

**SCOTTISH CHILDREN'S REPORTER ADMINISTRATION:  
POLICY AND FINANCIAL MANAGEMENT REVIEW**

**REPORT**



# **The Scottish Children's Reporter Administration**

## **Policy and Financial Management Review**

### **1. Introduction and Background**

1.1 The Scottish Children's Reporter Administration (SCRA) is a Non-Departmental Public Body (NDPB) established under the Local Government etc (Scotland) Act 1994. It came into existence on 1 April 1995 and on 1 April 1996 assumed 3 main statutory functions. These are:

- facilitating the performance by the Principal Reporter of his statutory functions;
- managing the staff of the Reporter Service throughout Scotland;
- providing suitable accommodation and facilities for Children's Hearings throughout Scotland.

1.2 SCRA is accountable to Scottish Ministers and to the Scottish Parliament through the Scottish Education Department of the Scottish Executive.

1.3 Like all NDPB's, SCRA is subject to regular review by its sponsor department, in this case the Scottish Education Department. Reviews are intended to be challenging and to bring about change and improvement in the delivery of public services. The expectation is that reviews will be held every 5 years. This is accordingly the first review to which SCRA has been subject.

1.4 Reviews generally commence with examination of fundamental options for the future, including abolition. In the case of SCRA work corresponding to this stage was undertaken within the Scottish Executive in 2000-01 as part of the wider review of NDPB's commissioned by the Scottish Cabinet. As a result, SCRA's future as an NDPB was not in question and the review could concentrate on what would normally be stage 2 of the process, i.e. a forward looking examination with an emphasis on how SCRA's functions could be provided more effectively in the future.

1.5 The focus of this review is therefore on the part SCRA can play within the wider children's care justice system. It is not, though, an examination of that system in itself. Rather, the emphasis is how well SCRA has evolved in its first 5 years at a time of great legislative and political change to meet the expectations placed on it at the outset, and how well it is placed to meet the emerging challenges of a changing world.

1.6 This is the report on that review. Throughout, emphasis has been placed on the views of customers and stakeholders. The opinion of staff and their union have also been taken into account. Ultimately, though, this is a report by and to the sponsor department and the actions arising from it are for the Department and the SCRA to implement.

## **2. The Remit for the Review and Structure of Report**

2.1 The remit for the Review was agreed as follows:

- review how SCRA has operated since its creation in 1996;
- identify areas where SCRA has performed well and where improvements are required;
- identify how improved performance in key areas might be achieved;
- In the light of the outcome of the above recommend what steps should be taken by SCRA, the Scottish Executive and partner bodies.

2.2 The Report proceeds by sections dealing with the following issues:

- aims, objectives and targets;
- the Board and its operations;
- the structure of SCRA;
- finance and the framework documents;
- resources;
- information technology;
- management of the estate;
- equal opportunities;
- corporate communications.

## **3. Consultation and Process**

3.1 Integral to the review was consultation with a wide range of persons and bodies. As well as interviews with the Chairman, Board members and Senior Staff the Review held discussions with the following:

- The Children's Panel Chairman's Group.
- The Scottish Association of Children's Panel Members.
- UNISON

In addition the Review sought evidence from:

- Children's Panel Advisory Committee's
- Children's Panel Training Organisers
- The Association of Directors of Social Work.
- The Association of Directors of Education.
- The Scottish Police Service
- The Crown Office.
- The Scottish Safeguarders Association.
- The Royal College of Nursing Scotland.
- The Sheriffs Association.

- The Mental Health Foundation.
- Health Trusts

Submissions were in most cases fairly light and supportive of SCRA's activities. The review team are extremely grateful to those who submitted comment and evidence.

3.2 The review was also assisted by a Steering Group which included representatives of the Scottish Executive Education Department, the SCRA, the Children's Panel Chairman's Group and an External Assessor (Mr Colin Wood). The Group met 3 times during the course of the Review. The drafting of the Report of the Review fell to the External Assessor.

3.3 The Review itself was conducted over the period November 2001 to February 2002.

#### **4. Aims, Objectives and Targets**

4.1 Good performance requires clear objectives and targets. SCRA's Annual Report 1999-00 set out the following objectives for 2000-2003:

- to improve the quality and speed of casework for children;
- to provide services for children that meet their needs;
- to provide good facilities for Children's Hearings;
- to manage services effectively.

Clear though these objectives are, as stand alone statements they give no clue to the public as to the ultimate purpose of SCRA's existence. They do not reveal why hearings are needed or what casework aims to achieve nor do they express the sort of high level aspirations which a body at the centre of youth justice output might be expected to hold. Whilst it is true that the Corporate Plan is more revealing of SCRA's underlying aims it is also important that for its next phase of development SCRA develops a set a much bolder set of publicly available objectives that reflects more accurately the central place it holds in the welfare of children. A set of objectives which meet this criticism should include that of informing the wider public on the aims and achievements of SCRA, for at present the body and its activities are not well known (see also Corporate Communications below).

**Recommendation 1. The SCRA should develop a bolder set of objectives that reflects more accurately its role within policy for improving children's welfare.**

4.2 Similar comments can be made on the consonance between SCRA's objectives and wider Executive and Government policies. At one level the objectives can be seen as unexceptional and therefore consistent with policy. However, that does not take us very far. What is missing is any link between the objectives and specific Executive policies for youth. For example, the Executive

has adopted the goal of reducing re-referrals to Hearings on offence grounds by 10 per cent. There is no obvious link between this and the aims SCRA has set for itself. A priority for SCRA going forward is to re-state objectives to better reflect its long-term aspirations for children and youth in Scotland and allow linkage to particularly Scottish Executive policy for these client groups. This is particularly important given the role which SCRA has – or ought to have – in welding together the efforts of a range of organisations. It will be even more important to do so if SCRA were to be asked to take a more prominent public role, in the lead for particular areas.

