children's hearings scotland

Annual Report and Accounts 2025-26



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Part 1: Performance Report

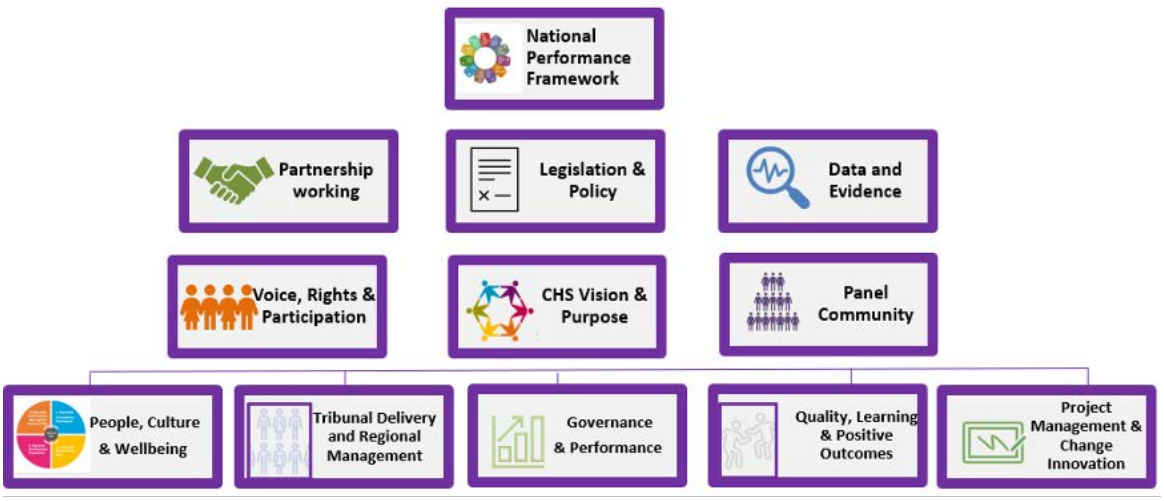
Performance Overview

Introduction

Children's Hearings Scotland (CHS) is one of a number of organisations that work within the Children's Hearings System, Scotland's unique care and justice system that exists to ensure the safety and wellbeing of infants, children and young people in Scotland.

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 children and young people who experience vulnerability in their lives 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. You can find more about what we do on our website www.chscotland.gov.uk

Under The Children's Hearings (Scotland) Act 2011 the main responsibilities of the National Convener of CHS are to recruit, train and support over 2,500 volunteers across Scotland to ensure all hearings make child-centered decisions which respect and protect children's rights and support them to thrive. This performance report sets out how CHS have achieved this during the period 2025-2026 under the CHS strategic framework and incorporating the CHS values as shown below.



All CHS activities are underpinned by our values, seek to deliver on our aims and objectives and aspire to meet our vision.



From Our National Convener / Chief Executive

Our Annual Report and Accounts 2025-26 cover the second year of our Strategic Outlook 2024-27. We deliver this report in three sections: our performance against objectives and key performance indicators as set out in our annual Business and Corporate Parenting Plan; our Accountability Report, covering governance, staffing, pay and our role as a public body; and our Financial Statements for the year.

Our business objectives for the year were aligned with our three strategic themes:

- Delivering positive outcomes
- Valuing our people
- Driving transformation

As you will see from this report, strong progress across these themes was achieved during the year.

Taking the big-picture view, our most significant work continued to build our organisational readiness for changes to the hearings system resulting from new legislation.

At the end of the business year, the Children (Care, Care Experience and Services Planning) (Scotland) Bill passed its final hurdles before becoming an Act in May 2026, and we are full of hope and expectation for what it means for the Children's Hearings System. Children's Hearings Scotland, our volunteers and children and families with experience of hearings have played an important role in shaping the legislation, and we will continue to work with the Scottish Government and our partners across the sector to ensure that the Act and subsequent secondary legislation deliver the reforms that have long been sought.

During 2025-26 CHS continued to shape the Bill, both before and after it was introduced to Parliament. We provided written and in-person evidence to the Education, Children and Young People Committee responsible for scrutinising the Bill. We kept volunteers and staff informed about the proposed changes and the progress of the legislation.

Meanwhile, in 2025-26 we learnt that the Children (Care and Justice) (Scotland) Act 2024 would not be fully implemented until 2027, leading us to revert to a single round of volunteer recruitment in the year, rather than the previously planned two recruitment campaigns.

We drove forward our development as an organisation during the year. Notable progress included bringing learning in-house and restructuring the Change and Innovation Team and Project Management Office to better support the future needs of the hearings system and our wider ambitions. We also strengthened our Practice and Policy team and our Quality team. This work will all help optimise the recruitment, training and support provided to our volunteers who make decisions in the best interests of Scotland's infants, children and young people.

A highlight of 2025-26 was the appointment of our first nine Experts by Experience – care experienced young people aged 14 to 25 from across Scotland who will help shape the work of CHS. Over the year, they met the Minister for Children, Young People and The Promise at the Scottish Parliament, presented at the Rise Up conference hosted by Our Hearings, Our Voice and met with the Senior Leadership Team and Board.

Our new Experts also contributed to the recruitment of both volunteers and National Team members, helping to ensure that who we are reflects the needs of those we are ultimately working to support.

- Elliot Jackson

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

CHS is divided into 4 key directorates: Positive Outcomes; People and Culture; Tribunal Delivery; and Business and Finance. It is supported and led by a dedicated and professional national team which provides leadership, guidance, operational support, quality standards and support for people across all areas of our work. Children's Hearings Scotland would not function without our dedicated volunteer panel members; the people who make the decisions in the hearings. All functions work together to deliver excellence in the children's hearings system.

Positive Outcomes

With responsibility for participation, quality, practice, policy, participation, standards and learning, the Positive Outcomes Directorate provides a cohesive approach to how we deliver hearings in a trauma-responsive and rights-upholding way consistently across Scotland. The function provides CHS and external partners with assurance about the outcomes that are achieved for our infants, children and young people and drives improvement where we need to change.

People and Culture

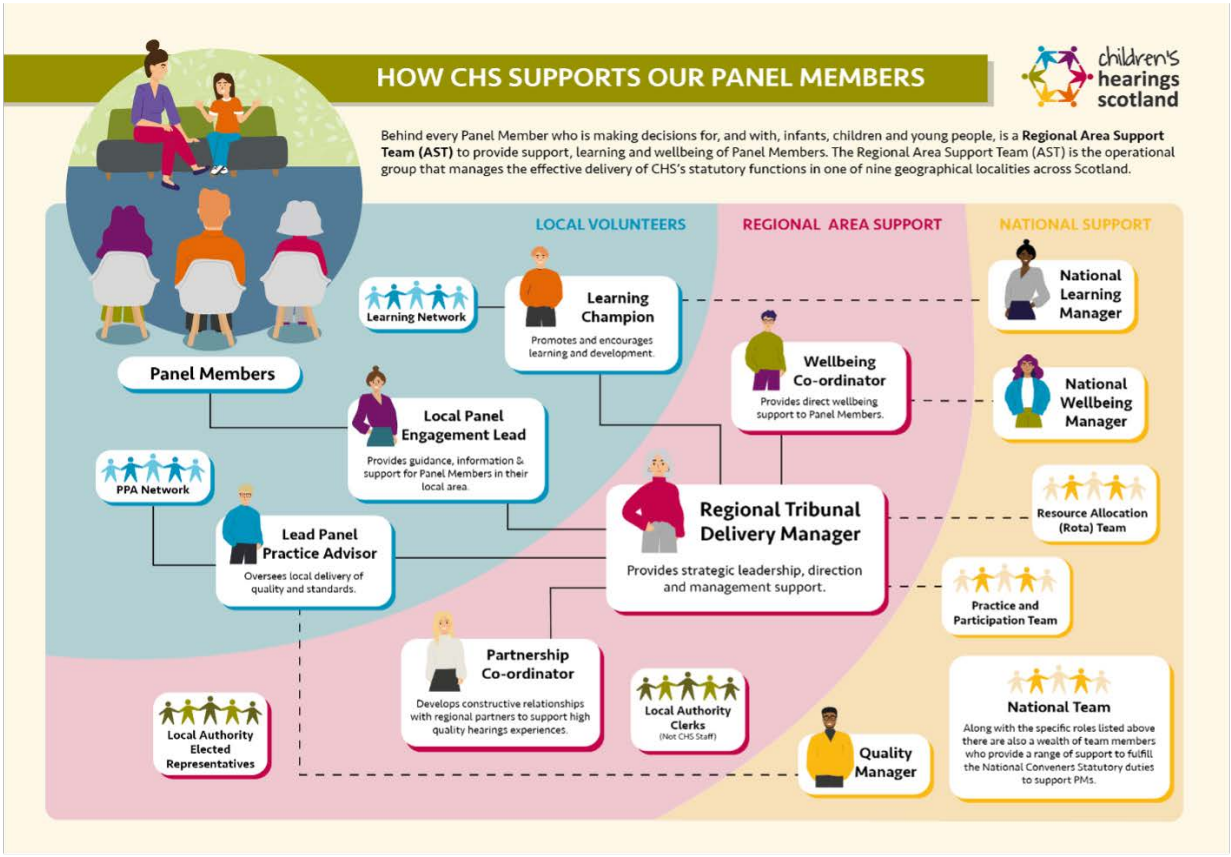
The People and Culture function plays a key role in supporting the organisation's most valuable asset – our people – by providing guidance, support and resources across the organisation. The team has overall responsibility for driving forward an organisational culture for colleagues and Panel Community which is fair, inclusive and transformative and one that promotes diversity, equality, inclusion and wellbeing aligned with our CHS values and objectives.

Business and Finance

The Business and Finance function is a central corporate service that provides excellent governance, change assurance, data insight, digital infrastructure and financial management to support CHS to deliver its statutory functions and to achieve its ambitious transformation strategy and its long-term vision.

The Tribunal Delivery Model

Children's Hearings Scotland operates a Tribunal Support Model that delivers support for our panel members and ultimately improves the outcomes for children and young people. This operating model is aligned to SCRA localities, providing connection with our key hearing system partner.



