate awareness of the equality and diversity needs of children and young people and how to address them.

Our Area Support Teams receive training in the recruitment and selection of new panel members. This includes input on key principles of equality and diversity and an emphasis on understanding the importance of diversity when assessing and supporting candidates.

Parliamentary Accountability Report

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

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

Elliot Jackson
Accountable Officer

Independent auditor's report to the members of Children's Hearings Scotland, 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 Children's Hearings Scotland for the year ended 31 March 2022 under the Children's Hearings (Scotland) Act 2011. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Government Financial Reporting Manual (the 2021/22 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2022 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 FReM; and
- have been prepared in accordance with the requirements of the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 18 March 2022. The period of total uninterrupted appointment is five months. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and

- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditors-responsibilities. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Reporting on other requirements

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

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

Other information

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

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

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

Financial Statements

Children's Hearings Scotland

Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

	Note	Year to 31 March 2022 £000	Year to 31 March 2021 £000
Expenditure			
Staff costs	2	2,634	2,105
Other administration costs	3	2,449	2,064
Depreciation	4 & 5	296	113
<i>Expenditure</i>		5,379	4,282
Income	1.8	(56)	(33)
Net expenditure		5,323	4,249
Pension scheme finance cost	9	56	37
Net expenditure before Scottish Government funding		5,379	4,286
Other comprehensive net expenditure			
Items which will not be reclassified to net expenditure:			
Actuarial loss/(gain) on pensions	9	(1,020)	955
Comprehensive net expenditure for the year		4,359	5,241

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

Children's Hearings Scotland

Statement of Financial Position as at 31 March 2022

	Note	2022 £000	2021 £000
Non-current assets			
Property, plant & equipment	4	717	705
Intangible assets	5	0	6
<i>Total non-current assets</i>		717	711
Current assets			
Trade and other receivables	6	176	129
Cash and cash equivalents	7	1,146	1,167
<i>Total current assets</i>		1,322	1,296
Total assets		2,039	2,007
Current liabilities			
Trade and other payables	8	(430)	(388)
<i>Total current liabilities</i>		(430)	(388)
Non-current assets plus net current assets		1,609	1,619
Non-current liabilities			
Net pension asset/(liability)	9	(1,975)	(2,538)
Net assets		(366)	(919)
Taxpayers' equity			
General fund		245	712
Pension reserve		(611)	(1,631)
Total taxpayers' equity		(366)	(919)

The Accountable Officer authorised these financial statements for issue on 20 September 2022.

Elliot Jackson
Accountable Officer

Children's Hearings Scotland

Statement of Cash Flows for the year ended 31 March 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net expenditure before Scottish Government funding		(5,379)	(4,286)
<i>Adjustments for non-cash items</i>			
Increase/(Decrease) in pension fund liability	9	(563)	984
Increase/(Decrease) in pension reserve	9	1,020	(955)
Depreciation charges	4 & 5	296	113
Loss on disposal of assets		-	-
<i>Movements in working capital</i>			
Decrease/(Increase) in trade and other receivables	6	(47)	(26)
Increase/(Decrease) in trade and other payables	8	42	(373)
Net cash outflow from operating activities		(4,631)	(4,543)
Cash flows from investing activities			
Purchase of property, plant & equipment	4	(302)	(609)
Leasehold improvement expenditure	4	-	-
Purchase of intangible assets	5	-	-
Decrease in assets under construction	4,5	-	-
Cash flows from financing activities			
Scottish Government funding for year		4,912	5,271
Net increase/(decrease) in cash and cash equivalents		(21)	119
Opening cash balance		1,167	1,048
Closing cash balance		1,146	1,167

Children's Hearings Scotland

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

	Note	General Fund £000	Pension Reserve £000	Total Reserves £000
Balance at 1 April 2020		(273)	(676)	(949)
Actuarial gain/(loss) on pension reserve	9	0	(955)	(955)
Net expenditure for the year		(4,286)	0	(4,286)
Total recognised income and expense for 2020/21		(4,559)	(1,631)	(6,190)
Funding from Scottish Government		5,271	0	5,271
Balance at 31 March 2021		712	(1,631)	(919)

	Note	General Fund £000	Pension Reserve £000	Total Reserves £000
Balance at 1 April 2021		712	(1,631)	(919)
Actuarial gain/(loss) on pension reserve	9	0	1,020	1,020
Net expenditure for the year		(5,379)	0	(5,379)
Total recognised income and expense for 2021/22		(4,667)	(611)	(5,278)
Funding from Scottish Government		4,912	0	4,912
Balance at 31 March 2022		245	(611)	(366)

Notes to the Accounts

1. Accounting policies

1.1 Basis of accounting

The accounts have been prepared in accordance with the accounting principles and disclosure requirements of the 2021/22 Government Financial Reporting Manual (FReM). The accounting policies contained in the manual follow International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context and in accordance with the Accounts Direction given by the Scottish Ministers. Where the manual permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of CHS for the purposes of giving a true and fair view has been selected. The accounting policies selected have been applied consistently in dealing with items that are considered material in relation to the accounts.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets to fair value as determined by the relevant accounting standard.