**Recommendation 2. SCRA’s objectives should be stated in such a way as to allow linkages to be made with key Scottish Executive policies for children. The Scottish Executive should confirm the wider role it expects SCRA to play in developing and implementing policies for children and youth in Scotland.**

4.3 At a level below organisational objectives SCRA has developed a range of quantified performance indicators which are actively used in managing the service and against which progress is reported to the Board. Key examples include:

- no supervision requirements to lapse;
- 80 per cent of enquiries to the Practice Helpline to be answered within 24 hours;
- 60 per cent of decisions on referrals to be made within 10 weeks;
- 90 per cent of complaints to be resolved by stage 2 of the formal complaints process;
- all staff in SCRA to be subject to Performance Related Pay by 3 March 2003;
- 70 per cent of Hearing's centres to comply with property standards.

It is commendable that SCRA should attempt to quantify performance indicators in this way. However, how stretching some of these targets are is debatable. For example, SCRA report that they have met the target for property but the views of stakeholders in the Review is that present standards fall short of what they would expect of a modern public service. The performance indicators are, though, wide in their sweep and they are in that sense demanding. It is also noteworthy that SCRA has moved so quickly in its life to manage the service by reference to quantitative targets and we would encourage them to continue in this direction.

4.4 Areas where improvement is possible emerge from examination of the current list of performance indicators. The first is in the area of efficiency and effectiveness. There are currently no measures aimed at showing how efficiently services are being provided. This is a weakness that should be remedied as soon as information systems permit it (see para 8.5). Just as important there is no measure to show what the final outcome for children is from the services SCRA provide or the disposals offered. This will be more difficult to remedy. Final outcomes of social services are notoriously difficult to measure and the absence of a performance indicator here reflects this wider difficulty for SCRA. The review has no particular measure or remedy to suggest but this is a key area where SCRA's new research programme could profitably be directed.

4.5 The overall conclusion on SCRA's objectives and aims is that the organisation is strong on detailed, day to day management indicators but has had less opportunity to focus on strategic issues.

## **5. The Board and its operations**

5.1 The SCRA operates under the direction of an 8 person Board, including the Principal Reporter as Chief Executive, with a part-time Chairman. It meets once a month at various locations in order to facilitate contact with regional and area offices. In addition, the work of the Board is supplemented by 4 sub-committees. Meetings of the Board generally take a whole day and allowing for sub-committee's the commitment of members averages around 2 days per month.

5.2 The Board might consider whether some of the subjects it examines are not strictly matters that can be left to management. At the moment there are sub-committee's dealing with audit, remuneration, staff grievances and information technology. It is important that the 2 first-named sub-committee's continue since not all members can appropriately be involved in discussions of remuneration and audit, because the Board is made up of executive and non-executive members. However, while it is understandable that IT has commanded Board attention to date given its importance to SCRA's operations going forward, the need should be less so. Similarly, the need to be involved closely in staff grievances should be confined to extreme cases, although such instances do provide a useful role for independent, non-executive Directors. The role of the Board is to focus on strategic issues and issues of broad operational performance. It is therefore also suggested that the Board re-examine the topics it addresses regularly together with the remits of its sub-committees and ensures that it deals only with those which have a strong strategic element leaving other topics to management to report on as necessary.

**Recommendation 3. The Board of SCRA should examine the topics it deals with and confirms to itself that those are of strong strategic importance.**

5.3 Board members are part-time and non-executive. Their remuneration of £4,000 is at the lower end of the commercial range and perhaps also that for the public sector, bearing in mind the current commitment of 2 days per month. Remuneration is, of course, a matter for the Scottish Executive and it is recommended that for SCRA Board members is re-considered and that a rate comparable to that paid by similar public bodies is confirmed.

**Recommendation 4. The Scottish Executive should ensure that the remuneration of Board members (and the Chair) is comparable to that paid by similar public bodies.**

5.4 At present the Chairman spends 3 days per week on SCRA and related business and this would seem to place her in an executive role. For this she is paid around £16,000 per annum. This is a considerable time commitment which has certainly been necessary during the early years. There can be no doubt that SCRA has gained enormously from the wholehearted commitment of the present Chair, she

has been encouraged by the Scottish Executive to aim some of her efforts at subjects outside the immediate or sole concern of SCRA, eg the Time Intervals Working Group, to help establish the national identity of the body. Her retiral in April gives SCRA and the Scottish Executive the opportunity to re-consider what the remit and time commitment ought to be and whether a more clearly non-executive role is now appropriate. The Scottish Executive needs to clarify exactly what role the Chairman is now to fulfil within a two day per week commitment.

**Recommendation 5. The Scottish Executive now needs to clarify exactly what the remit of the Chairman is and what is expected for a two days a week commitment.**

5.5 The Chairman's remuneration should also be reviewed. A salary of £16,000 for what would preclude pursuit of a parallel career is inadequate to attract high calibre individuals other than from a narrow range of backgrounds. Given the current emphasis on promoting diversity in public sector appointments this too is a subject that the Scottish Executive should re-examine.

**Recommendation 6. The remuneration of the Chair should be sufficient to attract candidates from the widest diversity of backgrounds**

5.6 The Scottish Executive also needs to reflect on the composition of the board within the statutory constraint of the Local Government etc Scotland Act 1994. The present Board members come from strongly public service and academic backgrounds. They bring considerable expertise to SCRA from those perspectives. What is less well represented, however, is experience in the full range of commercial disciplines of relevance to SCRA. In order to challenge common perceptions it would be helpful to the Board if it had available to it generic strengths such as experience of inter-organisational benchmarking and operating within stringent financial limits. In making future appointments to the Board it is recommended that Scottish Ministers' consider complementing public sector strengths by increasing the commercial experience available to the SCRA Board and including candidates who have such backgrounds in the short list for appointment. A further option for the Board to consider is to use their power to appoint qualified individuals to relevant sub-committees to deal with particular problems as they arise.