The Tribunal Delivery Model, implemented in 2023-24, addressed some of the additional burdens on our volunteers whilst continuing to provide fulfilling, sustainable volunteer opportunities beyond panel membership. It provides a centralised, fair and consistent approach to resource allocation that maximises our opportunities to fulfil hearings; an enhanced support structure to Panel Members that will be consistent across the country; and a strong foundation to support and enable our panel community to deliver quality decisions and take on new responsibilities derived from the Children (Care and Justice) (Scotland) Act, and any recommendations Scottish Government take forward from the Hearing System Redesign report.

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

Children's Hearings Scotland works to a set of National Standards, and we make sure that our vision, purpose and values are visible in everything that we do. This is set out in the CHS Strategic Outlook 2024-27 and the CHS Business and Corporate Parenting Plan 2025-26 supports the second year of this approach.

Our Vision

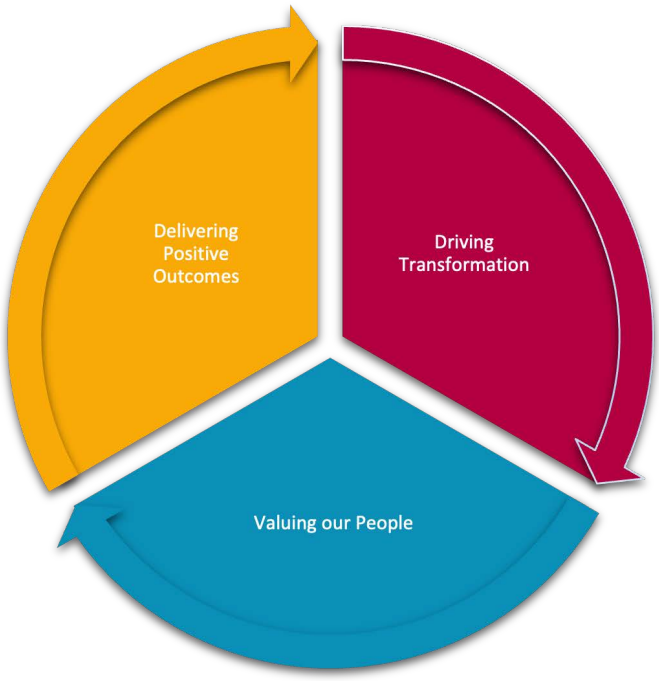
Our vision is for all infants, children, young people and their families to be safe, loved, and supported to realise their full potential.

Our Purpose

Our purpose is to ensure our hearings make child-centred decisions which respect and protect children's rights and support them to thrive.

Our strategic themes will deliver our vision through strong principled leadership, resilient systems, effective partnerships and organisational efficacy, all underpinned by our unwavering commitment to our values and delivering our contribution to Scotland's National Outcomes.

CHS Strategic Outlook 2024-27



Theme 1: Delivering Positive Outcomes:

- Develop a 3-year quality strategy which informs and drives our areas for change and improvement.
- Codesign a revised Children's Rights and Inclusion strategy with care experienced young people aligned to the accepted recommendations from the Hearings for Children Report and upcoming changes to legislation.
- Improve young people's experience of the hearing by building on the work of the Language Leaders to ensure language used in the hearing system supports children to feel safe, included and at the centre of their Children's Hearing.
- Fulfil our obligations and prepare our people for the implementation of the Care and Justice Bill in children's hearings.

Theme 2: Valuing Our People:

- Develop a nationally consistent approach to recognition within our community to improve the experience of Tribunal Members and strengthen our culture of appreciation.
- Continue to support our Panel community through the embedding of regional support structures that promote engagement, retention, and provide meaningful opportunities for our volunteers.
- Develop a 5-year Learning Strategy which offers innovative solutions for learning, meeting the changing needs of the hearing system and our Panel community.
- Implement a strategic approach to Wellbeing that supports an improved experience for volunteers and colleagues.

Theme 3: Driving Transformation:

- Work with partners and stakeholders across the sector on the implementation of those Hearings for Children recommendations accepted by Parliament.
- Improve the extent to which CHS has access to and can collaborate with partners on the use of data to inform decision making.
- Improve the experience, delivery and fulfilment of Hearings through a nationally fair and consistent approach to rota management.
- Continue to lead and influence change in the sector and hearings system through on-going collaboration with national partners and our community.

CHS Business and Corporate Parenting Plan 2025-26

The Business and Corporate Parenting Plan for 2025-26 directly underpinned our Strategic Outlook 2024-27 and identified those activities CHS wished to achieve within the business year, and over the next two years, which progress the delivery of our renewed vision, purpose, and strategic goals. The following objectives were set out in line with the three strategic outlook themes.

	Complete - Fully delivered and signed off within the reporting period		**On track** - Progressing as planned and where applicable, expected to be completed within an agreed timeframe

CHS Business Plan Objectives 2025-26		**Current Status**
Delivering Positive Outcomes		
1	Implement year 1 of the Quality Strategy	100% Completed
2	Enhance practice and standards across all areas	88% on track
3	Fulfil our obligations and prepare our people for the implementation of the Children (Care and Justice) (Scotland) Act 2024.	50% on track
4	Build on existing mechanisms to capture experience of children and families in the hearings system to drive quality at all levels.	83% on track
5	Continue to support and retain our Panel Community through the embedding of regional support structures that promote engagement and provide meaningful opportunities for our volunteers	88 % on track

CHS Business Plan Objectives 2025-26		Current Status
Valuing our People		
6	Ensure an effective learning offer is in place to support Panel Member training for the year	100% on track
7	Progress our ambition to become a Trauma Informed Organisation	100% on track
8	Build on our existing approach to how we support our Volunteers	80% on track
9	Implement Year 2 of the People Strategy	100% complete
Driving Transformation		
10	Deliver year 1 of the Hearings Redesign 2030 programme	100% on track
11	Develop new Data Strategy 2025-30	100% on track
12	Develop new Digital Strategy 2025-30	75% on track

Performance Summary

In addition to the objectives set out above, CHS mapped out a further three objectives relating to organisational effectiveness and critical enablers. Overall, the progress and delivery of the fifteen business objectives were tracked through the year, many of which support ongoing business objectives as part of the long term strategic goals of the organisation. These objectives were broken down into milestones with timescales and/or targets. Progress on the milestones and objectives were reported to the CHS Board and Senior Management Team on a quarterly basis: you can read these reports on our website[1]. As in-year performance and delivery are 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.

[1] https://www.chscotland.gov.uk/what-we-do/meet-the-team/our-board

For 2025-26, a total of 43 actions, milestones and deliverables were established across the 15 business objectives, reflecting the organisation's strategic priorities and planned areas of activity. Of these, 24 have been fully completed within the reporting period, demonstrating strong progress against agreed commitments.

The remaining milestones are currently in progress and continue to align with the longer-term strategic outlook and delivery plans. Performance against these has been monitored regularly, with no significant issues identified that would impact overall achievement. As such, they are considered on track, with delivery expected within agreed timescales and supported by appropriate governance, resources and oversight.

What Concerns Us: Our Key Issues and Risks

The CHS Board monitors the strategic risks through the Audit and Risk Committee. The Committee carefully scrutinises those risks which have the potential to impact significantly on CHS' performance, fulfilment of statutory duties, future prospects and developments. In 2025/26 the identified key strategic risks and mitigations are summarised below:

Risks	**Mitigations**
Budget – CHS not obtaining sufficient budgetary support via Grant in Aid (GiA), creating financial instability, the organisation will be unable to deliver its business and statutory functions	• **Business Planning:** Planning and budgeting enable SLT and Board oversight of performance against objectives. • **Budget Allocation:** Scottish Government funding confirms support for pressures and in-year budget management. • **5-Year Financial Plan:** A rolling five-year plan is supported by annual budgeting and quarterly performance and spend monitoring. • **Accountability:** Regular SG engagement provides scrutiny and supports access to in-year funding.

Risks	Mitigations
Learning – Delays to transition to effective inhouse learning, creating a gap in the learning provision, impacting the training of panel members & PPAs	• **5-Year Learning Strategy:** A future-focused learning strategy drives innovation and organisational transformation. • **Hearing Reform:** Active engagement in hearing redesign informs planning and prepares for future training needs. • **Transition:** Transition managed through the Change Programme with defined risks, mitigations, and a structured exit strategy. • **Procurement:** A specialist procurement function in place secures contracts to support effective in-house transition.
Cyber Security – CHS is subject to a substantial cyber-attack rendering its system inoperable	• **Digital Support:** ISO27001 implementation underpins a robust information security management system. • **CSAS:** The platform is security accredited with active support and licences in place to strengthen security management. • **Devices:** All devices are centrally managed and supported through SG iTECS and CHS contracts. • **Network:** Network activity is actively monitored by iTECS to detect and respond to cyber threats. • **Training:** Staff and volunteers complete annual cyber security training via CHS Learning Academy. • **Information Governance:** Incidents and data breaches are tracked, managed, and reported through established governance processes.
Capacity – Inability to recruit enough volunteer panel members to meet the	• **Recruitment:** Biannual campaigns, co-designed with lived experience experts,

Risks	Mitigations
National Convenor's statutory functions, it will fail to attract, recruit and retain panel member and will be unable to fulfil its statutory duties	strengthen attraction and improve the application journey. • **Capacity Programme:** A centralised capacity programme coordinates recruitment, resourcing, and scheduling with SCRA. • **Pre-Service & Learning:** Continuous development and enhanced induction support panel members through the Learning Academy. • **Retention & Wellbeing:** A strategic programme improves panel member experience, engagement, and wellbeing. • **Rota Optimisation:** Data-driven rota management improves attendance and reduces cancellations and deferrals. • **Delivery Model:** The Tribunal Support Model strengthens control, support, and engagement across the panel community. • **Influence:** Ongoing engagement with SG and Ministers shapes policy and reflects capacity pressures and reform progress.
Organisational Development – The Financial Memorandum that accompanied the Hearing System Reform Bill (CCCESP) does not reflect the investment in CHS to fulfil its (likely) new duties, it will be unable to support reforms and be unable to provide the necessary support to the panel community	• **Design:** Vision 30 planning aligns workforce and strategy to future reform requirements • **Management Support:** Regular 1:1s, team meetings, and directorate communications support effective management. • **Training & Development:** Targeted programmes strengthen leadership and management capability.