1.3 Property, plant and equipment

The threshold for capitalisation of property, plant and equipment is £5,000, including non-recoverable VAT. Individual items of plant and equipment whose cost falls below the threshold, but are of a similar nature, are grouped and capitalised.

Expenditure on furniture, fixtures and fittings is charged to the statement of net expenditure in the year the cost is incurred and is not capitalised.

Given the short useful economic lives and low values of property, plant and equipment and intangible assets, these assets are disclosed on a depreciated historical cost basis, which is used as a proxy for fair value.

Depreciation is provided on all property, plant and equipment on a straight line basis, at rates calculated to write-off the cost, less estimated residual value, of each asset over its expected useful life as follows:

- ICT equipment – three years
- Office equipment – five years
- Leasehold improvements – five years (expected length of lease term)

Depreciation is ordinarily charged from when the asset was ready for use, rounded to the nearest whole month, up to point of disposal.

1.4 Intangible assets

Intangible assets are stated at historic purchase cost less accumulated amortisation. Acquired computer software licences, developed software and developed ICT infrastructure environments 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 shorter term of life of licence and its estimated useful economic life.

1.5 Assets under construction

Where expenditure is incurred in creating an asset (tangible or intangible), but that asset is not ready for use by the end of a financial year, it is deemed as an asset under construction. Depreciation is not ordinarily charged on such assets although they will be reviewed for potential impairment or obsolescence, with any write-down charged to the Statement of Comprehensive Net Expenditure if appropriate.

1.6 Employee benefits

CHS has an agreement with Edinburgh City Council under which all staff are eligible to enter the Local Government Pension Scheme managed by the Council in accordance with scheme rules. 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 other finance income. 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 Changes in Taxpayers' Equity.

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 were included in a report published by Lothian Pension Fund.

1.7 Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements.

1.8 Income

CHS recognises income in the year to which it relates.

1.9 Leases

CHS occupies office space within a Scottish Government owned building under a Memorandum of Terms of Occupation (MOTO). This arrangement is treated as an operating lease and the rental is charged to the Statement of Comprehensive Net Expenditure on a straight line basis over the term of the MOTO. IFRS 16 *Leases* is not yet implemented: it is expected the standard will impact the non-current assets, liabilities and net expenditure of the organisation from 1 April 2022.

1.10 Government grants

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

1.11 Financial Instruments

Cash requirements for CHS are met through the Scottish Government and therefore financial instruments play a more limited role in creating and managing risk than would apply within a non-public sector body. The majority of financial instruments relate to receivables and payables incurred through the normal operational activities of CHS. CHS is therefore exposed to little credit, liquidity or market risk.

1.12 Value Added Tax

CHS has no chargeable activities within the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

1.13 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.

1.14 Related Party Transactions

Material related party transactions are disclosed in line with the requirements of IAS 24.

1.15 Review of accounting policies and estimation techniques

These financial statements have been prepared under IFRS.

One area of judgement in how CHS' accounting policies are applied is pension estimation technique.

The most significant financial impact arises from assumptions used to calculate the pension deficit. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 March 2022	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in Real discount Rate	3%	178
1 year increase in member life expectancy	4%	263
0.1% increase in the Salary Increase Rate	0%	13
0.1% increase in the Pension Increase Rate (CPI)	3%	165

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 the Employer'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 actuary has calculated and compared the value of the scheme obligations at the accounting date on varying bases. The approach taken is consistent with that adopted to derive the accounting figures provided in the actuary's report, based on the profile of CHS as at the date of the most recent valuation.

1.16 Accounting standards not yet adopted

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

- IFRS 16 – Leases

The FReM, issued by HM Treasury, interprets and adapts IFRS 16 for the public sector in several years. In light of COVID-19 pressures, HM Treasury and the Financial Reporting Advisory Board (FRAB) decided that IFRS 16 implementation will be deferred until 1 April 2022. The impact on the financial statements has yet to be fully determined: lease obligations (£108k, without discounting at 31 March 2022 and as disclosed in note 10) will be recognised as right of use assets at 1 April 2022.