**Recommendation 7. The Scottish Executive should consider how to strengthen the commercial experience available to the Board. The SCRA should consider appointing relevant individuals to sub-committees as appropriate.**

5.7 Finally, in recommending that the Board exercise a mainly strategic role (having regard to operational issues) advice from Scottish Ministers and to a lesser extent the Scottish Education Department on these concerns would be helpful. Board members would benefit from advice on current priorities held by the Executive and this has created an inevitable degree of uncertainty over exactly what the main issues which should concern them actually are. There are various ways in which this could be remedied. For example, some Scottish NDPB's receive annual letters from Ministers setting out priorities for the following year. Such a device would greatly help members focus on key strategic issues and it is recommended that

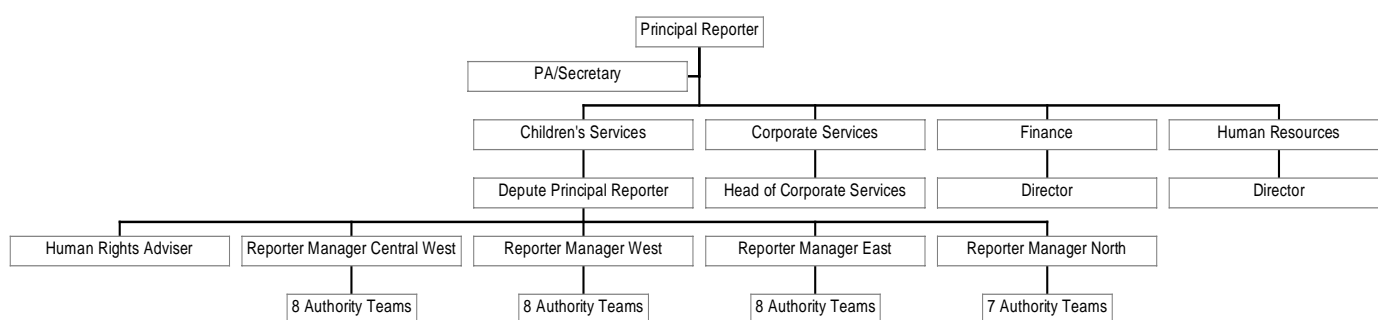
the Scottish Executive consider this or some other action aimed at clarifying priorities.

**Recommendation 8. The Scottish Executive should provide annual guidance to the SCRA Board on key priorities.**

**6. Structure**

6.1 The SCRA aims to deliver a national service through a decentralised system of offices which preserve local delivery. To achieve this the service is organised around a Headquarters Unit at Stirling, 4 regional offices and 32 local area offices having a close (but not exact) identity with Scotland's local authority areas. The full structure of SCRA, including the broad organisation of the Stirling HQ, is shown in Chart 1.

**CHART ONE**



6.2 The structure shown in the chart emerged from the 1999-2000 staffing review and supersedes an organisation built around 7 regions and 37 area offices matching local authority boundaries exactly. The development of a truly national service requires even standards and performance across Scotland and this is clearly facilitated by fewer regions and local offices. On the other hand the principles of "joined up" government may best be met by a set of offices with boundaries co-terminous with those of local authorities. This may be especially true given the origins of the service in the local authority sector.

6.3 There are also practical disadvantages to the present arrangements. The need to promote better inter-agency working at local level is not always helped by a situation where in some instances reporter staff have to develop working arrangements with 2 local authorities rather than one. Local authority perceptions about the priority of Children's Reporter services are bound to vary as does the pressure on, eg, social work departments. It is too early to tell where the balance of advantage lies and the present arrangements need time to bed in. It is recommended that SCRA review the success of the present arrangements in 2 years time and make decisions on any need for any further changes in structure in the light of experience. In making this recommendation the possibility that the direction of future change may be towards further rationalisation has not been overlooked.

**Recommendation 9. The SCRA should review its area and regional structure in 2004-05.**

**7. Managing the Work: Corporate and Operational Planning**

7.1 SCRA operates with Corporate and Operational Plans against which 6 monthly reports on progress are made to the Board. The Corporate Plan breaks down the 4 high level objectives into strategies and specific activities and the Operational Plan breaks these activities down further into a series of operational tasks, each with milestone dates attached and lead groups within SCRA named. Reports to the Board record progress against each action and provide information on outcomes in terms of the performance indicators given in the Corporate Plan. The system is coherent and comprehensive in structure and there are no obvious changes that would need to be made to improve the planning process.

7.2 It is questionable, however, whether a 6 monthly report to the Board on performance against Operational Plan targets is sufficient. The Board rightly wants to avoid a culture of over-reporting and this review is urging them to focus their efforts on strategic issues. However, the Board must continue to have regard to performance and in our view a quarterly report would be more in keeping with normal corporate practice and would give the Board greater opportunity to make amendments in-year. The progressive adoption of the new information technology by SCRA (see below) should facilitate the provision of data on performance, efficiency and effectiveness without this becoming an undue burden.

**Recommendation 10 SCRA should provide the Board with quarterly reports of performance against operational plan targets**

7.3 Distinct from the formal process of Corporate and Operational planning the SCRA has spent a good deal of management time on workload planning. The thrust of this work has been to collect data on the workload faced by frontline staff, convert this into a measure of activity per full-time Equivalent Reporter and then adjust the structure of staffing to better reflect workload. This work reveals that close attention has been paid to the pressure under which staff labour to deliver services. Reports to the Board have outlined specific measures which have had to be taken to align staff and key worker priorities but despite these efforts management has had to report that the between the first quarter of 2000 and 2001 there was a 58 per cent increase in referrals outstanding.

