



children's
hearings
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Annual Report and Accounts 2020 - 21

Introduction: From Our National Convener / Chief Executive

When we set our plans for 2020-21, the true scale and impact of COVID-19 was only beginning to emerge. Changes to how we were working and how children's hearings operated were made rapidly at the very end of the previous financial year but the longer-term nature of these became increasingly clear as the first half of the year progressed. We, along with the partner agencies within the children's hearing system, were required to reimagine the fundamental functioning, and legal framework, of hearings. What followed has been months of testing and improvements to that initial offer through engagement with stakeholder organisations, volunteers and professionals involved in the hearings system, and children and young people.

As has been often noted, this year of considerable challenge and loss has also generated many gains. We have established new relationships and strengthened existing ones; we have adopted new working practices that will become part of our future; and we are an organisation that is now better prepared to adapt to, and lead, change.

For CHS, it was also the first year of our new corporate plan, *Our Strategic Outlook 2020-23*. We set an ambitious work plan aligned to our four Strategic Themes that we believed helped us to deliver on our organisational purpose: to equip our volunteer community to engage positively with infants, children, young people and families, ensures children are loved, cared for, respected and feel part of decisions taken to improve their lives. And there have been some significant successes in realising the goals of our corporate plan: our first Children's Rights and Inclusion Strategy was published and we prepared our first 'Progressing Rights' report; new training was launched covering Permanence and Child Development; a new volunteer wellbeing package was rolled out; we ran a series of 'Connecting our Community' events to bring together staff and volunteers to discuss topical issues; we ran our largest ever recruitment campaign virtually, and in the new year rather than during the summer and we continued to engage with the Independent Care Review as the Promise Scotland team was created, signalling clearly our readiness and appetite to be involved in early structural change within Scotland's care system.

But responding to COVID-19 has inevitably placed a strain on the organisation, our people, and what we have been able to achieve towards our overarching strategic ambitions. We have been careful throughout the year to respond to the personal and professional capacity of our teams and we have kept our activities and expectations under frequent review. As a result, we have, through a process of Board approval, made changes to our plans to ensure that resources are sensibly and responsibly used and to safeguard the wellbeing of our people as best we can.

Throughout the unprecedented year that 2020/21 was, our focus has always been to ensure that Panel Members continue to make high-quality decisions that put the child's best interest at their heart, in a rapidly changing legal context. I am overwhelmed by the commitment and immensely grateful to the volunteer community and our staff who have worked tirelessly to enable that to happen.



- Elliot Jackson

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 2020/21 was £5.27m.

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 first year of CHS's new 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.

What Concerns Us: Our Key Issues and Risks

The CHS Board monitors the strategic risks that have the potential to impact significantly on CHS' performance, fulfilment of statutory duties, and future prospects and developments. In 2020-21, these risks were:

1. Impact of COVID-19 on CHS activity impacts the ability to spend out on 2020/21 financial settlement and results in loss of investment to enable this in the future. After controls, this was LOW RISK.
2. Removal from the Lothian Pension Fund stability mechanism creating budget uncertainty and pressures which divert funds from strategic delivery. After controls, including making a supplementary payment to Lothian Pension Fund (see note 9 of the Financial Statements on page 50), this was LOW RISK.
3. CHS fails to meet its obligations to realise its duties under the United National Convention on the Rights of the Child (UNCRC). After controls, this was LOW RISK.
4. 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 LOW RISK.
5. CHS fails to contribute to positive outcomes for children and young-people due to not maintaining an informed, trauma-sensitive, sustainable, resilient and motivated volunteer community. After controls, this was LOW RISK.
6. CHS fails to have an influential voice in sector policy and practice. After controls, this was LOW RISK.
7. CHS's and the hearings system's credibility is damaged because we fail to deliver and improve our functions in a data and evidence driven manner. After control, this was LOW RISK.
8. System failure due to poor cyber resilience. After controls, this was LOW RISK.

9. Business Improvements and the CHS volunteer experience is not improved as new digital systems do not meet business/user needs or there is low uptake of systems developed. After controls, this was LOW RISK.
10. Impact of COVID-19 on CHS reputation and operations, including disengagement of volunteers or inability to recruit volunteers. After controls, this was MEDIUM RISK.

What We Did and Achieved in 2020-21: Performance Analysis and Key Activities

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 into 76 milestones. 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. This year, the quarterly performance reports also included a log of COVID-response activities undertaken by the organisation.

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 Objective in category		Number of 'Red' Objectives due to de-scoping
Theme 1: Better protect and uphold the rights of children	Green	2	-
	Amber	2	-
	Red	0	0
Theme 2: Deliver consistently high quality hearings	Green	1	-
	Amber	4	-
	Red	3	2
Theme 3: Continue to build an effective and empathetic panel, that is well-supported	Green	10	-
	Amber	4	-
	Red	1	1
Theme 4: Be well-informed and influential in our environment and communities	Green	7	-
	Amber	0	-
	Red	2	1
TOTALS	Green	20	-
	Amber	10	-
	Red	6	3