Risks	Mitigations
	• **Change Architecture:** A dedicated change function drives effective transformation and cultural change. • **People Strategy:** Wellbeing and people support are embedded within the CHS People Strategy. • **Communication:** Central communications leadership drives continuous improvement and implementation of recommendations.
Children's Hearing Redesign - The proposed (CCCESP) Bill does not proceed following the parliamentary process (see Capacity above)	• **Engagement:** Active engagement with SG Sponsor and Bill Teams supports evidence to parliamentary scrutiny. • **Secondment:** A CHS secondee within the SG Bill Team supports legislative progression. • **Partnerships:** Participation in the Re-design Board and forums influences Bill development. • **Bill Development:** CHS contributes across all stages, clearly setting out its position and requirements. • **Consultation:** Engagement with children, young people, volunteers, and staff informs CHS policy positions.

CHS has a number of tools to manage these identified risks and operates under a comprehensive risk management framework. This risk framework extends to operational risk throughout the national team and wider volunteer community. Further information on the risk management framework is set out in the performance analysis below.

Performance Analysis

What We Did and Achieved in 2025-26: Performance Analysis and Key Activities

Financial Performance

In the year ended 31 March 2026, CHS reported net expenditure before Scottish Government funding of £10.772m (2025: £9.130m) against Scottish Government funding of £11.7m (2025: £9.357m), an excess of Scottish Government funding over net expenditure of £0.928m (2025: £0.227m) with revenue grant-in-aid of £10.897m (2025: £8.857m). The General Fund has a surplus of £1.153m as at 31 March 2026 (2025: £0.225m).

Capital grant-in-aid was £0.803m (2025: £0.5m). Spend within the financial year of £0.721m funded a significant programme of investment in technology for volunteers.

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 surplus of £1.711m on its pension reserve at 31 March 2026 (2025: £1.718m). Further details of pension assets and 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 (FReM) 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 2026, CHS paid 43% (2025: 84%) of invoices within the terms of its payment policy. CHS' Senior Leadership 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.

2025-26 Key Activities

In 2025-26 CHS continued to face a challenging fiscal environment alongside the wider public sector. We remain indebted to our Panel Community, National Team, and partners across the sector who continued to be present and strive for better outcomes for infants, children, young people and their families.

In the second year of our three-year Strategic Outlook, we made changes at CHS and helped to shape reform of the wider system that will enable the fulfilment of the Promise.

• 269 new recruits were recommended from our September 2025 campaign into pre-service training, and as of early 2026, we have reappointed 658 Panel Members during 2025-26 at the end of their term. In late 2025 we learnt that the Children (Care and Justice) Scotland Act 2024 would not be implemented in full until 2027, changing our capacity requirement, so we decided not to run a spring 2026 recruitment campaign.

• We appointed our first nine Experts by Experience – care experienced people aged 14 to 25 from all over Scotland who will shape the work of CHS. They met the Minister for Children, Young People and The Promise at the Parliament, and presented at the Rise Up conference hosted by Our Hearings Our Voice. They met the Senior Leadership Team and the Board, and inputted into our latest volunteer recruitment campaign.

• CHS continued to shape the 'Promise Bill', both before and after it was introduced to Parliament. We provided written and in-person evidence to the Education, Children and Young People Committee responsible for scrutinising the Bill. We have kept volunteers and staff informed about the proposed changes and the progress of the legislation.

• We continued to design and deliver non-legislative changes to the hearings system, to improve the experience of children and families. For example, the 'chair greeting the child'

project was implemented across Scotland between March and November 2025, and we worked with SCRA to change the Hearings Information Pack.

• A strengthened Practice and Policy team provided new guidelines to support Panel Member practice, 'Responding to the Needs of Older Children', drafted in partnership with CYCJ, and 'Responding the Needs of Infants, Babies and Very Young Children', developed in partnership with CELCIS and NHS Infant Mental Health Teams.

• We successfully implemented re-structured Pre-Service Training, with 30% of our newly recruited volunteers appointed as Chair qualified.

• We improved support for new Panel Members, through self-evaluation surveys after three and six months of service, and 4 wellbeing check-in conversations.

• We enhanced the online Community Hub, bringing many more resources and tools into a single place for a better volunteer experience.

• We celebrated our volunteers throughout the year, including with regular recognition events, through Volunteers' Week, and at the Royal Garden Party, at which 38 members of our volunteer community were guests.

• We conducted a series of 'Quality Conversations' with volunteers, revealing how highly valued observations of hearings are, and gaining insights into how we can improve our quality assurance.

• As part of Year 2 of the People and Culture Strategy, we published our Equality, Diversity and Inclusion Strategy.

• In looking to the future needs of the hearings system, and our ambitions for our learning provision, we brought learning in-house when the contract with our external provider came to an end in autumn 2025. A restructure of the new in-house Learning Team was also completed in 2025-26, following full consultation with the team.

• After our planned review of the Change and Innovation team and our Programme Management Office, and in full consultation with the teams, we restructured them into a single Strategic Planning and Delivery team, within the Business and Finance Directorate.

National Convener Functions

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

- 2,615 requests for panel member continuity were made as part of decisions for 1,505 children.
- We received and responded to 1 request for written advice, relating to 1 child, under section 8 of the Children's Hearings (Scotland) Act 2011.
- 2 requests to serve notice on the implementation authority of their failure to implement the terms of a Compulsory Supervision Order were made under section 146 and 147 of the Children's Hearings (Scotland) Act 2011.
- 0 applications were made to the Lord President of the Court of Sessions to remove a panel member under para 1(6) of Schedule 2 of the Children's Hearings (Scotland) Act 2011.
- 0 referrals were received about excluded pupils under section 127 of the Children's Hearings (Scotland) Act 2011.

Organisational Performance Summary

CHS internal performance report is designed to allow the Board, on a quarterly basis, to monitor the delivery of the objectives in CHS' Business Plan and scrutinise the overall performance of the organisation. The format of this reporting is Key Performance Indicators (KPIs). The targets set considered realistic and achievable as the objective of any KPI is to be a mechanism for learning and delivering continuous performance improvement.

	Target Met or exceeded		Within 10% of Target		Target Missed

KPI	2025/26 Target	2025/26 Result	Past Results
# Number of feedback items received from children and young people	98	85	2023/24: 12 2024/25: 49
% of required volunteers and colleagues who have completed trauma-informed training	100%	98%	2024/25: 91%
% of required volunteers and colleagues completed trauma skilled training	100%	92%	New Measure
% of pre-service trainees who felt that the learning objectives were met	99%	98%	2021/22: 99% 2022/23: 98% 2023/24: 99% 2024/25: 98%
% of recommended applicants appointed as Panel Members	90%	75%	2021/22: 75% 2022/23: 84% 2023/24: 83% 2024/25: 79%
% of active and eligible Panel Members who are Chair-qualified	75%	78%	2024/25: 70%
% of regions involving young people in the design or delivery of the recruitment of panel members (9 regions)	100%	100%	2024/25: 100%
% of all Panel Members due for reappointment within the year who were successfully reappointed	55%	55%	New Measure

KPI	2025/26 Target	2025/26 Result	Past Results
% of Panel Members retained during the year	85%	82%	2021/22: 86% 2022/23: 78% 2023/24: 83% 2024/25: 84%
% CHS employee attendance	96%	96%	2021/22: 85% 2022/23: 97% 2023/24: 97% 2024/25: 98%
% invoices not in dispute paid within 10 working days, during normal operations as per set target (not payment terms)	95%	43%	2021/22: 85% 2022/23: 83% 2023/24: 87% 2024/25: 84%

KPI Summary

Performance against the current KPI framework remains positive, with strong results in training, employee attendance, panel member development and young people's participation. Key achievements include 98% completion of trauma-informed training, 98% pre-service trainee satisfaction, 96% employee attendance, an increase in Chair-qualified Panel Members to 78%, full regional involvement of young people in recruitment activity, and a significant rise in feedback from children and young people. The main area for improvement remains in relation to invoice payment performance and this has been addressed. To provide some background, this KPI is not directly comparable on a like-for-like basis. Following the retirement of the legacy financial system at the end of March 2026, a change of method was required. A manual approach was used to report, that replicates the calculations as far as possible. A more sustainable approach is being developed for future reporting. Strain on the resources in the finance team also had an adverse impact on performance. This issue has now been resolved.

The implementation of the new SAGE ledger system is expected to restore performance to anticipated levels. The enhanced functionality and improved capabilities of the system will drive greater efficiency and effectiveness going forward.

The KPI framework provides CHS with an important mechanism for monitoring organisational performance, identifying emerging trends, and supporting oversight of delivery against strategic and operational priorities. Performance against these measures will continue to be closely monitored and reported throughout the next financial year to support ongoing review, challenge and continuous improvement.

Risk Management Arrangements

CHS operates under a risk management framework that is set out in the Risk Management Policy (Policy) which is overseen by the senior management team, the CHS Board and the Audit and Risk Committee. The Policy sets out five key objectives:

- increase confidence in our ability to achieve our objectives;
- facilitate the identification, evaluation, and control of key risks and ensure that any residual risks are at an acceptable level;
- integrate Risk Management into the operational and management practices and procedures of CHS to promote a culture of risk awareness;
- support planning and performance reporting, ensuring strategic risks are monitored and escalated to mitigate any risks to our planned strategic objectives;
- provide information to support the CHS' annual governance statement, as to the effectiveness of the arrangements for risk management and internal control mechanisms in practice.

Strategic and operational risk registers form part of the risk management procedures and are used to identify, evaluate and document response plans to mitigate potential risks. The strategic risk register is reviewed on quarterly basis by the senior leadership team and the risk and audit committee. Operational risk registers are managed by operational managers and the senior leadership team on a regular basis.

CHS adopts a "three lines of defence" model for the overall arrangements for managing risk and exercising control within the organisation. First line of defence includes the implementation and management of operational policies and procedures by staff, the second line is the risk management and governance function and the reporting to senior management, with the third line being provided by CHS's internal auditors on the testing and assurance of key processes and areas of control on a risk-based approach.