7.4 SCRA is under heavy workload pressure. The overall number of referrals has been rising – by 40 per cent over 1995 to 2000-01. However, within this total the number of alleged offence referral grounds increased by 8.3 per cent whilst the number of non-offence referral grounds increased by 93 per cent. In 2000-01 the total of the latter category (non offence) amounted to 33,396 and exceeded for the second year running offence referrals by 26,766. This trend poses a particular challenge to SCRA. For offence cases proceeding to a Children's Hearing, the average overall timescale from incident to final disposal was 134 days, a reduction of 17 days since the measurement of time intervals commenced in 1997-98. But for non-offence cases that proceeded to a Hearing the average overall timescale was 174

days – little changed from previous years. The bulk of this time period - and the root of the problem – lied in the average 90 days it is taking from receipt of a referral to the Reporter’s decision. This investigative phase remains largely dependent on the time it is taking Social Work and Education Departments to furnish background reports. Whilst this delay is taking place additional records are accumulating.

7.5 Non-offence cases are typically more complex than offence cases and require more Reporter input in any case. There are two aspects to this. First, such cases increasingly proceed to Court and frequently involve expert witnesses. Preparation for the Court appearances is placing increasing demands on Reporters whose presence in Court is essential. SCRA continues to investigate innovative ways ways of coping with this pressure, e.g. the Glasgow office has set-up a dedicated Court team, but the pressure remains. Second, the burden of proof and evidence in a non-offence case is generally greater than in offence cases. It is not uncommon for a Reporter to find him or herself in Court for as much as three weeks in those complex cases. While there is no simple statistic currently available to express the product of these forces as a workload burden the direction of the pressure is clear.

7.6 In response to those trends and the increase in referrals outstanding the SCRA has developed a protocol for short-term crisis management and issued them to regional and area offices. This protocol formalises practice restrictions already used in a number of offices but within a service exhibiting high levels of commitment to the delivery of a quality service this development is highly unwelcome. Fortunately, it has not been necessary for this protocol to be widely used in order to adjust service levels to available resources due to the provision of additional grant-in-aid. In the present context its existence can be taken mainly as evidence of good contingency planning for an emergency but the implications for the adequacy of resources are plain (see below on resources)

7.7 The exercise of workload planning has led to the introduction of new flexibility's in the allocation of staff to front-line services. Following a specified increase in grant-in-aid for 2001-02, 2002-03 and 2003-04, SCRA are in the process of hiring 30 new staff (nearly 10 per cent of the complement) to alleviate pressure. In a new development 16 of the new staff will "float" between area offices depending on need and the other 14 will be allocated to those areas under the greatest pressure.

7.8 These efforts are very necessary and have been handled well. However, they are also symptomatic of another problem which besets SCRA. For most of the first 5 years of it’s life SCRA has had to concentrate on devising and implementing new systems and dealing with the pressure of its immediate workload rather than engage in long-term planning of the service. The planning of work has not so far been based on a well thought-out view on the effectiveness of services in the widest community sense and resources have not been re-configured to align with those services which offer the best pay-off, long-term. In short, SCRA has not yet developed into an output rather than activity based organisation and on the whole the planning system is not geared to this goal. One of the key recommendations of this review is that SCRA now begins to develop the capacity to undertake longer range planning of work and that not all of its energies should be consumed by day-to-day pressures.

7.9 However, it is only fair to add that outside the strict ambit of the organisation the SCRA has involved itself in multi-agency efforts to put the service on a sounder long-term footing. In an ambitious exercise initiated by Ministers the Chairman of the SCRA took the lead in a group convened in 1997 to look at ways of reducing delays in children's hearing cases and the need for national standards covering timescales and other aspects of the service. This led in due course to the emergence of an inter-agency code of practice together with national standards and targets along with a system for reporting results. The monitoring and reporting on the system developed by this group has now been endorsed by the Scottish Executive and although no specific recommendation is made here the Executive will need to ensure that this important exercise does not degenerate into a mechanistic, bureaucratic-burden as some fear it might.

7.10 Developing SCRA's activities along longer range planning lines will mean an expanded role for the Reporter. At present the Reporter's role is confined to considering each referral and deciding whether compulsory measures of supervision are required, in which case the child is referred to a Hearing. If not referred to a Hearing, the Reporter must decide what action, if any, is appropriate. There is no systematic evaluation of the effectiveness of these decisions. A move towards output based decisions would require the SCRA to take stock of past experience and disseminate information on what is found to be most effective to Reporters. This information would inform their decisions which affect three out of four children referred to the system.

**Recommendation 11. SCRA should now begin to develop its ability to plan long term services on the basis of researched and informed views on the effectiveness of actions.**

7.11 At the strategic level SCRA would also have the role of collating and building information into best practice guidance and linking this to decisions taken at Hearings. Looking at decisions taken over the period of a child's involvement in the system, and possibly beyond, should provide strong evidence of what works for all persons and groups involved in the system.

7.12 The final area of service planning that has not been mentioned so far concerns the detail of holding hearings. To many of the volunteers engaged on the front line of the Children's Panels much of the work appears to be organised to meet the needs of professional services. A key example lies in the inability of SCRA to organise more evening hearings. These would suit many Panel members and the families of the children involved. The SCRA is asked to bear in mind that Hearings have to fit into the patterns of the lives that their stakeholders and customers live and as far as possible make the services available to allow the system to work to the convenience of all who use it.

**Recommendation 12. SCRA should plan services as far as possible to fit with the needs of voluntary Panel members and clients.**

7.13 Finally, SCRA needs to build into its workload planning the need to improve good day-to-day working relationships with partner bodies, particularly local authority departments. Good liaison between SCRA and other organisations is vital to

the delivery and wider effectiveness of the system, not least because of the considerable number of cases not proceeded with to the Hearings stage but which nevertheless require action by social work or education departments. Contacts between SCRA and local authority departments have slackened over time, to the regret of all concerned. Part of the reason for this lies in the staffing constraints faced by SCRA area offices and possibly social work departments. A strong recommendation of this review is that SCRA and partner organisations now work to re-establish good day to day links for the benefit of children in the system.

**Recommendation 13. SCRA needs to improve its day-to-day and strategic liaison with partner organisations on which it depends.**

7.12 The overall legacy of the first 5 years is a body culturally adapted to sound business planning with a good system in place to manage the immediate pressures in front of it. The main need is to develop the capacity for longer term planning aimed at configuring resources on the basis of clear evidence on the processes and disposals that produce the best final outcomes for children.