Business Activity Exception Report

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

Theme	Business Objective	Status at Year End	Comment
1	Provision of a new children's rights course	Amber	Planning and external engagement for this course took place, but COVID response meant training capacity was directed elsewhere. Development of this training has been carried forward to 2021/22.
1	Implementation of National Advocacy Model in hearings	Amber	Training and guidance launched as planned. Due to legislation coming in to force later than expected, any evaluation was delayed from this year.
2	Implementing a new Code of Conduct across the volunteer community	Red	Drafting and development took place, but work was put on hold due to the impact of COVID, and to enable wider review and engagement in the future.
2	Launching new operational processes for managing independent reports	Amber	Significant progress was made with this objective. The development of a new quality management framework is anticipated to take place in 2021/22.
2	Aligning and assessing CHS standards and competencies	Red	This was de-scoped in Q2, due to the impact of COVID response on capacity. This will be progressed as the Promise Scotland's work develops.
2	Carry out a review exercise of the quality of written decisions	Amber	Framework was put in place and tested, but full roll-out was de-scoped due to impact of COVID response on capacity.
2	Progress a new public complaints process	Amber	The new process was completed, approved by the SPSO and published at the end of the year. The dissemination and training was not completed in year and has been carried forward in to 2021/22.
2	Develop quality assurance processes through our Panel Practice Advisors	Amber	A pilot ran in two ASTs to trial the new digital observation framework. National PPA involvement in hearings was limited due to limitations on participant connections in hearings.
2	Participate in local projects to improve the quality of hearings experiences	Red	This objective was descoped as the projects identified require in-person hearings in hearings centres, the number of which were highly limited due to COVID restrictions.
3	Creation of new online training modules	Amber	4 new modules were launched, but new Information Governance course was still in scoping phase at year end. Completion targets were met for 2 courses (Information

			Governance and Advocacy) but missed for one course (Permanence).
3	Run a programme of engagement events across our volunteer community	Amber	8 events were held successfully involving all ASTs. Due to ongoing COVID recovery requirements, starting a second set of events did not happen before the year end.
3	Develop a trauma-sensitive plan for CHS	Amber	Discussions with external advisory agencies took place, and some initial training. Trauma-sensitive work will continue in following years.
3	Publish a new Equality, Diversity & Inclusion strategy	Amber	Good progress was made on this, although final refinement and development will be undertaken in 2021/22.
3	Carry out a review of our recruitment & reappointment policies	Red	De-scoped in Q2 in response to limitations on capacity due to COVID.
4	Improve data and management information from the new digital system	Red	Staff received training on new software, and some initial data was made available. COVID digital priorities impacted further progress. This work has been carried forward to 2021/22.
4	Use the views of specialists to create learning events for volunteers	Red	De-scoped in Q2 in response to limitations on training capacity due to COVID response and recovery.

Key Activities and Achievements

Below we outline the key activities we undertook towards the delivery of our 2020/21 Business Objectives. Descriptions of all of our identified Objectives can be found in our 2020/21 Business and Corporate Parenting Plan.²

COVID-19 Response:

- With our partners, established new virtual ways of delivering hearings.
- Developed new training for Panel Members focussed on 'Hearings in Lockdown'.
- Issued practice guidance through a new 'Coronavirus Practice Guide'.
- Moved the completion of new Panel Member training online.
- Worked with the Scottish Government and core partners on the development of the Coronavirus (Scotland) Acts, and provided subsequent bi-monthly contributions to monitoring reports for the Scottish Parliament.
- Established an internal CHS Resilience Group and introduced a weekly meeting with our Area Conveners.
- Participated in a range of new strategic forums (including shared leadership of the Children's Hearings COVID Recovery Group) and groups within children's services and the hearings system.
- Provision of equipment to volunteers to enable them to take part in virtual hearings.

² [CHS Business & Corporate Parenting Plan 2020-21 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

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

- Produced our first 'Progressing Rights' report.³
- Published our Children's Rights & Inclusion Strategy.⁴
- Worked to implement the national Advocacy scheme throughout hearings, including providing training to Panel Members.

Theme 2: Deliver Consistently High-Quality Hearings:

- Recruited new independent report writers to support hearings with specialist assessments and issued new guidance to Panel Members on requesting reports.
- Issued new practice guidance through our online Practice & Procedure Manual on topics such as advocacy services, non-disclosure, deferring decisions, grounds for referral, and child protection responsibilities.
- Finalised a new public complaints process.

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

- Launched new training modules on Permanence and Child Development.
- Ran our largest ever Panel Member recruitment campaign – over 560 new panel members – which has delivered entirely online and at a different time of year than normal.
- Ran 8 online volunteer engagement events, covering all 22 ASTs across Scotland.
- Launched a new volunteer wellbeing package, including access to an external health and wellbeing provider, and subsidised flu vaccinations.

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

- Engaged with The Promise Scotland through a bespoke organisational session and submission of a response to their consultation exercise.
- Helped researchers recruit volunteers in to 6 research projects.
- Ran a 2-day improvement event for our staff and Area Conveners to improve our skills and capacity to undertake and lead improvement.
- Launched a new corporate website, including a section for children and young people.

³ [Progressing Rights at Children's Hearings Scotland 2017 - 2020 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/progressing-rights)

⁴ [Children's Rights and Inclusion Strategy \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/childrens-rights-inclusion-strategy)

Key Performance Indicators

The table below presents the results of our Key Performance Indicators. An asterisk (*) indicates that the KPI has a note below.