Environmental Impact and Biodiversity

CHS is committed to meeting the Public Bodies duties set out in 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 CHS occupies 8.5% of the building. 2025-26 data will be available in November 2026 and reported in next year's accounts.

	2024-25	2023-24	2022-23
Carbon Emissions ($kgCO_2e$) – Gas	10,071	7,704	7,538
Carbon Emissions ($kgCO_2e$) – Electricity	11,553	7,026	5,781
SUB-TOTAL (Gas and Electricity Only)	**21,624**	**14,730**	**13,319**
Carbon Emissions ($kgCO_2e$) – Water	14	5	3
Carbon Emissions ($kgCO_2e$) – Refuse	148	1	142
TOTAL	**21,786**	**14,736**	**13,464**

Our impact associated with business mileage is given below:

	2025-26[2]	2024-25	2023-24
Total Travel Distance (miles)	52,416	53,977	32,957
Emission Factor ($kgCO_2$/mile) (emission factor for *average sized petrol car* is used here)	0.26187	0.26187	0.28567
Carbon Emissions ($kgCO_2e$) (travel distance × emission factor)	13,726	14,135	9,414

Biodiversity opportunities are kept under review but remain limited due to the structure and size of the organisation. CHS does not own, regulate or manage land but does contribute where

[2] The emissions factor to be used for 2025/26 has not yet been published. The 2024/25 factor has been used above to provide indicative carbon emissions, but will be restated in next year's annual accounts.

it can. This includes promoting hybrid working to reduce CO_2 emissions for those members of staff that are not client facing, promote the cycle to work scheme, operate a recycling facility in the office, operate a paperless office, the purchase of recycled office items where possible, education and training to its staff on environmental issues and encourage staff wellbeing and outdoor activities.

Equalities, Social Responsibility and Human Rights

CHS exists to ensure that children attending hearings receive decisions that reflect care, respect, and love. We operate in line with a set of National Standards, and we are committed to ensuring that our vision, purpose and values are consistently upheld and reflected in everything we do.

As Corporate Parents under the Children and Young People (Scotland) Act 2014, CHS and the National Convener have responsibilities to make sure our attention and resources are focused on upholding the rights and safeguarding of Scotland's looked after children and care-leavers, and promoting their wellbeing.

The refreshed Equality, Diversity and Inclusion (EDI) Strategy 2024-27 emphasises the commitment to make CHS a truly inclusive organisation, where everyone – children, young people, colleagues and volunteers – feel heard, valued and able to contribute to positive change.

CHS's 2026 Gender Pay Gap report highlighted progress made within CHS in closing the pay gap. The mean gender pay gap was 0.67% in favour of men, compared with 2.03% in 2024. The median gap, reduced from 1.45% in favour of men two years ago to -1.50% in favour of women. The mean gap has decreased since the 2024 report while the staff headcount has increased by 28%. At the same time, the median gap is now in favour of women at -1.5%. The proportion of male and female staff has changed by 1% since 2024 with 75% of the workforce being female and 25% male in 2026. This suggests that CHS male and female staff are now on average paid more equally compared to two years ago. The next Gender Pay Gap report in 2028 will also convince with the Ethnicity and Disability Pay Gap report.

In relation to recruitment, 65% of applicants were female and 33% male. There has been a decrease in the proportion of female applicants which was 74% in 2024, while the proportion of male applicant has increased from 21% in 2024. The predominant age bands of applicants were 35 to 44 and 45 to 54, each age bracket made up 39% of applications received. In 2024 the most predominant age bracket was the 24 to 34 group which made up 34% of applications. Applications from this age bracket has now fallen to 15%. Applications from the 55 to 64 age group made up 3% of applications which represented a decrease from 7% in 2024. This highlights while there has been progress in encouraging increased applications from men, more needs to be done to attract more younger people and people in the 55 to 65 age group in applying for roles at CHS.

The CHS EDI Mainstreaming Report 2025-26, published in April 2026 introduced our new Equality Outcomes for 2025-29 which serve as a commitment and action plan to drive forward the EDI agenda. The Equality Outcomes seek to build upon the foundation of the CHS values while striving to embed and mainstream EDI.

Ensuring our Panel Community reflects the communities we serve is something CHS continues to strive towards. Just under 45% of our Panel Community volunteers completed the equalities monitoring form, an increase of 11.5% from 2023. The Panel Community who responded are made up of a majority over the age of 55 years old (31.7% aged 55-64, 24.9% aged 65+). 20.4% of respondents were aged 45-54, followed by 13.4% 35-44 years old, 8% aged 25-34 years old, and 1.7% aged 18-24 years old. We have a higher proportion of Panel Members who identify as female (74.1%), followed by male (24.4%) and non-binary or other (1.5%). 8.5% of Panel Members consider themselves to have a disability. Non-disclosure rates have decreased from 64.6% in 2023 to 53.2% in 2025. 8.5% of our Panel Members are from minority ethnic backgrounds. This is less than Scotland overall (12.9%).

CHS and Island Communities

CHS operates in every Local Authority in Scotland and is conscious of the particular challenges faced by island communities.

The Tribunal Support Model offers enhanced support for volunteers from the Tribunal Delivery Manager, Partnership and Wellbeing roles. These staff members have worked closely with volunteers and other colleagues in other services (such as social work, children's reporters, third sector organisations) locally. The Tribunal Delivery Team have a presence locally as and when required and since the inception of TSM have been on the island communities several times, to support the local community of volunteers for local learning and recognition events, along with partnership working.

The CHS Learning Academy (CHSLA) deliver training services nationally, regionally, and locally across Scotland offering in person and online learning events. Island requirements are taken into account for all delivery and include commitment to support groups of island learners in the most effective way possible e.g. providing virtual opportunities if preferred, covering accommodation and travel costs for attendance at face-to-face events, or where feasible and preferred by island communities, organising on island training events. Out of pocket expenses, including those incurred through any greater distances travelled, longer stays away from home to attend events etc. are reimbursed or pre-paid in advance. CHSLA organises accommodation for training centrally to avoid community members being out of pocket. A combination of face to face and virtual learning sessions have been offered throughout the reporting period. Virtual learning courses and the supporting online resources enabled Panel Community to complete essential and optional learning at times and a pace that suited them. Local Learning Champions, supported by CHS national team and CHSLA continue to offer local learning and sessions to bring island communities together either face to face or virtually to continue to complement national training. These Learning Events happen throughout the year.

What We'll Do Next Year

This Business and Corporate Parenting Plan for 2026-27 spans the final year of our current Strategic Outlook 2024-27. Within our strategic themes of Delivering Positive Outcomes, Driving Transformation and Valuing Our People, we have identified four priority areas for the year ahead: Planning for Reform, Strengthening Leadership, Driving Digital and Learning Transformation. These priorities will shape our work in 2026-27 as we look ahead to the next strategic planning cycle for 2027-30, while continuing to deliver our statutory functions to

recruit, train and support volunteers across Scotland. Our commitments in 2026-27 will centre on:

Participation

We will continue to strengthen the voice of infants, children and young people in our work by placing lived experience at the heart of organisational decision-making. In 2026-27, we will build on the role of our Experts by Experience, further strengthening their involvement in governance and reform planning so that participation continues to shape how CHS listens, learns and acts.

UNCRC

We will continue to uphold and champion children's rights in everything we do, ensuring that the needs, rights and wellbeing of infants, children and young people remain central to hearings and decision-making. As reform progresses, we will work with partners across the sector to make sure our policies, practice and planning continue to reflect children's rights and support compliance with relevant legislation.

The Children (Care and Justice) (Scotland) Act 2024

In 2026-27, we will continue preparing for implementation of the Children (Care and Justice) (Scotland) Act 2024 across CHS. This will include ensuring that our Panel Community is trained and ready for the legislative changes, and that guidance, learning and practice materials are updated to support high-quality, rights-based decision-making for all children and young people who come to hearings.

Children's Participation and Rights Strategy

As a key priority, we have implemented a new strategy, co-designed with care experienced young people, which enshrines our obligations to put infants, children and young people with lived experience of care at the heart of what we do. We have invested in this work to ensure that the young people we work alongside are supported and have opportunities for influence.

Elliot Jackson

Accountable Officer

Part 2: Accountability Report

Corporate Governance Report

Directors' Report

Senior Leadership Team (SLT) members' Service Contracts

SLT member	Job title	Appointment
Elliot Jackson	National Convener	7 Oct 2019 – 6 Oct 2029
	Chief Executive	7 Oct 2019
Jessica MacDonald	Director of Business and Finance	4 Oct 2023 – 31 July 2025
Lynne Harrison	Director of Tribunal Delivery	1 Jul 2023 – 31 July 2025
	Director of Business and Finance	1 Aug 2025
Carol Wassell	Director of Positive Outcomes	1 Jul 2023
Bethany Cunningham	Director of Tribunal Delivery	1 Aug 2025
Jo O'Leary	Director of People and Culture	7 Aug 2023

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

During 2025/26 there were five female senior managers and one male senior manager. All contracts have a notice period of 3 months and are permanent unless indicated otherwise by a future end date.

Our Board members

Board members in 2025/26	Original appointment	End of appointment
Katharina Kasper (chair)	1 April 2022	7 April 2030
Beth-Anne McDowall	1 July 2017	30 September 2025
Ronnie Corse	1 September 2025	31 August 2029
Henry Robson	1 March 2017	28 February 2025
Barbara Neil	1 February 2019	31 January 2027
Katie Docherty	1 July 2021	30 June 2029
Robert Dorrian	1 September 2025	31 August 2029
Claire Kettlewell	29 September 2025	31 August 2029
Sean Austin	1 July 2021	30 June 2029
Jo Derrick	1 February 2019	31 January 2025

All Board members have fixed term contracts and of the above six are female and four 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 2022/23 to 2026/27 the Auditor General appointed Audit Scotland to undertake the audit of CHS. 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 Our Board (chscotland.gov.uk) or by contacting the Executive Assistant & Governance Officer (https://www.chscotland.gov.uk/about-us/meet-the-team).