## **8. Finance and the Framework Documents**

8.1 The SCRA is funded wholly by grant-in-aid from the Scottish Executive, the bulk of which is required for staffing and property. In common with other NDPB's SCRA manages these resources under Framework Documents in the form of a Management Statement and a Financial Memorandum. Agreed with the Scottish Executive, these documents set out the key elements of policy and the relationship and respective responsibilities of the Chief Executive, the Executive officials and Ministers for the delivery of the service.

8.2 The Management Statement includes most of the key items required of it. The mission of the SCRA is set out together with more detailed aims and objectives and the roles of officials. The language and terminology of the statement requires to be updated for devolution. There are moreover a number of items missing which the current revise needs to take account of, i.e.

- in which area "Service First" principles should apply
- the formal relationships that SCRA has established with local authorities and others
- the arrangements for dealing with Parliamentary Questions and letters from MSP's as between SCRA and the Scottish Executive.

The latter point is particularly important since it is vital that there is clarity between the two organisations over who is to respond to the Scottish Parliament on particular matters. Although there is an informal agreement between the two organisations this need points to be set out formally in the Management Statement.

8.3 The Financial Memorandum sets out the terms and conditions under which the Scottish Executive will make funds available out of monies voted by the Scottish Parliament. Here again the language and terminology needs updating but other than that all of the key items have been included and, unless levels of financial delegation change, there is little need for further adjustment.

8.4 Within SCRA there is a well organised annual budgetary planning process which has a clear role to play in knitting together the overall resources that are available to Corporate and Operational Plan objectives. All senior managers are involved in what is a zero-based exercise founded on the principles of challenge and evidence. The system is well designed to respond to the need for annual redeployment of resources as priorities shift and for SCRA to live within the resources made available to it.

8.5 However, improvements should be made in the measurement and reporting of efficiency and effectiveness. There are no management accounts available which show the unit costs of different elements of the service. The reason for this is that SCRA has been hampered in its early years by a lack of readily available management accounting information. This gap would be filled soon once SCRA's new information technology is fully operational. As soon as it is possible to do so it is recommended that SCRA supplement its budgetary and monitoring process with financial data showing the efficiency and effectiveness with which financial resources are employed across the organisation and allow informed choices on priorities to be made.

**Recommendation 14 SCRA should extend the data available to the Board to include monitoring information on efficiency and effectiveness across the organisation.**

8.6 Accounts have been submitted timeously and have attracted no audit qualifications. Internal audit arrangements are in place and reports, which are seen by the Scottish Executive, are made to the Finance Director and thence the Audit Committee. No irregularities in expenditure have been noted.

8.7 This generally good picture suggests that SCRA is capable of managing resources efficiently. It is free under the Framework Documents to allocate grant-in-aid between sub-categories except that no virement out of capital allocations or into or out of the employee cost category is allowed. Given its track record the question is what restrictions are still needed. It is clearly important that controls over capital expenditure are maintained and no change is recommended here. However it is recommended that the Scottish Executive now considers whether in view of its good track record SCRA is being allowed all the flexibilities open to it.

**Recommendation 15. The Scottish Executive should provide SCRA with the same degree of flexibility in deploying grant-in-aid as other bodies with good track records in financial management.**

## 9. Resources

9.1 Grant-In-Aid from the Scottish Executive has increased steadily since inception and now totals nearly £16m PA. The details are as follows:

Year	Outturn/Expenditure	Planned Provision
1996-97	£10.7m	

1997-98	£11.2m	
1998-99	£11.9m	
1999-00	£13.4m	
2000-01	£14.5m	
2001-02		£15.7m
2002-03		£16.5m
2003-04		£16.9m

Clearly, there has been a very significant increase in the resources made available to SCRA which suggests strongly that the organisation was seriously under funded following transfer from the local authority sector. It also shows that the Scottish Executive have been ready to move to remedy this situation. The key question now – and in many ways the key question for this Review - is whether present and planned provision is adequate for the tasks that the body faces.

9.2 It has already been mentioned that the number of referrals is rising dominated by the non-offence category. The reasons for this are not fully understood but may reflect the growing perception by partner organisations, particularly the police, that the SCRA represents a useful resource in dealing with awkward cases of domestic violence from which children need protection. At the same time the number of criminal cases where the child is legally represented is rising and these place greater demands on reporter staff in handling them. The fact is that SCRA is a demand driven service but the ability to forecast demand is extremely limited.

9.3 Despite the considerable efforts made in planning workload SCRA's regional managers have been expressing concern about how they can keep the service going. This is not surprising given the fact that their caseloads are 50% higher than 5 years ago (although the number of hearings are reducing). These views parallel those expressed by several of the groups invited to contribute to this Review. That is, that the service is fundamentally understaffed at reporter and support level. Although it cannot be proved beyond doubt the clear inference to be drawn from the caseload facts, the growing backlog in dealing with referrals, and the views of those closest to the service is that, notwithstanding the recruitment of 30 extra staff, SCRA is barely keeping it's head above water. Certainly, SCRA could not adequately meet the challenge of a continuing trend to more referrals or any planned expansion of the service without an increase in resources.

9.4 What is needed as a first step is a considered and comprehensive look at the reasons for the upsurge in referrals and an examination of the most efficient ways of managing these. This should be an integral part of the move towards the output based system of service planning advocated by the review. Depending on the outcome of a longer term view of how resources are best configured it appears that there may be a need for extra staff in each of two areas:

- Reinforcements for area reporters to help them to deal with complex cases and cases involving legal challenge which are soaking up time.
- Enhanced staff for the corporate planning process at headquarters to allow the organisation to do more than plan for how to deal with crisis.