	Key Performance Indicator (KPI)	20/21 Target	20/21 Result	Past Performance
1	% Panel Members who have completed Children's Rights online module	30%	n/a*	New measure
2	Training courses with partner organisation input	5/5	4/4*	New measure
3	% complaints resolved within SPSO guidelines	100%	99%*	2017/18: 100% 2018/19: 92% 2019/20: 100%
4	% employee attendance	96%	98.9%	2017/18: 93% 2018/19: 96% 2019/20: 96%
5	% invoices not in dispute paid within 10 working days	90%	88%*	2017/18: 80% 2018/19: 86% 2019/20: 85%
6	% IT helpdesk calls resolved within SLA terms	90%	n/a*	2017/18: 90% 2018/19: 90%
7	% pre-service trainees who felt that their learning objectives were met	95%	n/a*	2019/20: 98%
8	% positive staff survey feedback on opportunities for learning and development	55%	65%	2018/19: 33% 2019/20: 52%

Notes and Comments on KPIs:

It was anticipated that during the first half of 2020/21, CHS would set additional KPIs linked to our strategic themes during a staff and volunteer engagement event. Due to COVID, this could not take place and so, these KPIs were not set.

Key measures related to COVID were monitored, including Panel capacity, use of emergency legislation and hearings activities, but these were reported to the Board via COVID-specific papers rather than in KPI reporting in the quarterly performance reports. Many of these measures were, in partnership with Scottish Children's Reporters Administration, published in bi-monthly reports on the Children's Hearings Improvement Partnership (CHIP) website.⁵

Regarding the specific KPIs above:

1. This course was not launched during 2020/21, so it was not possible to report on completion rates.

⁵ [Coronavirus – Children's Hearings data | Children's Hearings Improvement Partnership \(chip-partnership.co.uk\)](https://www.chip-partnership.co.uk)

2. The Information Governance course did not launch during the year. The other courses developed did involve partner agencies, however.
3. Target missed by 1% due to disruption caused by COVID-19 pressures.
5. Availability of some invoices was impacted by some invoices being sent by post to the CHS, access to which was not initially possible during lockdown.
6. Early in 2020/21, CHS's IT support arrangements changed, with an increase to internal assistance. The SLA referred to in this measure is therefore no longer applied.
7. Due to altered recruitment timelines, pre-service training began in April 2021. Feedback was therefore not available for reporting within 2020/21.

The KPIs which were monitored last year, but do not feature this year are detailed below, with the reason for not appearing this year. The bracketed numbers below refer to the numbering in the 2019-20 Annual Report and Accounts:

- (2), (8), (14) and (16) - Community Survey results – CHS' community survey does not run every year, and was not planned for 2020/21, meaning measurement was not possible.
- (3) - Feedback on digital system – it was intended that a Benefits Realisation exercise would be undertaken in 2020/21 and that new specific measures would be developed for digital.
- (4) and (5) - Recruitment targets – new volunteer community measures were to be developed as part of KPI work under Strategic Theme 3. A range of measures were monitored during recruitment, including % male applicants, which were reported to the CHS Board.
- (6) - Volunteer posts filled within 4 months – this measure no longer reflects how volunteers are recruited, which is now not time-limited in the same way, and is therefore no longer relevant.
- (7) - ASTs including young people in recruitment – this was monitored and reported the CHS Board as part of recruitment updates, rather than in the KPIs.
- (9), (10), (11), (12), (13) and (15) - Training completion – assessment of training KPIs was to take place as part of Theme 3 KPI development, which was disrupted by COVID. A range of measures around training performance are monitored routinely as part of normal operations.
- (18) - Information requests within statutory timescales – data on information requests handled is reported quarterly to the CHS Audit & Risk Management Committee.

National Convener Functions

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

- We received 181 requests for panel member continuity. 86% of these 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 received and responded to 95 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.
- 0 requests 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.
- 2 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 12 requests for independent reports. 11 requests were facilitated.

Environmental Impact and Biodiversity Actions

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. While COVID-19 restrictions have been in place, CHS staff have been working from home, with only very occasional access to Thistle House by a small number of people under Government guidance.

In our 2019-20 Annual Report, we committed to using data made available to us from the Scottish Legal Aid Board (SLAB) to report on our environmental impact associated with premises. Owing to COVID restrictions and limitations, SLAB did not complete its 2019/20 environmental return as anticipated, meaning that we are unable to report our full impact here.

We are, however, able to report on our impact associated with Head Office (Ladywell House in 2018-19 and Thistle House from April 2019) gas and electricity use⁶:

	2020/21 (Thistle)		2019/20 (Thistle)		2018/19 (Ladywell)	
	Gas	Elec	Gas	Elec	Gas	Elec
Usage (kwh)	30,127	22,487.5	39,789	39,067.5	27,542.9	30,025.7
Emission Factor (kgCO₂/kwh)⁷	0.18387	0.25319	0.18385	0.2773	0.18396	0.3072
Carbon Footprint (kgCO₂e) (usage*emission factor)	5,539.5	5,693.5	7,315.2	10,833.4	5,066.8	9,223.9
Total Carbon Footprint (kgCO₂e)	11,233.0		18,148.6		14,290.7	

Our impact associated with business mileage is given below:

	2020/21	2019/20	2018/19
Total Travel Distance (miles)	1,002	55,743	23,303
Emission Factor (kgCO₂/mile)⁸	0.28052	0.29103	0.29561
Carbon Footprint (kgCO₂e) (travel distance*emission factor)	281.1	16,222.9	6,888.6

CHS's carbon footprint due to travel reduced considerably between 2019/20 and 2020/21. This was due to COVID-19 restrictions limiting travel and staff therefore working from home.