Personal data related incidents

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

Statement of disclosure of Information to Auditors

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

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

Statement of Accountable Officer's Responsibilities

Under section 21(1) of the Children's Hearings (Scotland) Act 2011, the Scottish Ministers have directed CHS to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CHS and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on the going concern basis.

Under section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Accountable Officer of the Scottish Government Directorate with responsibility for sponsorship of CHS designated the National Convener/Chief Executive of CHS as the Accountable Officer for the organisation. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the organisation's assets, are set out in Managing Public Money by the HM Treasury.

As Accountable Officer, I confirm that:

- as far as I am aware, there is no relevant audit information of which the auditors are unaware, and I have taken all the steps that I feel I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.
- the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of CHS' policies, aims and objectives, as set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the Memorandum to Accountable Officers for Other Public Bodies.

Governance framework

CHS' governance framework accords with generally accepted best practice principles and guidance from Scottish Ministers in the Scottish Public Finance Manual and has been in place for the financial year ended 31 March 2026 and up to the date of the approval of the annual report and accounts.

CHS has a Board which meets at least every three 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 People and Culture Committee and an Audit and Risk Committee. Each Committee has developed its terms of reference which are documented, approved and reviewed on an annual basis.

The People and Culture Committee meets quarterly, and its responsibilities include:

- approving and reviewing procedures/policies for CHS staff and applicable procedures/ policies for CHS community members, including employment policies;
- reviewing the objectives of senior staff annually;
- approving the annual pay remit for submission to Scottish Government;
- approving the recruitment process for the National Convener/Chief Executive;

- considering/approving reports on People and Recognition, Equality, Diversity & Inclusion, Learning and Development and Staff and Community Wellbeing;
- approving any Employment Tribunal settlements.

The Chair of the People and Culture Committee briefs the Board following each meeting and the latter receives an annual report on the performance of the Committee.
The Audit and Risk 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 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 Global Internal Audit Standards. During 2025/26 Internal Audit undertook three reviews; risk management, tribunal support implementation and cyber security. The Committee scrutinises all internal audit reports and the actions taken by managers in response to audit recommendations.

Internal audit is satisfied that sufficient internal audit work has been undertaken to allow them to draw a reasonable conclusion as to the adequacy and effectiveness of CHS's risk management, control and governance processes. Their opinion is "Generally satisfactory with improvements required in some areas". Overall, the controls in the areas examined were found to be suitably designed and operating effectively to achieve the specific risk management, control and governance arrangements and value for money. However, there are some areas where weaknesses and/or non-compliance were identified and therefore may put the achievement of objectives at risk. Where weaknesses have been identified, improvements are

required to enhance the design and/or effectiveness of risk management, control and governance arrangements and value for money arrangements.

In all areas examined, internal audit were able to give a positive assurance opinion (moderate assurance) meaning that they are able to give reasonable, but not absolute, assurance that the controls are suitably designed and operating with sufficient effectiveness to achieve the risk management, control and governance objectives. This continues the theme of the previous two years which also saw no negative opinion reports.

Operation of the Board

The Board met five times during 2025/26, held four Board development sessions for training opportunities and discussion. In addition, the Board held a strategy session on the Children (Care, Care Experience and Services Planning) Scotland Bill.

Key issues for the Board in 25/26 included:

- Approval of the Communication and Engagement Strategy 2026-29
- Ongoing planning for changes proposed under the Children (Care, Care Experienced and Services Planning) Bill once approved
- Ongoing planning for the implementation of reforms in line with the accepted recommendations from the Hearings for Children Report
- Approval of the CHS/Public Services Improvement Framework Project
- Approving quarterly performance reports
- Reviewing and approving the Board Standing Orders and Self-Assessments
- Scrutiny of ongoing work to improve capacity
- Approval of the CHS Financial 5 Year Plan
- Approval of the Budget for 2025/26
- Approval of the Business and Corporate Parenting Plan for 2025/26
- Approval of CHS Digital Priorities 2026/27
- Approving the Annual Accounts and Impact Report
- Reviewing Learning Academy progress
- Volunteer Recruitment

- Equalities and Outcome reporting
- Approving the accounting policies to be used for the preparation of CHS' statement of accounts for 2025/26

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

Assessment of corporate governance arrangements

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

- the executive managers within CHS who have responsibility for the development and maintenance of the internal control framework, including the organisation's Senior Information Risk Officer
- the work of the internal auditors who submit to the Audit and Risk Committee
- regular reports which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of CHS' system of internal control together with any recommendations for improvement
- recommendations and comments made by the external auditors in their Annual Audit Report and other reports.

Internal control systems have been in place for the year under review and up to the date of approval of the annual report and accounts around risk management, business planning, major investment, project management, financial management, fraud, procurement, human resources, equality and diversity, information management, health & safety and compliance and are assessed annually as part of the Scottish Government Certificates of Assurance process. The National Convener completed this assessment for 2025/26, and no major control gaps were identified.

Assessment of procurement activities

As Accountable Officer, I have reviewed the effectiveness of procurement activities and arrangements. CHS is committed to fair process and best value resourcing and therefore in sourcing suppliers utilises SG procurement frameworks where possible and utilises shared service expertise from the SG procurement team through their Procurement Lite service. CHS has put in place a series of procurement KPIs to help demonstrate the contribution of procurement approaches to the efficient, effective and economical running of the organisation.

CHS reports on effective contract management including the monitoring contract meetings held, the financial management of contracts, and the KPIs delivered. CHS records all procurement activity and reports to the Audit and Risk Committee against procurement activity for any contracts awarded above £20,000. These cover all contracts awarded using the Scottish or UK Government frameworks, the Quick Quotes route and full procurement exercises in compliance with procurement legislation.

In 2025/26 the following procurement activities took place which were awarded either via Quick Quotes, through the Government frameworks, and other procurement exercises.

- Procurement activities awarded with a value between £20,000 and £50,000 included the following goods and services: media support services, ISO27001 support services, IT learning pool platform, venue hire and office furniture.
- Procurement activities awarded with a value above £50,000 included the following goods and services: Microsoft licenses, software development, media buying and creative services.

Key issues and risks

The operation of the CHS Risk Management Policy that sets out a framework for identifying, measuring, controlling and monitoring strategic risks has been in place throughout the financial year. A regular review of the Operational and Strategic Risk Registers is undertaken by the Senior Management Team and the Strategic Risk Register is reported to the Audit and Risk

Committee on a quarterly basis. Strategic and operational risk management is embedded in CHS' corporate and business planning processes and performance management arrangements.

Digital Programme

The primary focus during 2025/26 has been on delivering continued functional enhancements to the CSAS platform. Key areas of development include rota management, the Customer Relationship Management (CRM) system, observations, recruitment, and support for the new Tribunal Support Model. Governance arrangements remain in place through joint Change Control and Control Assurance Boards together with SCRA to oversee the implementation of platform improvements. Ongoing improvements have also been made to CHS Microsoft platforms, including enhancements to CRM functionality and the continued rollout of CHS-owned Windows devices to the volunteer community.
Support for Panel Members has continued through training and the provision of devices to enable participation in virtual children's hearings, including distribution of new devices to all new trainees during the year.

Personal data related incidents

During 2025/26, CHS recorded and investigated 53 information security incidents, including near misses. Of these, two were self-reported to the Information Commissioner's Office. The increase in reported incidents reflects improved reporting levels following organisational restructuring and the move to more centralised processes, which have strengthened oversight and awareness of data protection.

Mitigation measures are in place to reduce the risk of data breaches, including mandatory training for Panel Members, Area Support Teams, clerks, the CHS National Team, and Board members. Emerging trends are monitored, with controls updated or introduced as required.

Conclusion

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

Elliot Jackson

National Convener/Chief Executive Officer

Remuneration and Staff Report

People and Culture Committee (unaudited)

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

Proposals on the remuneration of the National Convener/Chief Executive are made by the People and Culture 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 People and Culture 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; and reward staff for their contribution to CHS by arrangements which are simple, fair and transparent.

Board and Senior manager remuneration (audited)

Board members' remuneration

Remuneration	Salary and allowances[3] 2025/26 £000	Salary and allowances 2024/25 £000
Katharina Kasper	15-20	10-15
Claire Kettlewell	0-5[4]	n/a
Ronnie Corse	0-5[5]	n/a
Robert Dorrian	0-5[6]	n/a
Sean Austin	0-5	0-5
Katie Docherty	0-5	0-5
Barbara Neil	5-10	5-10
Beth-Anne McDowall	0-5[7]	0-5

[3] CHS does not make any contribution to the LGPS in respect of Board members, nor provide any other form of pension benefit.

[4] This member took up office during 2025/26. Had they been in office for the full year, their salary and allowances in 2025/26 would likely have been between £nil and £5,000.

[5] This member took up office during 2025/26. Had they been in office for the full year, their salary and allowances in 2025/26 would likely have been between £nil and £5,000.

[6] This member took up office during 2025/26. Had they been in office for the full year, their salary and allowances in 2025/26 would likely have been between £nil and £5,000.

[7] This member left office during 2025/26. Had they been in office for the full year, their salary and allowances in 2025/26 would likely have been between £nil and £5,000.

Senior managers' remuneration as a single figure

Senior Leadership Team Members	2025/26 Salary and Allowances	2025/26 Benefits in kind	2025/26 Pension benefits[8]	2025/26 Total
	£000	£000	£000	£000
Elliot Jackson[9]	95-100	1.6	13	110-115
Jessica MacDonald[10]	25-30	0	(2)	25-30
Jo O'Leary	80-85	0	28	105-110
Bethany Cunningham[11]	50-55	0	(6)	45-50
Lynne Harrison	85-90	0	32	115-120
Carol Wassell	85-90	0	35	120-125

[8] The value of pension benefits accrued during the year is calculated as twenty times the real increase in pension, plus any 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. Pension figures relate to the benefits that the person has accrued as a consequence of their total local government service, and not just their current appointment.