2. Staff numbers and related costs

Staff costs – all staff

	2021/22	2020/21
	£000	£000
Salaries	1,690	1,532
Social security costs	163	155
Contributions to pension scheme	380	426
IAS 19 Pension Charge	401	(8)
Provision for unfunded pensions	0	0
	2,634	2,105

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

3. Other administration costs

	2021/22	2020/21
	£000	£000
Board fees and expenses	69	44
Shared services	98	67
Legal fees	10	4
Running costs	673	517
Compensation Costs	0	0
Direct support for panel	58	40
Training, recruitment and other staff costs	76	71
Auditor remuneration	11	11
Internal auditors' remuneration	14	7
Recruitment of Panel Members	268	282
Training of Panel and AST Members	971	876
Panel and AST Member Expenses	201	145
	2,449	2,064

4. Property, Plant and Equipment

2021/22	Leasehold Improvements	Computer equipment	Assets under construction	Total
	£000	£000	£000	£000
Cost/Valuation				
Opening Balance	192	680	0	872
Additions	0	302	0	302
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	192	982	0	1,174
Accumulated depreciation				
Opening Balance	76	91	0	167
Provided in year	38	252	0	290
Withdrawn on disposal	0	0	0	0
Closing Balance	114	343	0	457
Net Book Value				
At 31 March 2022	78	639	0	717
At 31 March 2021	116	589	0	705
2020/21				
	Leasehold Improvements	Computer equipment	Assets under construction	Total
	£000	£000	£000	£000
Cost/Valuation				
Opening Balance	192	71	0	263
Additions	0	609	0	609
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	192	680	0	872
Accumulated depreciation				
Opening Balance	38	34	0	72
Provided in year	38	57	0	95
Withdrawn on disposal	0	0	0	0
Closing Balance	76	91	0	167
Net Book Value				
At 31 March 2021	116	589	0	705
At 31 March 2020	154	37	0	191

5. Intangible Assets

2021/22	Developed Software	Website	Assets under construction	Total
	£000	£000	£000	£000
Cost/Valuation				
Opening Balance	517	18	0	535
Additions	0	0	0	0
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	517	18	0	535
Accumulated amortisation				
Opening Balance	517	12	0	529
Provided in year	0	6	0	6
Closing Balance	517	18	0	535
Net Book Value				
At 31 March 2022	0	0	0	0
At 31 March 2021	0	6	0	6
2020/21				
Cost/Valuation				
Opening Balance	517	18	0	535
Additions	0	0	0	0
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	517	18	0	535
Accumulated amortisation				
Opening Balance	505	6	0	511
Provided in year	12	6	0	18
Closing Balance	517	12	0	529
Net Book Value				
At 31 March 2021	0	6	0	6
At 31 March 2020	12	12	0	24

6. Trade and other receivables

6.1 Amounts falling due within one year

	2022	2021
	£000	£000
Other receivables	15	32
Prepayments	161	97
	176	129

6.2 Intra governmental balances

	Receivables: amounts due within one year	Receivables: amounts due within one year
	2022	2021
	£000	£000
Balances with other central government bodies	1	0
Balances with local government bodies	0	0
Intra governmental balances	1	0
Balances with bodies external to government	175	129
at 31 March	176	129

7. Cash and cash equivalents

	2022	2021
	£000	£000
Balance at 1 April	1,167	1,048
Net change in cash and cash equivalents	(21)	119
Balance at 31 March	1,146	1,167
Bank accounts	1,146	1,167
at 31 March	1,146	1,167

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

8. Trade and other payables

8.1 Amounts falling due within one year

	2022	2021
	£000	£000
Trade payables	217	211
Tax and social security	48	43
Other payables	45	0
Accruals	120	134
	430	388

8.2 Intra governmental balances

	Payables: amounts due within one year	Payables: amounts due within one year
	2022	2021
	£000	£000
Balances with other central government bodies	116	52
Balances with Local Authorities	38	93
Intra governmental balances	154	145
Balances with bodies external to government	276	243
at 31 March	430	388

9. Pensions

Information about the assumptions underlying the figures in this note can be found in Note 1.6 Employee benefits.

Change in the Fair Value of Plan Assets, Defined Benefit Obligations and Net Liability for year ended 31 March 2022

	Assets	Obligations	Net (liability)
	£000	£000	£000
Fair value of plan assets	3,702	0	3,702
Present value of funded liabilities	0	6,240	(6,240)
Opening Position as at 31 March 2021	3,702	6,240	(2,538)
Current Service Cost	0	770	(770)
Past Service Cost	0	0	0
Total Service cost	0	770	(770)
Interest income on plan assets	81	0	81
Interest cost on defined benefit obligation	0	137	(137)
Total Net Interest	81	137	(56)
Total defined benefit cost recognised in profit or (loss)	81	907	(826)
Plan participants' contributions	121	121	0
Employer contributions	369	0	369
Benefits paid	(28)	(28)	0
Expected closing position	4,245	7,240	(2,995)
Remeasurements			
Change in demographic assumptions	0	(658)	658
Change in financial assumptions	0	(33)	33
Other experience	0	16	(16)
Return on assets excluding net interest	345	0	345
Total remeasurements recognised in Other Comprehensive Income (OCI)	345	(675)	1,020
Fair value of plan assets	4,590	0	4,590
Present value of funded liabilities	0	6,565	(6,565)
Closing position as at 31 March 2022	4,590	6,565	(1,975)

Employer contributions during 2021/22 totalled £369k (2020/21: £425k). This includes supplementary contributions totalling £nil (2020/21: £200k) to the Lothian Pension Fund.