In December, CHS published its second Biodiversity Report, under Section 1 of the Nature Conservation (Scotland) Act 2004, covering 2018-2020.⁹ In September, CHS promoted ClimateWeek2020 amongst its staff and opportunities were made available for staff to attend webinars on sustainable approaches.

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.

⁶ 8.5% of the total gas and electricity use of Thistle House.

⁷ Emission Factors are taken from UK Government GHG Conversion Factors of Company Reporting for the relevant year. These Emission Factors have been applied retrospectively for previous years, changing some of the values reported in previous Annual Reports, which were generated using figures in the 2018 Carbon Footprint Register Tool. For Electricity, this includes the generation and 'transmission & distribution' factors.

⁸ Emission Factor for 'average sized petrol car' is used here.

⁹ [CHS Biodiversity Duty Report 2018 - 2020 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk)

How We Allocated Our Resources in 2020-21: Our Financial Performance

In the year ended 31 March 2021, CHS reported an excess of Scottish Government funding over net expenditure of £0.985m (31 March 2020: an excess of net expenditure over Scottish Government funding of £0.609m) with revenue grant-in-aid of £4.721m (31 March 2020: £4.839m). The General Fund has a surplus of £0.712m at 31 March 2021 (a deficit of £0.273m as at 31 March 2020).

Capital grant-in-aid was £550k which funded a significant programme of investment in technology for Panel Members and Panel Practice Advisors.

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 £1.631m on its pension reserve at 31 March 2021 (£0.676m at 31 March 2020). 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 2021, CHS paid 88% (31 March 2020: 85%) 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 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 has continued to meet and to expand upon their work.

CHS published its second Gender Pay Gap report in March 2020¹⁰. Since the last report the staff headcount had increased by 51% with females making up 79.5% of the staff headcount and accounting for 75% of our senior management team. When using the mean average to

¹⁰ [CHS Gender Pay Gap and Equal Pay Report 2020 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/gender-pay-gap-report-2020)

calculate, our overall pay gap between male and female salaries is now 1.8% (in favour of men), compared with 23% two years ago. CHS next reports on this in 2022.

CHS continue to work to the equality outcomes set for 2020 – 2022 as developed by CHS' EDI working group in conjunction with members from the national team and representatives from our volunteer community and published in July 2020.¹¹

CHS published its Equality Outcomes 2020 – 2022 Progress Report in May 2021¹². A detailed update on how each outcome had been progressed during this time was presented to the Senior Management Team and to the CHS Board in advance of publication. Detailed within the progress report was an annual breakdown of equality monitoring for CHS staff and from all the staff recruitment campaigns covering the two year period 2020 – 2021.

They present 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 are therefore achievable, having staggered deadlines within which to achieve the outcomes by April 2022.

The ED&I working group have developed a draft over-arching Equality Strategy for CHS and are supported in this work by people with lived experience. The draft strategy encapsulates the 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.

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.¹³

This year, we significantly progressed our children's rights work through the publication of our Children's Rights & Inclusion Strategy in November 2020¹⁴, the recruitment of a Children's Rights & Inclusion Strategy, and the publication of our Progressing Rights Report, which details work undertaken 2017-2020 and lays out plans for the future¹⁵.

¹¹ [CHS Equality Mainstreaming and Outcomes 2020-22 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/equality-mainstreaming-and-outcomes-2020-22)

¹² [CHS Equality Outcomes Progress Report 2020-22 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/equality-outcomes-progress-report-2020-22)

¹³ [CHS Corporate Plan 2020-23 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/corporate-plan-2020-23)

¹⁴ [Children's Rights and Inclusion Strategy \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/childrens-rights-and-inclusion-strategy)

¹⁵ [Progressing Rights at Children's Hearings Scotland 2017 - 2020 \(chscotland.gov.uk\)](https://www.chscotland.gov.uk/progressing-rights-at-childrens-hearings-scotland-2017-2020)

What We'll Do Next Year

It is anticipated that a degree of the uncertainty seen this year will continue throughout 2021/22. We have therefore identified four priorities for the coming year, from which our major Objectives have been derived. These priorities are:

- **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.

Elliot Jackson
Accountable Officer
21 September 2021

Accountability Report

Corporate Governance Report

Directors' Report

Board members in 2020/21	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
Jo Derrick	1 February 2019	31 January 2023

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

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.

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 Support Lead.

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 2021 and up to the date of the approval of the annual report and accounts. The impact of the pandemic throughout 2020/21 has not led to any relaxation of key aspects of the governance framework, and statutory duties continued to be fulfilled, albeit in the context of applying the full range of options in CHS' Business Continuity Plan and the Scottish Government's initial Covid19 guidance for public bodies.

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 2020/21 the Committee also considered results from a number of staff surveys, Staff Forum progress, Equality, Diversity & Inclusion Strategy and Fair Work First.

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 2020/21, Internal Audit undertook reviews of Budget Setting & Monitoring and Resilience & Board Effectiveness 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 2020/21, held five Board development sessions and one Strategy session.