The first of these needs might be met by the creation of a force of trained “para reporters” to strengthen the support function. It is beyond the scope of this review to say how many such staff are required or what the cost might be. The recommendation of this review is, though, that SCRA undertake a costing exercise for discussion with the Scottish Executive and that the future grant-in-aid decisions are taken in the light of that exercise. That exercise must, of course, also take account of how effective the 30 new, flexibly deployed regional staff arrangements turn out to be.

**Recommendation 16. SCRA should examine the upsurge in referrals and develop efficient ways of meeting these. It should work with the Scottish Executive to establish the recurrent cost of a service able to meet without increasing delays the pressures currently on it.**

9.5 The cost of an enhanced planning staff is easier to illustrate. An additional four suitably qualified persons might cost SCRA around £130,000 pa. It is further recommended that budgetary discussions between SCRA and the Scottish Executive allow for this necessary increment in Headquarter staff.

9.6 On the capital expenditure side the main demands on SCRA are for information technology and improvised premises. “Technology refresh” is an inevitable part of modern information systems and present provision does not fully allow for this over the life of the current contract (See **Information Technology** below). Likewise, the dilapidated state of the property left to SCRA will take many years to correct at the current pace (See **Managing the Estate** below).

9.7 The additional resources likely to be required for information technology are a matter for detailed discussion between SCRA and the Scottish Executive. The prior question on the management of the estate is whether the current resources can be stretched sufficiently through PFI schemes to materially affect the timing of much needed property improvements. The service deserves to be equipped with modern, purpose made facilities and the volunteers on the Panels have a right to expect this. PFI – and multi- agency planning may offer a way forward and from a financial point of view it is recommended that these avenues are pursued by SCRA with the help of specialist staff from the Scottish Executive. (See **Managing the Estate** below).

## **10. Information Technology**

10.1 It is no exaggeration to say that SCRA’s entire business planning strategy is built on the potential of a new information technology system. The Children’s Reporter Information System (CHRIS), approved in 1998, is a 12 year PFI contract with Logica UK Ltd to provide a full range of network information services across SCRA premises nationally. The annual revenue budget for this system is £1.4 million p.a.

10.2 The major objectives of CHRIS are:

- To improve the quality and speed of SCRA’s core work for children.
- To enable more effective management of its services.

- To provide a foundation from which SCRA can interact electronically with other organisations within the Scottish criminal justice system.

The first two of these objectives are unexceptional and are currently being pursued through information technology. The third objective is more imaginative and strategic and holds potential benefits for a wider public sector involvement in children's services.

10.3 The position today is that the system is not fully operational. Part of the implementation has gone well; the national infrastructure is in place and the systems have gone live for human resources e.g. Finance, Contacts, Estates and management information systems. The Referrals Administration Database (RAD) has, however, proved more problematic and its rollout throughout the whole SCRA estate is incomplete.

10.4 RAD is essentially an electronic case processing device that will allow staff to interrogate the key information on cases that have been dealt with. It will be a key source of a wide range of management information that will allow data on efficiency, effectiveness and standards to be extracted at low marginal cost. Without RAD it is unclear how SCRA will advance far beyond its present state of knowledge and it is therefore critical to the development of the organisation as a whole.

10.5 Problems in the design and implementation have emerged from two directions. First, the original specification did not follow the casework process closely enough to be useful as a management tool. Eradicating this design problem has taken time. Second, it has become clear that the basic CHRIS infrastructure is inadequate and requires upgrading if RAD is to fulfil its potential. That too is taking time (and cost) to remedy and the result of these two problems is that today less than half of SCRA's staff has access to RAD. SCRA is fully aware of the need to complete the system and has set the target of achieving a 90% rollout by June 2002 (two thirds of staff will be on RAD by the end of March of this year).

10.6 With the implementation phase close to completion it would not be useful for this review to examine in intimate detail all that has happened and offer line by line analysis. Rather, the role of the review should be to point to the main errors from the experience in the hope of avoiding these same errors in future. PFI has been found to be a complicated process, especially in the IT field and such errors have been hard learned across the public sector, not just in the SCRA. What is clear is that errors at the specification stage are remedied only at high cost and with delay and SCRA may have entered into this situation without an adequate 'intelligent customer' function. In an admittedly difficult area it appears that it was the shortcomings in specifying the detail of what was thought feasible that have led to the delays in rollout (although, it should be noted that the software is working well). SCRA's IT requirements will not be ended with the completion of the initial rollout of RAD as the first 'technology refresh' phase is already being considered. It is recommended here that SCRA consider the adequacy of the 'intelligent customer' function and the possibility of strengthening this if appropriate. In doing this they would continue to seek the help and advice of the Scottish executive's IT specialists.

**Recommendation 17. SCRA needs to develop a better “Intelligent Customer” function in order to allow its “technology refresh” plans to be effectively implemented.**

10.7 Finally the cost of IT needs to be kept under close review. Financial provision for SCRA currently assumes that the baseline cost of ChRIS is fully allowed for in the PFI contract. This seems unlikely to be true. Baseline requirements need to be reviewed to ensure that technology refresh goes ahead at an appropriate pace. The current ‘Technology Refresh’ will no doubt require additional expenditure and further ‘refreshments’ are inevitable given the pace of technological development in this sector.

**Recommendation 18. SCRA’s budget for “technology refresh” needs to be re-considered and additional resources provided for this function to meet rising costs over time.**

## **11. Management of the Estate**

11.1 The SCRA currently owns 24 properties, leases another 11 and uses a further 70 properties for Hearings. In addition the organisation enjoys user rights over a further 10 premises. This sizeable estate was either inherited from the local authority or transferred with the function. Some of it is dilapidated and much of it will require replacement or renewal through a long-term investment programme.

11.2 To meet this challenge SCRA moved to establish it’s own organisation for managing the estate. Reporting to the head of finance and the head of property, a professionally qualified surveyor leads a small specialist team charged with this task. This team is supported by a firm of property surveyors to whom some of the work is out-sourced. The financial resources available for the function originally amounted to £0.5m p.a. but since 1999-2000 this was increased first to £1m p.a. and then to £1.5m p.a., the current level of programme.