Change in the Fair Value of Plan Assets, Defined Benefit Obligations and Net Liability for year ended 31 March 2021

	Assets	Obligations	Net (liability)
	£000	£000	£000
Fair value of plan assets	2,264	0	2,264
Present value of funded liabilities	0	3,765	(3,765)
Opening Position as at 31 March 2020	2,264	3,765	(1,501)
Current Service Cost	0	470	(470)
Past Service Cost	0	0	0
Total Service cost	0	470	(470)
Interest income on plan assets	56	0	56
Interest cost on defined benefit obligation	0	93	(93)
Total Net Interest	56	93	(37)
Total defined benefit cost recognised in profit or (loss)	56	563	(507)
Plan participants' contributions	96	96	0
Employer contributions	425	0	425
Benefits paid	(17)	(17)	0
Expected closing position	2,824	4,407	(1,583)
Remeasurements			
Change in demographic assumptions	0	(247)	247
Change in financial assumptions	0	1,625	(1,625)
Other experience	539	455	84
Return on assets excluding net interest	339	0	339
Total remeasurements recognised in Other Comprehensive Income (OCI)	878	1,833	(955)
Fair value of plan assets	3,702	0	3,702
Present value of funded liabilities	0	6,240	(6,240)
Closing position as at 31 March 2021	3,702	6,240	(2,538)

Fair value of employer assets

The below asset values are at bid value as required under IAS19.

	2022	2022	2022	2021	2021	2021
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	£000	£000	£000	£000	£000	£000
Equity Securities	2,559	0	2,559	2,181	0	2,181
Debt Securities	487	0	487	223	2	225
Private Equity	0	21	21	0	580	580
Real Estate	43	201	244	0	195	195
Investment Funds and Unit Trusts	165	598	763	136	3	139
Derivatives	0	0	0	0	0	0
Cash and Cash equivalents	516	0	516	382	0	382
	3,770	820	4,590	2,922	780	3,702

Analysis of projected amount to be charged to operating profit for year to 31 March 2023

Year ended 31 March 2023	£000	% of pay
Projected current service cost*	676	43.9%
Interest income on plan assets	(133)	(8.6%)
Interest cost on defined benefit obligation	191	(12.4%)
Total included in Statement of Comprehensive Net Expenditure	734	47.7%

* The current service cost includes an allowance for administration expenses of 0.3% of payroll. The monetary value is based on a projected payroll of £1.539m.

Year ended 31 March	2022	2021
	% p.a.	% p.a.
Pension increase rate (CPI)	3.15	2.80
Salary increase rate	3.65	3.30
Discount Rate	2.75	2.05

10. Operating Leases

Total commitments under non-cancellable operating leases are as follows:

	2021-22 £000	2020-21 £000
Buildings		
Not later than one year	54	52
Later than one year and not later than five years	54	104
Later than five years	0	0
	<hr/> 108	<hr/> 156

CHS signed a Memorandum of Terms of Occupation (MOTO) with Scottish Legal Aid Board (SLAB) for occupancy of office space at 91 Haymarket Terrace, Edinburgh. The MOTO is a 1 year rolling agreement envisaged to end 31 March 2024.

11. Financial Instruments

As the cash requirements of CHS 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.

12. Related party transactions

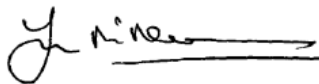
CHS is a Non-Departmental Public Body sponsored by the Care and Justice Division in the Children and Families Directorate. CHS receives funding from the Care and Justice Division in the Children and Families Directorate which is regarded as a related party. During the year 2021/22, CHS received grant-in-aid of £4,912,000 (2020/21 £5,271,000).

No Board Member, key manager or other related party has undertaken any material transactions with CHS during the year (2020/21: £nil).



CHILDREN'S HEARINGS SCOTLAND
DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Schedule 1 of the Children's Hearing Scotland Act (2011), hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2022, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 12 May 2021 is hereby revoked.



Tom McNamara

A member of the staff of the Scottish Ministers

Dated: 9 June 2022



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