Key issues for the Board in 2020/21 included:

- Agreeing five-year Financial Plan
- Approving quarterly performance reports
- Scrutiny of ongoing progress with Digital Programme
- Approving the Budget for 2021/22
- Approving the Business and Corporate Parenting Plans for 2021/22
- Approving the Annual Accounts and Impact Report
- Reviewing Learning Academy progress and Learning & Development Strategy
- Volunteer Recruitment
- Business Case for purchase of devices
- Equalities
- Children's Rights & Inclusion Strategy
- UNCRC

- OHOV Calls to Action
- Resilience & Recovery
- Complaints Handling
- Pensions
- Approving the accounting policies to be used for the preparation of CHS' statement of accounts for 2020/21

Strategic and operational finance support and human resources are provided through a shared services arrangement with SCRA and CHS has a dedicated HR/OD Lead. The Head of Finance & Resources and the Head of Human Resources of SCRA attend and provide strategic finance and human resources 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 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. This process has been completed for 2020/21 and no major control gaps were identified.

- 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. 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 2020/21 included:

- impact of COVID-19 on ability to spend out in 2020/21;
- 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;
- not maintaining an informed, trauma sensitive, sustainable, resilient and motivated volunteer community;
- removal from Lothian Pension Fund stability mechanism creating budget uncertainty and pressures which divert funds from strategic delivery; and
- CHS and hearing systems credibility is damaged due to failure to deliver and improve CHS functions in a data and evidence driven manner.

Digital Programme

In November 2017 a joint meeting of CHS and SCRA Boards approved a joint digital delivery plan and the award of contract to an identified supplier, following a competitive tender exercise. The main focus of activity throughout 2020/21 has been on the launch of the services that comprise the main operational functions of the system (known as the Core Systems and Applications Solution (CSAS)) and engaging in the Digital Strategy Health Checks and Digital First Service Standards assessment, all of which have been completed successfully.

Following the digital developments of 2019/20 (new landing page for the services, introduction of a new e-mail system, and roll out of Microsoft Teams collaboration platform to our 3000 volunteers), CHS launched a range of digital services between July and September 2020/21:

- Rota Management (for scheduling volunteers on to hearings);
- Expenses (for submitting and approving volunteer expenses);
- Complaints and Concerns (for submitting and handling complaints and concerns);
- Observations (for recording Panel Practice Advisor observations of Panel Members);
- Learning & Events (for scheduling and recording training and volunteer events);
- Recruitment (for managing the processes involved in recruiting volunteers).

Due to the impact of COVID-19 on hearings operation, take up of the services has been at a slower pace than originally planned. For example, expenses have not been claimed as frequently as normal because hearings are virtual and therefore fewer travel expense claims have been needed.

Implementation continues to be monitored and volunteers supported to access services. CHS is represented on the joint governance and delivery groups that oversee the digital plan: Digital Oversight Committee, Digital Delivery Board, Product and Technical Assurance Groups and the Security Accreditation Group.

An Organisational Readiness team including functional 'business owners' (who act as subject specialists on specific digital services), 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 this year, in particular support to access new virtual hearing technology introduced due to COVID restrictions. To enable continued hearing operation, CHS have worked with Scottish Government to provide 1,600 managed Chromebook devices for volunteers across Scotland to enable secure access to virtual hearings and CHS systems. This programme ensured volunteers who were not digitally enabled or who had outdated devices could securely engage in CHS operations. Implementation of this approach will be evaluated in 2021/22.

Volunteer Digital Champions continue to be a welcome addition within each AST, promoting and supporting digital take up locally.

Personal data related incidents

During 2020/21, CHS had two reportable data breaches to the Information Commission 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. Regular newsletters and case studies are also produced to raise awareness of the importance of information security.

Conclusion

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

Remuneration and Staff Report

Unaudited remuneration 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 2020/21, the Remuneration and Appointments Committee consisted of:

- Jo Derrick (chair)
- John Anderson
- Beth-Anne Logan

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 Managers' Service Contracts

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. The notice period for senior managers is three months. 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.

Staff Absence

In the year to 31 March 2021, short term absence was 2.9 days (2020: 2.9 days) and long term absence was 0 days (2020: 6.8 days).

Audited remuneration report

Senior Management Team (SMT) members' Service Contracts

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

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

Remuneration	Salary and allowances ¹	
	2020/21	2019/20
Senior Management Team	£000	£000
Elliot Jackson	90-95	85-90
Lynne Harrison	80-85	70-75
Christine Mullen	75-80	60-65
Carol Wassell	75-80	15-20
Boyd McAdam ²	n/a	45-50
Lawrie McDonald ³	n/a	85-90
Board		
Garry Coutts	15-20	15-20
John Anderson	0-5	0-5
Barbara Neil	0-5	0-5
Jo Derrick	0-5	0-5
Beth-Anne Logan ⁴	20-25	10-15
Henry Robson	0-5	0-5

¹ Includes pension contributions paid by employer. 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 This senior management team member left office on 6 October 2019: their full year equivalent salary and allowances would be between £95,000 and £100,000.

³ This senior management team member left office on 31 March 2020.

⁴ Throughout 2019/20 and 2020/21, this Board member has been remunerated through CHS for additional duties in relation to wider Scottish Government Secure Care projects.