[9] Following a review of the Chief Executive role conducted in accordance with Scottish Government's public sector pay policy 2024/25 Chief Executive framework, this member's salary was increased on 21 May 2025 with effect from 6 October 2024. The salary increase is reflected within "2024/25 Salary and Allowances" and "2024/25 Total", but not within "2024/25 Pension Benefits" since these were based on their pre-review salary, i.e. what was paid and agreed as at 31 March 2025. The pension benefits accruing from the review are reported within "2025/26 Pension Benefits".

In July 2026 a 4% pay award was approved for this member, effective 1 April 2025. This salary increase is reflected within "2025/26 Salary and Allowances" and "2025/26 Total", but not within "2025/26 Pension Benefits" since these were based on what was paid and agreed as at 31 March 2026. The pension benefits accruing from this award will be reported within "2026/27 Pension Benefits" in next year's Remuneration report.

[10] Member left on 31 July 2025 with less than 2 years' service and therefore no entitlement to pension. Had this member been in post for the full year, their salary and allowances for 2025/26 would likely have been between £85,000 and £90,000.

[11] Member joined the Senior Leadership Team on 1 August 2025 and the salary and allowances figure represents the period from 1 August 2025 to 31 March 2026. Had this member been in post for the full year, their salary and allowances for 2025/26 would likely have been between £75,000 and £80,000.

Prior year comparatives

Senior Leadership Team Members	2024/25 Salary and Allowances	2024/25 Benefits in kind	2024/25 Pension benefits	2024/25 Total
	£000	£000	£000	£000
Elliot Jackson[12]	90-95	0.1	89	180-185
Jessica MacDonald	80-85	0	(7)	75-80
Jo O'Leary	75-80	0	29	105-110
Bethany Cunningham	n/a[13]	0	n/a	n/a
Lynne Harrison	80-85	0	39	120-125
Carol Wassell	80-85	0	51	130-135

[12] Following a review of the Chief Executive role conducted in accordance with Scottish Government's public sector pay policy 2024/25 Chief Executive framework, this member's salary was increased on 21 May 2025 with effect from 6 October 2024. The salary increase is reflected within "2024/25 Salary and Allowances" and "2024/25 Total", but not within "2024/25 Pension Benefits" since these were based on their pre-review salary, i.e. what was paid and agreed as at 31 March 2025. The pension benefits accruing from the review are reported within "2025/26 Pension Benefits".

[13] Member had previous LGPS service and so has entitlement to pension. Member joined senior leadership team on 1 August 2025, 25/26 figures represent figures from 1 April 2025.

Senior managers' pension entitlements

Senior Leadership Team Members	Real increase in pension in year to 31 March 2026	Real increase in lump sum in year to 31 March 2026	Total accrued pension as at 31 March 2026	Total accrued lump sum at 31 March 2026	CETV[14] at 31 March 2025	CETV at 31 March 2026	Real increase in CETV during year
	£000	£000	£000	£000	£000	£000	£000
Elliot Jackson	(2.5)-0	(7.5)-(5)	50-55	75-80	1,086	1,062	(68)
Jessica MacDonald[15]	n/a	n/a	n/a	n/a	31	38	4
Jo O'Leary	0-2.5	0	5-10	0	64	86	13
Bethany Cunningham	12.5-15	0	10-15	0	n/a[16]	121	n/a
Lynne Harrison	0-2.5	0	10-15	0	174	205	18
Carol Wassell	0-2.5	0	20-25	0	315	352	19

[14] CETV stands for Cash-equivalent transfer value

[15] Member left service on 31 July 2025 with less than 2 years' service and therefore no entitlement to pension. CETV calculated from date of leaving.

[16] Member joined the senior leadership team on 1 August 2025: CETV calculated from that date.

Prior year comparatives

Senior Leadership Team Members	Real increase in pension in year to 31 March 2025	Real increase in lump sum in year to 31 March 2025	Total accrued pension as at 31 March 2025	Total accrued lump sum at 31 March 2025	CETV[17] at 31 March 2024	CETV at 31 March 2025	Real increase in CETV[1] during year
	£000	£000	£000	£000	£000	£000	£000
Elliot Jackson[18]	2.5-5	2.5-5	50-55	75-80	1,010	1,086	34
Jessica MacDonald[19]	n/a	n/a	n/a	n/a	10	31	13
Jo O'Leary	0-2.5	0	5-10	0	43	64	13
Lynne Harrison	0-2.5	0	10-15	0	142	174	20
Carol Wassell	2.5-5	0	20-25	0	276	315	23

[17] CETV stands for Cash-equivalent transfer value

[18] Following a review of the Chief Executive role, this member's salary was increased on 21 May 2025 with effect from 6 October 2024. This increase is not reflected in the table above since these values are based on their pre-review salary, i.e. what was paid and agreed as at 31 March 2025. The pension entitlements accruing from the review are reported as "2025/26 pension entitlements" in the table on the previous page.

[19] Member has less than 2 years' service therefore no pension entitlement at 31 March 2025.

Fair pay disclosures (audited)

The full time equivalent remuneration paid to CHS staff as at 31 March 2026 ranged from £29,023 to £99,956 (31 March 2025: £29,794 to £96,112), a pay ratio of 3.4:1. This takes into account the CEO pay award mentioned above.

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

	Salary	Allow-ances	Total remun-eration	Salary	Allow-ances	Total remun-eration
	2025/26	2025/26	2025/26	2024/25	2024/25	2024/25
Highest-paid director	£99,956	£0	£99,956	£96,112	£0	£96,112
25th percentile	£34,152	£0	£34,152	£34,744	£0	£34,744
Median	£41,478	£0	£41,478	£38,714	£0	£38,714
75th percentile	£50,359	£0	£50,359	£51,180	£0	£51,180

The highest-paid director's salary increased by 4% from 2024/25.

The 25th percentile pay has ratio has increased from 2.77:1 to 2.93:1 due to an increase in headcount among administrative and support grades. The median pay ratio has decreased from 2.48:1 to 2.41:1, and the 75th percentile pay ratio has increased from 1.88:1 to 1.98:1 – both these movements are primarily due to training staff transferring in from West Lothian College into the third quartile. CHS believes the median pay ratio for 2025/26 is consistent with its pay, reward and progression policies for CHS' employees taken as a whole.

In 2025/26 no employees received remuneration in excess of the highest-paid director (2024/25: 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 2025/26 (2024/25: 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. One benefit in kind was received in 2025/26, totalling £1.6k, as reported on page 43 (2024/25: one benefit in kind totalling £0.1k as reported on page 44).

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

In 2025/26, no amounts were payable to or from third parties for the services of a senior manager. In 2024/25, CHS paid Scottish Children's Reporter Administration £2,562 in respect of senior management services from Ross Mackenzie (Head of Finance and Resources).

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

Average number of employees (whole-time equivalents)	2025/26	2024/25
Staff with a permanent contract – male	23	19
Staff with a permanent contract – female	63	58
Staff without a permanent contract – male	2	2
Staff without a permanent contract – female	5	3
	93	**82**

Included in these numbers above is one male senior leadership team member and five female senior leadership team members. CHS does not employ any senior civil servants.

Staff costs (audited)

Staff with a permanent (UK) employment contract	2025/26 £000	2024/25 £000
Wages and salaries	4,604	3,558
Social security costs	554	385
Contributions to pension scheme	717	614
IAS 19 pension charge	(6)	74
	5,869	**4,631**

Staff without a permanent (UK) employment contract	2025/26 £000	2024/25 £000
Wages and salaries	480	265
Social security costs	32	25
Contributions to pension scheme	35	39
IAS 19 pension charge	0	5
	547	**334**

All Staff	2025/26 £000	2024/25 £000
Wages and salaries	5,084	3,823
Social security costs	586	410
Contributions to pension scheme	752	653

IAS 19 pension charge	(6)	79
	6,416	**4,965**

The average pay per FTE employee increased by 3.1% between 31 March 2025 and 31 March 2026. Staff turnover in the year ended 31 March 2026 was 19%. This turnover figure includes two of the ten leavers receiving an exit package, below.

Exit packages

The following 10 exit packages were agreed during 2025/26 (2024/25: none). Of these 10 departures, 2 occurred before 31 March 2026, with the remainder occurring after 31 March 2026. All costs associated with all 10 departures are accounted for within 2025/26. The cost band reflects severance payments to the departing member of staff plus any applicable strain costs payable to Lothian Pension Fund. There were no compulsory redundancies and no special payments in 2025/26 (2024/25: none).

Exit package cost band	Number of departures agreed	Total cost £000
Up to £10,000	1	4
Between £10,000 and £25,000	3	51
Between £25,000 and £50,000	1	25
Between £50,000 and £100,000	5	328
Over £100,000	0	0
Total number of departures/total cost	**10**	**409**

Expenditure on consultancy

In 2025/26, CHS spent £259,258 on consultancy (2024/25: £84,672). This increase is primarily driven by consultancy required around bringing volunteer learning in-house in autumn 2025 when the contract with CHS's external provider came to an end, and some staff from West Lothian College transferred to CHS.

Staff Sickness Absence (unaudited)

In the year to 31 March 2026, staff sickness absence was an average of 4% (2025: 2%).

Disability, Inclusion, Equality and Diversity (unaudited)

CHS is committed to equality and diversity.

- CHS has been recognised as a Disability Confident Committed Employer. We plan for, and make reasonable adjustments to, the assessment and interview process ensuring our recruitment process is inclusive and accessible when communicating and promoting vacancies.
- During employment, we anticipate and 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 long-term health concerns to enable them to stay in work.
- 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 through our HR channels. Line managers are encouraged to have conversations with their staff about staff mental health and wellbeing during their regular 1-2-1 meetings.
- We provided a paid wellbeing day as part of our 2025/26 Pay Policy, allowing staff an additional paid day for their wellbeing.
- We provide occupational health services and an employee assistance programme (EAP) and regularly promote EAP resources to staff.

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 overarching Equality Outcome that is specifically focused on supporting those with caring responsibilities.

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

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

CHS has been recognised as an employer of choice by individuals with caring responsibilities due to its positive and open recruitment approach and its flexible working and attendance management policies and practices. (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.) Our volunteer community continue to be fully aware of and undertake their functions with equality in mind. CHS incorporates 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 Qualifications Scotland – the Professional Development Award (PDA) Children's Hearings in Scotland – Panel Members. Our National Team complete a compulsory Equality, Diversity and Inclusion training course.