11.3 Given the level of resources available to it, progress in upgrading the estate has inevitably been slow to gather speed. New purpose-built facilities have been completed at Tranent, Falkirk, Edinburgh (Fountainhall Road) and Lochgilhead. However, much of the estate remains below standard and has attracted unfavourable comment from Children’s Panel Chairmen and members. Premises are often not well suited to the purpose for which they are used and given the size of the programme it will only be in the very long run that this will change.

11.4 More immediate pressure arises from the need to comply with the terms of the Disability Discrimination Act and enable properties to be converted to the necessary standards. The Scottish Executive has made an additional £0.5m available for 2002-03 and £1.04m for 2003-2004. The deadline for meeting the Act’s requirements is 2004 and SCRA now faces the task of drawing-up plans and implementing them between now and then.

11.5 The SCRA now needs to review its asset plan. Unless new capital resources are found for a long-term renewal programme the challenge for SCRA is in stretching its existing resources to bring modern properties on stream at a faster pace and/or find

alternative premises. It is recommended that three possible routes to run this are investigated. First, in common with other public agencies, e.g. schools, the potential of PFI schemes should be examined. Value for money is clearly a key issue with such schemes but they do offer the possibility of speeding up the programme. Second, SCRA should examine the possibility of joint procurement with other public agencies having similar property requirements, e.g. schools and social work departments, with whom co-location could be an effective and economical solution, beneficial to both parties. Third, the SCRA needs to investigate whether further flexible use could be made of other organisations' space in addition to what it does already as a means of upgrading the accommodation available to it. The outcome of these investigations would be a new asset plan which would point the way clearly to the improvements that are to be delivered and in what timescale. Scottish Executive's property specialists are aware of the plans of a range of bodies and SCRA should work with this team in developing its own solutions to what is a pressing problem.

**Recommendation 19. The SCRA needs to investigate ways of speeding up the long-term improvement of their estate and to draw up a new asset plan which shows clearly what can be expected and when.**

## **12. Staff and Human resources Function**

12.1 SCRA is what is known as a "people" business, i.e. its main asset is its staff. It is therefore important that the body has the systems necessary to manage and develop its staff.

12.2 Starting from scratch 5 years ago the development of sound and appropriate systems was one of the first challenges facing the management of SCRA. To a large extent this has been achieved although there are still gaps that need to be filled, some of them as a matter of urgency.

12.3 SCRA has developed its own system of pay and grading, distinct from that of the local authorities from which sector it inherited its staff and, to an extent, its culture. This should be recorded as an achievement, for the success of SCRA largely depended on its ability to forge a national identity with the distinct standards and systems that would define it. Pay is adequate for recruitment and retention and terms and conditions are good. Each job was allocated a weighting following a job evaluation exercise carried out in 1997. The structure and the pay for each grade is in place and agreed with the Scottish Executive.

12.4 A new staff appraisal system is being introduced and at present around 55 of the staff of nearly 400 are using it. The process has not been without its problems since coming from a local authority background, many staff saw the system as strange and perhaps threatening. However, negotiations with the union representing staff are now complete and from April 2002 all employees will come into the system.

12.5 There is no link yet, though, between performance and pay and this is one area SCRA must now concentrate on. Near automatic annual salary increments are still paid unlike most of the public sector where pay progression depends on annual performance. Negotiation of this key element of their system is still taking place and

it is essential that SCRA make progress in 2002 and introduce a system linking annual appraisals to pay progression.

**Recommendation 20. SCRA needs urgently to introduce a system linking pay to performance and that automatic annual salary increments are discontinued.**

12.6 Reporter staff are generally well regarded by stakeholders for their professionalism and commitment. In a strategic move to upgrade the quality and performance of staff the SCRA have begun to introduce a system of professional qualification covering all grades. MBAs are being offered to more senior staff with management potential. A qualification for Reporters is being negotiated with the Scottish Qualifications Authority. For new entrants and support staff the HNC Qualification with a slant towards information technology is sought. All of this provides reassurance that SCRA takes a close interest in the development of its staff and is to be commended.

12.7 What is still missing is an overall coherent training programme to deal with job related elements of the staff development process. SCRA is identifying core competencies and building these into local personal development plans as part of the appraisal process. Where appropriate it also needs to develop training material to support this process, provide internal training courses where it is appropriate and cost effective to do so, and provide the necessary support and time-off for externally presented courses. This is a challenging prospect but it is recommended that SCRA embark on a programme of work leading to a training programme that meets the organisations and individuals needs.

**Recommendation 21. The SCRA needs to develop a training plan to support the development needs of individuals identified through staff appraisal.**

12.8 Finally, in it's negotiations with staff and their union over Human Resources and management issues SCRA appears to have found itself enmeshed in consultations over small issues. What is needed and what would benefit both sides is a focus on the key issues and an openness of process leading to much speedier resolution of important issues (such as performance pay) without the distraction of other minor matters. The review urges both sides to adopt a more strategic approach and recommends that they meet to discuss a future agenda of consultations which reflects this concern.

**Recommendation 22. In negotiations between SCRA and UNISON both sides are urged to adopt a strategic approach and agree a programme for future consultations which reflects such a perspective.**

### **13. Equal opportunities**

- 13.1 13.1 The SCRA is well aware of the need to promote fair and open policies on recruitment and management of staff. Recruitment practices reflect this need and, clearly, in terms of the gender balance within SCRA there is no evidence of bias on this measure. However, there is little follow-up monitoring post-recruitment and information on staff is not recorded in such a way as to facilitate measurement or reporting. It is recommended that SCRA remedy this gap in their information and that they are able to demonstrate, if asked, what the internal outcome of their equal opportunities policies have been.
- 13.2 SCRA is also aware that it is essential that their service is adapted to the needs of ethnic minorities and fully accessible to them. The scale of this challenge is fully appreciated and it is recommended that SCRA develop relevant protocols and monitor their effectiveness closely.