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

Remuneration (continued)	Salary and allowances ¹	
	2020/21	2019/20
Mid-point of highest-paid director's total remuneration	£80,496	£78,364
Median total remuneration	£39,892	£40,678
Ratio	2.02 : 1	1.93 : 1

¹ Excludes pension contributions paid by employer

The full time equivalent remuneration paid to CHS staff ranged from £24,384 to £66,578 (2019/20: £24,036 to £73,941).

In 2020/21 no employees received remuneration in excess of the highest-paid director (2019/20: 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 2020/21 (2019/20: 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 2020/21 (2019/20: none).

Senior managers' pension entitlements

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 has under 2 years' service, therefore no accrued entitlements

Prior year comparatives

Senior Management Team Members	Real increase in pension in year to 31 March 2020 £000	Real increase in lump sum in year to 31 March 2020 £000	Total accrued pension as at 31 March 2020 £000	Total accrued lump sum at 31 March 2020 £000	CETV ¹ at 31 March 2019 £000	CETV ¹ at 31 March 2020 £000	Real increase in CETV ¹ during year £000
Elliot Jackson	2.5-5	2.5-5	35-40	60-65	526	631	105
Lynne Harrison	2.5-5	0	0-5	0	17	33	16
Christine Mullen	0-2.5	0	0-5	0	32	50	18
Carol Wassell ²	n/a	n/a	n/a	n/a	n/a	0	n/a
Boyd McAdam	0-2.5	0	5-10	0	116	n/a	n/a
Lawrie McDonald	0-2.5	0-2.5	15-20	20-25	293	348	56

¹ Cash-equivalent transfer value

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

Senior managers' remuneration as a single figure

Senior Management Team Members	2020/21 Salary and Allowances £000	2020/21 Pension benefits ¹ £000	2020/21 Compensation £000	2020/21 Total £000	2019/20 Salary and Allowances £000	2019/20 Pension benefits ¹ £000	2019/20 Total £000
Elliot Jackson	90-95	45-50	n/a	140-145	85-90	70-75	160-165
Lynne Harrison	80-85	20-25	n/a	100-105	70-75	50-55	120-125
Christine Mullen	60-65	15-20	n/a	80-85	60-65	15-20	75-80
Carol Wassell ²	75-80	(10)-(5)	n/a	70-75	15-20	(5)-0	15-20
Boyd McAdam	n/a	n/a	n/a	n/a	45-50	(5)-0	45-50
Lawrie McDonald	n/a	n/a	n/a	n/a	85-90	35-40	125-130

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 has under 2 years' service and therefore has no entitlement yet to a transfer value or pension

Amounts payable to/from third parties for the services of a senior manager CHS paid Scottish Children's Reporter Administration (SCRA) £18,751, £8,492 and £25,032 in 2020/21 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 (2019/20: £18,273, £7,040 and £nil respectively). Ed Morrison joined CHS' Senior Management Team in July 2015; Susan Deery joined CHS's Senior Management Team in April 2016.

In 2020/21, SCRA paid CHS £nil in respect of senior management services (2019/20: £nil).

Staff numbers and related costs

Staff with a permanent (UK) employment contract	2020/21 £000	2019/20 £000
Wages and salaries	1,266	1,053
Social security costs	128	116
Contributions to pension scheme	390	168
IAS 19 pension charge	(8)	384
	1,776	1,721

Staff without a permanent (UK) employment contract	2020/21 £000	2019/20 £000
Wages and salaries	266	374
Social security costs	27	35
Contributions to pension scheme	36	49
	329	458

All Staff	2020/21 £000	2019/20 £000
Wages and salaries	1,532	1,427
Social security costs	155	151
Contributions to pension scheme	426	217
IAS 19 pension charge	(8)	384
	2,105	2,179

Average number of employees (whole-time equivalents)	2020/21	2019/20
Staff with a permanent contract – male	4	5
Staff with a permanent contract – female	22	22
Staff without a permanent contract – male	2	4
Staff without a permanent contract – female	6	6
	34	37

Exit packages

No exit packages were agreed during 2020/21 (2019/20: none).

Expenditure on consultancy

In 2020/21, CHS spent £67,007 on consultancy (2019/20: £38,150).

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 the current COVID-19 lockdown 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 the COVID-19 Lockdown.

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 sub-set 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 caring¹⁶ responsibilities due to its positive and open recruitment approach and its flexible working and attendance

¹⁶ 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/>)

management policies and practices. Specifically, CHS has committed to becoming a Carer Positive employer by December 2021.

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.

The training delivered by our CHS Training Unit 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 2021.
- No reportable special payments were made in the financial year to 31 March 2021.
- No reportable fees or charges were received in the financial year to 31 March 2021.
- There are no remote contingent liabilities at the date the accounts were signed.