The training delivered by CHS 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 volunteers, staff and local authority clerks 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 2026.
- No reportable special payments were made in the financial year to 31 March 2026.
- No reportable fees or charges were received in the financial year to 31 March 2026.
- There are no remote contingent liabilities at the date the accounts were signed.

Elliot Jackson

Accountable Officer

Independent auditor's report to the members of Children's Hearings Scotland, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Children's Hearings Scotland for the year ended 31 March 2026 under the Children's Hearings (Scotland) Act 2011. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2025/26 Government Financial Reporting Manual (the 2025/26 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2026 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2025/26 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 15 April 2026. My period of appointment is two years, covering 2025/26 and 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- using my understanding of the central government sector to identify that the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

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

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

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

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Reporting on other requirements

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

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

Other information

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

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

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

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

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in

accordance with the Children's Hearings (Scotland) Act 2011 and directions made thereunder by the Scottish Ministers; and

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Adam Haahr

Audit Scotland

4th Floor

The Athenaeum Building

8 Nelson Mandela Place

Glasgow

G2 1BT

Part 3: Financial Statements

Children's Hearings Scotland
Statement of Comprehensive Net Expenditure for the year ended 31 March 2026

	Note	Year to 31 March 2026	Year to 31 March 2025 restated[20]
		£000	£000
Expenditure			
Staff costs	2	6,416	4,965
Other administration costs	3	3,735	3,760
Depreciation	4,5,6	615	391
Expenditure		10,766	9,116
Income	1.8	(2)	0
Net expenditure		**10,764**	**9,116**
Pension scheme finance cost	10	(1)	2
Finance lease interest		9	12
Net expenditure before Scottish Government funding		**10,772**	**9,130**
Other comprehensive net expenditure			
Items which will not be reclassified to net expenditure:			
Actuarial loss/(gain) on pensions	10	7	(81)
Comprehensive net expenditure for the year		**10,779**	**9,049**

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

[20] The previous year's Statement of Comprehensive Net Expenditure has been restated on the face of this statement to correct a typographical error in the "Actuarial loss/(gain) on pensions" line. In 2024-25 an actuarial gain on pensions of £1,895,000 was reported and thus comprehensive net expenditure for 2024-25 of £7,235,000 was reported. All other figures remain as previously reported.

Statement of Financial Position as at 31 March 2026

	Note	2026	2025
		£000	£000
Non-current assets			
Property, plant & equipment	4	648	642
Right of use asset	5	197	248
Intangible assets	6	984	833
Total non-current assets		1,829	1,723
Current assets			
Trade and other receivables	7	343	239
Cash and cash equivalents	8	2,532	1,883
Total current assets		2,875	2,122
Total assets		**4,704**	**3,845**
Current liabilities			
Trade and other payables	9	1,625	1,653
Lease obligation	5	59	45
Total current liabilities		1,684	1,698
Non-current assets plus net current assets		3,020	2,147
Non-current liabilities			
Net pension asset/(liability)	10	0	0
Lease obligation	5	156	204
Net assets		**2,864**	**1,943**
Taxpayers' equity			
General fund		1,153	225
Pension reserve		1,711	1,718
Total taxpayers' equity		**2,864**	**1,943**

The Accountable Officer authorised these financial statements for issue on

Elliot Jackson

Accountable Officer

Statement of Cash Flows for the year ended 31 March 2026

	Note	2026	2025
		£000	£000
Cash flows from operating activities			
Net expenditure		(10,764)	(9,116)
Adjustments for non-cash items			
Increase in pension fund liability	10	0	0
Increase/(Decrease) in pension reserve	10	(7)	81
Depreciation charges	4,5,6	615	391
Loss on disposal of assets		0	0
Movements in working capital			
Decrease/(Increase) in trade and other receivables	7	(104)	(2)
Increase/(Decrease) in trade and other payables	9	(347)	(509)
Net cash outflow from operating activities		**(10,607)**	**(9,155)**
Cash flows from investing activities			
Purchase of property, plant & equipment	4	(86)	(3)
Purchase of intangible assets	6	(316)	(367)
Cash flows from financing activities			
Scottish Government funding for year		11,700	9,357
Net interest (expense)/return on pension asset		1	(2)
Repayment of leasing liabilities		(34)	(46)
Interest paid on lease obligations		(9)	(12)
Net increase/(decrease) in cash and cash equivalents		**649**	**(228)**
Opening cash balance	8	1,883	2,111
Closing cash balance		**2,532**	**1,883**

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026

	Note	General Fund £000	Pension Reserve £000	Total Reserves £000
Balance at 1 April 2024		(2)	1,637	1,635
Actuarial gain/(loss) on pension reserve	10	0	81	81
Net expenditure for the year		(9,130)	0	(9,130)
Total recognised income and expense for 2024/25		**(9,132)**	**1,718**	**(7,414)**
Funding from Scottish Government		9,357	0	9,357
Balance at 31 March 2025		**225**	**1,718**	**1,943**

	Note	General Fund £000	Pension Reserve £000	Total Reserves £000
Balance at 1 April 2025		225	1,718	1,943
Actuarial gain/(loss) on pension reserve	10	0	(7)	(7)
Net expenditure for the year		(10,772)	0	(10,772)
Total recognised income and expense for 2025/26		**(10,547)**	**1,711**	**(8,836)**
Funding from Scottish Government		11,700	0	11,700
Balance at 31 March 2026		**1,153**	**1,711**	**2,864**

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 2025/26 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)
- Right of Use assets – end of the useful life (or lease term if shorter)

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 and 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 City of Edinburgh 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 International Accounting Standard (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 2023. 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

For any new contracts entered into, CHS considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

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

- whether the contract contains an identified asset, either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to CHS;

- whether CHS has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.

Measurement and recognition of leases

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

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

In line with the FReM, CHS has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term. The costs relating to these in the year to 31 March 2026 was £nil (2025: £nil).

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 non-current 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 pension estimation technique.

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

Changes in assumptions at 31 March 2026	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.1% decrease in real discount rate	2%	161
1 year increase in member life expectancy	4%	309
0.1% increase in the salary increase rate	0%	7
0.1% increase in the pension increase rate (CPI)	2%	154

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 CHS'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 this report, based on the profile (average member ages, retirement ages etc.) of CHS as at the date of the most recent 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, no key standards were not yet adopted.

2 Staff numbers and related costs

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

	2025/26	2024/25
	£000	£000
Board fees and expenses	50	35
Shared services	44	50
Legal fees	23	23
Running costs	1,530	1,224
Direct support for panel	168	126
Training, recruitment and other staff costs	381	158
Auditor remuneration[21]	22	16
Internal auditors' remuneration	27	21
Recruitment of Panel Members	83	388
Training of Panel and AST Members	1,019	1,392
Panel and AST Member Expenses	388	327
	3,735	**3,760**

[21] The external audit fee payable for the year 2025/26 was £17,821 (2024/25: £16,150)

4 Property, Plant and Equipment

Additions of total property, plant and equipment in the schedule of £0.257m (2024/25: £0.577m) appear in the cash flow as £0.086m (2024/25: £0.003m) after adjustment for opening and closing property, plant and equipment accruals in trade and other payables.

2025/26	Leasehold Improvements £000	Computer equipment £000	Assets under construction £000	Total £000
Cost/Valuation				
Opening Balance	192	1,709	0	1,901
Additions	0	257	0	257
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	192	1,966	0	2,158
Accumulated depreciation				
Opening Balance	192	1,067	0	1,259
Provided in year	0	251	0	251
Withdrawn on disposal	0	0	0	0
Closing Balance	192	1,318	0	1,510
Net Book Value				
At 31 March 2026	**0**	**648**	**0**	**648**
At 31 March 2025	0	642	0	642

2024/25	Leasehold Improvements £000	Computer equipment £000	Assets under construction £000	Total £000
Cost/Valuation				
Opening Balance	192	1,132	0	1,324
Additions	0	577	0	577
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	192	1,709	0	1,901
Accumulated depreciation				
Opening Balance	192	941	0	1,133
Provided in year	0	126	0	126
Withdrawn on disposal	0	0	0	0
Closing Balance	192	1,067	0	1,259
Net Book Value				
At 31 March 2025	**0**	**642**	**0**	**642**
At 31 March 2024	0	191	0	191

5 Leases and Right of Use asset

CHS had only one lease obligation relating to a right of use asset: an office building called Thistle House. CHS has a Memorandum of Terms of Occupation (MOTO) with landlords Scottish Legal Aid Board (SLAB) for occupancy of office space at 91 Haymarket Terrace, Edinburgh which operates on a 1 year rolling contract. An amendment to the MOTO was agreed in January 2025 that anticipates occupancy of Thistle House to 31 March 2030. Accordingly, this term is used in recognising an asset and liability in the accounts as at 31 March 2025 and 31 March 2026.

The right of use asset recognised in CHS' Statement of Financial Position, and the depreciation charged in respect of that asset, is as follows:

	2025-26	**2024-25**
	£000	**£000**
Cost/Valuation		
Opening Balance	405	167
Remeasurement of existing leases	0	238
Transfers	0	0
Disposals	0	0
Closing Balance	405	405
Accumulated depreciation		
Opening Balance	157	107
Provided in year	51	50
Withdrawn on disposal	0	0
Closing Balance	208	157
Net Book Value at 31 March	**197**	**248**

Maturity analysis of lease liabilities as at 31 March	2026 Lease payments £000	2025 Lease payments £000
Within one year	59	45
Later than one year and not later than five years	156	204
	215	249

	2026 Finance charges £000	2025 Finance charges £000
Within one year	12	11
Later than one year and not later than five years	13	21
	25	**32**

6 Intangible Assets

Additions of total intangible assets in the schedule of £0.464m (2024/25: £0.486m) appear in the cash flow as £0.316m (2024/25: £0.367) after adjustment for opening and closing intangible asset accruals in trade and other payables.