**Recommendation 22 SCRA ensures that it meets internally and through its services the requirements of Equal Opportunities legislation and policies and that its services are fully accessible by all groups.**

### **14. Corporate communications**

14.1 This has two dimensions to it – Internal and External communications. On both sides SCRA has still to emerge as an open, communicating organisation and it is no more than a fact that to many in Scotland the organisation is unknown. The Board and Senior Management are aware of lack of progress over communications and there is a desire to improve matters.

14.2 The Youth Criminal Justice System in Scotland is a widely admired one and there is an opportunity here for SCRA to become an ambassador for that system inside and outside of Scotland. As a target for external communications four groups present themselves:

- Children and their families
- Other agencies with whom SCRA must work, e.g. social work departments
- Opinion formers and legislators (i.e. the media and MSPs)
- The general public both in Scotland and outwith

A useful and probably essential, first step is for SCRA to develop an attractive and informative website using its new technology. The experience of other public bodies is that an organisation's website is the first point of call for individuals seeking information and a very wide range of information (e.g. the annual report, research studies, and evidence given to formal enquiries) can usefully be posted there.

14.3 Targeted messages and supplementary channels of communication will be needed to reach particular stakeholders. What is needed is a communications strategy aimed at increasing public understanding of what SCRA exists for and what it does. A programme of activities could include presentations to MSPs and press briefings, e.g.

at the time the Annual Report is published. The need is for a pro-active approach and the recommendation is that SCRA adopts one.

14.4 All of this requires leadership. The natural focus for activity of this sort within SCRA would be the Head of Corporate Services. However, the full potential of this - and the entire external communications strategy - will require dedicated staff and it is recommended that SCRA fund a new post of Communications officer. This individual would take the lead in designing and maintaining the website and would lead the development of the wider strategy called for by this review.

14.5 SCRA's internal communications also present a real challenge to management. Staff, their Union and numerous stakeholders have all complained to this review about the remoteness of the Stirling Headquarters, the lack of openness in discussing matters of significance to each, and the hierarchical methods adopted in cascading information. There are welcome signs that this culture is changing. In January this year the Chief Executive initiated the circulation of a newsletter to all staff sharing with them the things that he is focussing on which will be of concern to all. This promises to become a regular feature and is very much a step in the right direction.

14.6 Noteworthy, too, is the recent staff survey - a first of its kind for SCRA - which provided a mixed set of views in response to the invitation to offer comments on the organisation. SCRA should follow-up on this initiative and demonstrate point by point how it intends to meet staff's concerns. What is really needed is a change of culture which sees SCRA become what it aspires to be - a listening and open organisation.

14.7 Finally, the issue of corporate communication is important enough to merit inclusion in SCRA's list of key objectives. This Review has called for a fresh and more challenging set of objectives. Nowhere is this more true than in the area of corporate communications. SCRA aspires to a leadership role in the child justice area and wishes to become a communicative and transparent organisation. It should now commit itself publicly to these as a goal in itself.

**Recommendation 23. SCRA should implement a communications strategy which meets the needs of staff, stakeholders and the wider public. A new post of Communications Officer should be funded.**

## **15. Summary and Conclusions**

15.1 The SCRA has emerged from its first five years as a professional and well-organised body. Scotland has in place an organisation capable of delivering a high quality service to children across the country. However, the body is under severe demand pressure and it is questionable how long it can continue to bear this without additional resources. It is also questionable whether SCRA can develop completely into an organisation at the centre of children's welfare policies without a new and more aspirational set of objectives backed by a more effective external communications strategy. For too many the children's panel arrangement is the system and the actual and potential beneficial and enabling role that the SCRA can and does play is often overlooked. Internally, too, there are a number of areas where SCRA could improve its performance. The conclusion of the review, therefore, is that SCRA

should address a number of issues which if addressed over the next five years will see it develop into the sort of body it aspires to be and Scotland needs

15.2 The key recommendations of this review are:

- On objectives, the SCRA needs to develop a set of targets which are broader on strategic vision for the future and communicates more effectively what the organisation exists for;
- On the role of the Chair, the post is now for two days a week and the Scottish Executive needs to consider exactly which roles it expects the new Chair to fulfil;
- On the operation of the board, the SCRA needs to focus on strategic matters and the Scottish Executive needs to communicate its priorities to the organisation on a more systematic basis. The remuneration of the board also requires discussion;
- On structure, the SCRA needs to review the success of its tiered system in two years time and make decisions on the need for any further changes in the light of experience;
- On workload planning, SCRA needs to develop into an outcome rather than process orientated body with attendant development in its role towards the Hearing system, to bear in mind the needs of the volunteers on the front line of the hearings systems and to re-vitalise relations with partner organisations;
- On finance, SCRA needs with the Scottish Executive to update its framework documents and have the same degree of flexibility over the management of resources given to other comparable bodies;
- On resources, the SCRA is very tightly financed and needs to discuss with the Scottish Executive the need for extra funds for the delivery and planning of public services and for information technology, in the light of an analysis of the pattern of increased referrals;
- On information technology, SCRA needs to complete the 90% roll-out of its Referrals Administration Database (RAD) by June of this year, to base a range of new performance management measures on the information which RAD will provide and develop a new 'intelligent customer function' for its information technology initiative;
- On the management of the estate, SCRA needs to examine new procurement mechanisms (PFI) and joint procurement with other public agencies as a way of speeding-up the necessary refurbishment and renewal and economising on resources;

- On Human Resources, SCRA should urgently finalise its performance pay system and develop a training programme to support the personal development element of internal staff appraisal process;
- On equal opportunities, SCRA needs to ensure that its services are adapted to and fully accessible to the children of ethnic minority groups;
- On communications the SCRA can become an ambassador for the Scottish Youth Criminal Justice system but needs to develop into a more open and informative body and to develop a strategy which meets the needs of its external and internal stakeholder;

15.3 Other, more detailed conclusions are contained in the report.

**Scottish Executive Education Department**