Conclusion

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

Elliot Jackson
Accountable Officer
21 September 2021

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

In my opinion the accompanying financial statements:

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

Basis for opinion

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

Conclusions relating to going concern basis of accounting

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

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

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Reporting on other requirements

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

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

Statutory other information

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

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

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

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

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

21 September 2021

Children's Hearings Scotland

Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

	Note	Year to 31 March 2021 £000	Year to 31 March 2020 £000
Expenditure			
Staff costs	2	2,105	2,179
Other administration costs	3	2,064	2,934
Depreciation	4 & 5	113	299
<i>Expenditure</i>		4,282	5,412
Income	1.8	(33)	(5)
Net expenditure		4,249	5,407
Pension scheme finance cost	9	37	41
Net expenditure before Scottish Government funding		4,286	5,448
Other comprehensive net expenditure			
Items which will not be reclassified to net expenditure:			
Actuarial loss/(gain) on pensions		955	(364)
Comprehensive net expenditure for the year		5,241	5,084

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

Children's Hearings Scotland

Statement of Financial Position as at 31 March 2021

	Note	2021 £000	2020 £000
Non-current assets			
Property, plant & equipment	4	705	191
Intangible assets	5	6	24
<i>Total non-current assets</i>		711	215
Current assets			
Trade and other receivables	6	129	103
Cash and cash equivalents	7	1,167	1,048
<i>Total current assets</i>		1,296	1,151
Total assets		2,007	1,366
Current liabilities			
Trade and other payables	8	(388)	(761)
<i>Total current liabilities</i>		(388)	(761)
Non-current assets plus net current assets		1,619	605
Non-current liabilities			
Net pension asset/(liability)	9	(2,538)	(1,554)
Net assets		(919)	(949)
Taxpayers' equity			
General fund		712	(273)
Pension reserve		(1,631)	(676)
Total taxpayers' equity		(919)	(949)

The Accountable Officer authorised these financial statements for issue on 21 September 2021.

Elliot Jackson
Accountable Officer
21 September 2021

Children's Hearings Scotland

Statement of Cash Flows for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net expenditure before Scottish Government funding		(4,286)	(5,448)
<i>Adjustments for non-cash items</i>			
Increase/(Decrease) in pension fund liability	9	984	61
(Decrease)/Increase in pension reserve	9	(955)	364
Depreciation charges	4 & 5	113	299
Loss on disposal of assets		0	2
<i>Movements in working capital</i>			
Decrease/(Increase) in trade and other receivables	6	(26)	53
(Decrease)/Increase in trade and other payables	8	(373)	(76)
Net cash outflow from operating activities		(4,543)	(4,745)
Cash flows from investing activities			
Purchase of property, plant & equipment	4	(609)	(47)
Leasehold improvement expenditure	4	-	(192)
Purchase of intangible assets	5	-	(18)
(Increase)/decrease in assets under construction	4,5	-	236
Cash flows from financing activities			
Scottish Government funding for year		5,271	4,839
Net increase in cash and cash equivalents		119	73
Opening cash balance		1,048	975
Closing cash balance		1,167	1,048

Children's Hearings Scotland

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

	Note	General Fund £000	Pension Reserve £000	Total Reserves £000
Balance at 1 April 2019		336	(1,040)	(704)
Actuarial gain on pension reserve	9	0	364	364
Net expenditure for the year		(5,448)	0	(5,448)
Total recognised income and expense for 2019/20		(5,112)	(676)	(5,788)
Funding from Scottish Government		4,839	0	4,839
Balance at 31 March 2020		(273)	(676)	(949)

	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)

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 2020/21 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 2017. 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.

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

- the fair values of properties; and
- 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 2021	Approximate increase to Defined Benefit Obligation	Approximate monetary amount £000
0.5% decrease in Real discount Rate	14%	881
0.5% increase in the Salary Increase Rate	1%	69
0.5% increase in the Pension Increase Rate (CPI)	13%	796

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 liabilities 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.

The above figures have been derived based on the membership profile of the Employer as at the date of the most recent actuarial valuation. The approach taken in preparing the sensitivity analysis shown is consistent with that adopted in the previous year.

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 (£156k, without discounting at 31 March 2021 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

	2020/21	2019/20
	£000	£000
Salaries	1,532	1,427
Social security costs	155	151
Contributions to pension scheme	427	217
IAS 19 Pension Charge	(8)	384
Provision for unfunded pensions	0	0
	2,106	2,179

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

	2020/21	2019/20
	£000	£000
Board fees and expenses	44	53
Shared services	67	42
Legal fees	4	2
Running costs	517	681
Compensation Costs	0	0
Direct support for panel	40	2
Training, recruitment and other staff costs	71	127
Auditor remuneration	11	11
Internal auditors' remuneration	7	15
Recruitment of Panel Members	282	175
Training of Panel and AST Members	876	1,189
Panel and AST Member Expenses	145	637
	2,064	2,934

4. Property, Plant and Equipment

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

2019/20	Leasehold Improvements	Computer equipment	Assets under construction	Total
	£000	£000	£000	£000
Cost/Valuation				
Opening Balance	0	57	218	275
Additions	6	15	0	21
Transfers	186	32	(218)	0
Disposals	0	(33)	0	(33)
Closing Balance	192	71	0	263
Accumulated depreciation				
Opening Balance	0	53	0	53
Provided in year	38	12	0	50
Withdrawn on disposal	0	(31)	0	(31)
Closing Balance	38	34	0	72
Net Book Value				
At 31 March 2019	154	37	0	191
At 31 March 2018	0	4	218	222

5. Intangible Assets

2020/21	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	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
2019/20				
Cost/Valuation				
Opening Balance	517	0	18	535
Additions	0	0	0	0
Transfers	0	18	-18	0
Disposals	0	0	0	0
Closing Balance	517	18	0	535
Accumulated amortisation				
Opening Balance	262	0	0	262
Provided in year	243	6	0	249
Closing Balance	505	6	0	511
Net Book Value				
At 31 March 2020	12	12	0	24
At 31 March 2019	255	0	18	273

6. Trade and other receivables

6.1 Amounts falling due within one year

	2021	2020
	£000	£000
Other receivables	32	0
Prepayments	97	103
	129	103

6.2 Intra governmental balances

	Receivables: amounts due within one year	Receivables: amounts due within one year
	2021	2020
	£000	£000
Balances with other central government bodies	0	0
Balances with local government bodies	0	0
Intra governmental balances	0	0
Balances with bodies external to government	129	103
at 31 March	129	103

7. Cash and cash equivalents

	2021	2020
	£000	£000
Balance at 1 April	1,048	975
Net change in cash and cash equivalents	119	73
Balance at 31 March	1,167	1,048
Bank accounts	1,167	1,048
at 31 March	1,167	1,048

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

8. Trade and other payables

8.1 Amounts falling due within one year

	2021	2020
	£000	£000
Trade payables	211	357
Tax and social security	43	43
Other payables	0	45
Accruals	134	316
	388	761

8.2 Intra governmental balances

	Payables: amounts due within one year	Payables: amounts due within one year
	2021	2020
	£000	£000
Balances with other central government bodies	52	114
Balances with Local Authorities	93	527
Intra governmental balances	145	641
Balances with bodies external to government	243	120
at 31 March	388	761

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 2021

	Assets £000	Obligations £000	Net (liability) £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)

Employer contributions during 2020/21 totalled £425k (2019/20: £213k). This includes supplementary contributions totalling £200k (2019/20: £nil) to the Lothian Pension Fund.

Change in the Fair Value of Plan Assets, Defined Benefit Obligations and Net Liability for year ended 31 March 2020

	Assets £000	Obligations £000	Net (liability) £000
Fair value of plan assets	2,059	0	2,059
Present value of funded liabilities	0	3,552	(3,552)
Opening Position as at 31 March 2019	2,059	3,552	(1,493)
Current Service Cost	0	517	(517)
Past Service Cost	0	27	(27)
Total Service cost	0	544	(544)
Interest income on plan assets	55	0	55
Interest cost on defined benefit obligation	0	96	(96)
Total Net Interest	55	96	(41)
Total defined benefit cost recognised in profit or (loss)	55	640	(585)
Plan participants' contributions	90	90	0
Employer contributions	213	0	213
Benefits paid	(6)	(6)	0
Expected closing position	2,411	4,276	(1,865)
Remeasurements			
Change in demographic assumptions	0	0	0
Change in financial assumptions	0	(495)	495
Other experience	0	(16)	16
Return on assets excluding net interest	(147)	0	(147)
Total remeasurements recognised in Other Comprehensive Income (OCI)	(147)	(511)	364
Fair value of plan assets	2,264	0	2,264
Present value of funded liabilities	0	3,765	(3,765)
Closing position as at 31 March 2020	2,264	3,765	(1,501)

It was noted in the 2019/20 Accounts that as a result of the Government's announcement on the McCloud remedy consultation a revised actuarial report was obtained in autumn 2020 which reduced total past service costs by £53k. The 2019/20 Accounts were not restated and therefore the closing position as at 31 March 2020 of £1,501k shown above is £53k different to the pension liability of £1,554k in the Statement of Financial Position on page 38.

Fair value of employer assets

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

Fair value of employer assets

	2021	2021	2021	2020	2020	2020
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	£000	£000	£000	£000	£000	£000
Equity Securities	2181	0	2181	1254	0	1254
Debt Securities	223	2	225	177	84	261
Private Equity	0	580	580	0	20	20
Real Estate	0	195	195	26	124	150
Investment Funds and Unit Trusts	136	3	139	37	318	355
Derivatives	0	0	0	5	0	5
Cash and Cash equivalents	382	0	382	219	0	219
	2922	780	3702	1718	546	2264

Analysis of projected amount to be charged to operating profit for year to 31 March 2022

Year ended:	31 March 2022	% of pay
	£000	
Projected current service cost*	(695)	(50.0%)
Interest income on plan assets	80	5.8%
Interest cost on defined benefit obligation	(136)	(9.8%)
Total	(751)	(54.0%)

* 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 £1.391m.

Year ended:	31 March 2021	31 March 2020
	% p.a.	% p.a.
Pension increase rate (CPI)	2.80	1.80
Salary increase rate	3.30	3.40
Discount Rate	2.05	2.30

10. Operating Leases

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

	2020-21	2019-20
	£000	£000
Buildings		
Not later than one year	52	52
Later than one year and not later than five years	104	157
Later than five years	0	0
	<hr/> 156	<hr/> 209

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, CHS received grant-in-aid of £5,271,000 (2019/20 £4,839,000).

No Board Member, key manager or other related party has undertaken any material transactions with CHS during the year (2019/20: £nil).



CHILDREN'S HEARINGS SCOTLAND
DIRECTION BY THE SCOTTISH MINISTERS

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



Lesley Sheppard

A member of the staff of the Scottish Ministers

Dated: 12 May 2021



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