2025/26	Developed Software	Website	Assets under construction	Total
	£000	£000	£000	£000
Cost/Valuation				
Opening Balance	1,650	18	0	1,668
Additions	464	0	0	464
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	**2,114**	**18**	**0**	**2,132**
Accumulated amortisation				
Opening Balance	817	18	0	835
Provided in year	313	0	0	313
Closing Balance	**1,130**	**18**	**0**	**1,148**
Net Book Value				
At 31 March 2026	**984**	**0**	**0**	**984**
At 31 March 2025	833	0	0	833

2024/25	Developed Software	Website	Assets under construction	Total
	£000	£000	£000	£000
Cost/Valuation				
Opening Balance	1,164	18	0	1,182
Additions	486	0	0	486
Transfers	0	0	0	0
Disposals	0	0	0	0
Closing Balance	**1,650**	**18**	**0**	**1,668**
Accumulated amortisation				
Opening Balance	602	18	0	620
Provided in year	215	0	0	215
Closing Balance	**817**	**18**	**0**	**835**
Net Book Value				
At 31 March 2025	**833**	**0**	**0**	**833**
At 31 March 2024	562	0	0	562

7 Trade and other receivables

7.1 Amounts falling due within one year

	2026	2025
	£000	£000
Other receivables	2	0
Prepayments	341	239
at 31 March	**343**	**239**

7.2 Intra governmental balances

	Receivables: amounts due within one year	Receivables: amounts due within one year
	2026	2025
	£000	£000
Balances with other central government bodies	0	21
Balances with local government bodies	0	0
Intra governmental balances	**0**	**21**
Balances with bodies external to government	343	218
at 31 March	**343**	**239**

8 Cash and cash equivalents

	2026	2025
	£000	£000
Balance at 1 April	1,883	2,111
Net change in cash and cash equivalents	649	(228)
Balance at 31 March	**2,532**	**1,883**
Bank accounts	2,532	1,883
at 31 March	**2,532**	**1,883**

All bank balances at 31 March 2026 are held with commercial banks.

9 Trade and other payables

9.1 Amounts falling due within one year

	2026	2025
	£000	£000
Trade payables	343	974
Tax and social security	136	115
Other payables	95	83
Accruals	1,051	481
	1,625	**1,653**

The decrease in total trade and other payables of £0.028m (2024/25: increase £0.184m) is shown in the statement of cash flows as a decrease of £0.347m (2024/25: decrease £0.509m) after adjustment for movements in property, plant and equipment (note 4) and intangible assets (note 6).

9.2 Intra governmental balances

	Payables: amounts due within one year 2026	Payables: amounts due within one year 2025
	£000	£000
Balances with other central government bodies	175	174
Balances with Local Authorities	219	201
Intra governmental balances	**394**	**375**
Balances with bodies external to government	1,231	1,278
at 31 March	**1,625**	**1,653**

10 Pensions

Information about the assumptions underlying the figures in this note can be found in Note 1.6 Employee benefits and Note 1.15 Review of Accounting Policies and Estimation Techniques.

The financial assumptions CHS instructed the actuary to use are:

Year ended 31 March	**2026** **% p.a.**	**2025** **% p.a.**
Pension increase rate (CPI)	3.00	2.75
Salary increase rate	3.70	3.45
Discount Rate	6.30	5.80

As at the date of the most recent valuation, the duration of CHS' funded obligations is 22 years.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for CHS are:

	Males	**Females**
Current pensioners	22.4 years	21.9 years
Future pensioners[22]	22.6 years	25.5 years

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements is the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. This applies to both current and future pensioners.

[22] Figures assume members aged 45 as at the last formal valuation date.

Please note that the mortality assumptions used to value the obligations in CHS' closing position are different to those used to value the obligations in CHS' opening position.

A commutation allowance is included for future retirements to elect to take 70% of the maximum additional tax-free cash up to HMRC limits.

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

Asset ceiling adjustment

Between 31 March 2023 and at 31 March 2026, the fair value of plan assets exceeded the estimated present value of liabilities. In accordance with International Financial Reporting Interpretations Committee Interpretation 14 ("IFRIC 14"), CHS only recognises that net asset, in its Statement of Financial Position, to the extent that it represents the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions. CHS has no unconditional right to refunds from the plan. When expressed as the present value of estimated future service costs less the present value of estimated future service contributions, the economic benefit available in the form of reductions in future contributions is £0; this is what CHS has recognised in its Statement of Financial Position. Without an asset ceiling, CHS would have recognised a net pension asset of £2.497m at 31 March 2026 (2025: £1.814m).

Change in the Fair Value of Plan Assets, Defined Benefit Obligations and Net Liability for year ended 31 March 2026

	Assets	Obligations	Impact of asset ceiling adjustments	Net asset/ (liability)
	£000	£000	£000	£000
Fair value of plan assets	7,606	0		7,606
Present value of funded liabilities		5,792		(5,792)
Effect of asset ceiling			(1,814)	(1,814)
Opening Position as at 31 March 2025	**7,606**	**5,792**	**(1,814)**	**0**
Current Service Cost	0	618		(618)
Past Service Cost	0	0		0
Total Service cost	**0**	**618**		**(618)**
Interest income on plan assets	494	0		494
Interest cost on defined benefit obligation	0	388		(388)
Interest on the effect of the asset ceiling			(105)	(105)
Total Net Interest	**494**	**388**	**(105)**	**1**
Total defined benefit cost recognised in profit or (loss)	494	1,006	(105)	(617)
Plan participants' contributions	300	300		0
Employer contributions[23]	753	0		753
Benefits paid	(48)	(48)		0
Effects of business combinations and disposals	832	961		(129)
Expected closing position	**9,937**	**8,011**	**(1919)**	**7**

[23] Employer contributions were estimated for the purpose of this analysis. CHS's actual contributions for 2025/26 are as reported in the Remuneration and Staff Report.

Remeasurements				
Change in financial assumptions	0	(384)		384
Change in demographic assumptions	0	39		(39)
Other experience	0	69		(69)
Return on assets excluding net interest	295	0		295
Changes in the effect of the asset ceiling			(578)	(578)
Total remeasurements recognised in Other Comprehensive Income (OCI)	**295**	**(276)**	**(578)**	**(7)**

Fair value of plan assets	10,232	0		10,232
Present value of funded liabilities	0	7,735		(7,735)
Effect of asset ceiling			(2,497)	(2,497)
Closing position as at 31 March 2026	**10,232**	**7,735**	**(2,497)**	**0**

Change in the Fair Value of Plan Assets, Defined Benefit Obligations and Net Liability for year ended 31 March 2025

	Assets	Obligations	Impact of asset ceiling adjustments	Net asset/ (liability)
	£000	£000	£000	£000
Fair value of plan assets	6,557	0		6,557
Present value of funded liabilities		5,912		(5,912)
Effect of asset ceiling			(645)	(645)
Opening Position as at 31 March 2024	**6,557**	**5,912**	**(645)**	**0**
Current Service Cost	0	727		(727)
Past Service Cost	0	0		0
Total Service cost	**0**	**727**		**(727)**
Interest income on plan assets	338	0		338
Interest cost on defined benefit obligation	0	309		(309)
Interest on the effect of the asset ceiling			(31)	(31)
Total Net Interest	**338**	**309**	**(31)**	**(2)**
Total defined benefit cost recognised in profit or (loss)	338	1,036	(31)	(729)
Plan participants' contributions	258	258		0
Employer contributions[24]	648	0		648
Benefits paid	(50)	(50)		0
Expected closing position	**7,751**	**7,156**	**(676)**	**(81)**
Change in demographic assumptions	0	(10)		10

[24] Employer contributions were estimated for the purpose of this analysis. CHS's actual contributions for 2024/25 are as reported in the Remuneration and Staff Report.

Change in financial assumptions	0	(1,294)		1,294
Other experience	0	(60)		60
Return on assets excluding net interest	(145)	0		(145)
Changes in the effect of the asset ceiling[25]			(1,138)	(1,138)
Total remeasurements recognised in Other Comprehensive Income (OCI)[26]	**(145)**	**(1,364)**	**(1,138)**	**81**

Fair value of plan assets	7,606	0		7,606
Present value of funded liabilities	0	5,792		(5,792)
Effect of asset ceiling			(1,814)	(1,814)
Closing position as at 31 March 2025	**7,606**	**5,792**	**(1,814)**	**0**

[25] Last year's financial statements incorrectly reported changes in the effect of the asset ceiling as an increase of £676,000. This has been corrected to a decrease of £1,138,000 as above.

[26] Last year's financial statements incorrectly reported total remeasurements recognised in Other Comprehensive Income as an increase of £1,895,000. This has been corrected to an increase of £81,000 as above.

Fair value of employer assets

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

	2026 Quoted £000	2026 Unquoted £000	2026 Total £000	2025 Quoted £000	2025 Unquoted £000	2025 Total £000
Equity Securities	5,368	0	5,368	3,958	0	3,958
Debt Securities	2,080	140	2,219	1,451	0	1,451
Private Equity	12	9	21	12	1,290	1,301
Real Estate	78	397	475	0	286	286
Investment Funds and Unit Trusts	36	1,637	1,673	187	160	347
Derivatives	0	0	0	2	0	2
Cash and Cash equivalents	474	0	474	261	0	261
	8,050	**2,183**	**10,232**	**5,871**	**1,736**	**7,607**

Analysis of projected amount to be charged to operating profit for year to 31 March 2027

Year ended 31 March 2027	**£000**	**% of pay**
Projected current service cost[27]	(576)	(13.1)
Interest income on plan assets	676	
Interest cost on defined benefit obligation	(513)	
Interest on the effect of the asset ceiling	(157)	
Total included in Statement of Comprehensive Net Expenditure	**(570)**	

[27] 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 £4.383m.

11 Financial Instruments

Because the cash requirements of CHS are met through grant-in-aid, financial instruments play a 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 2025/26, CHS received grant-in-aid of £11,700,000 (2024/25 £9,357,000).

No Board Member, key manager or other related party has undertaken any material transactions with CHS during the year 2025/26 (2024/25: £nil).

Appendix 1

CHILDREN'S HEARINGS SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Schedule 1 of the Children's Hearing Scotland Act (2011), hereby give the following direction.

2. The statement of accounts for the financial year ended 31 March 2026, 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 2 July 2025 is hereby revoked.

A member of the staff of the Scottish Minsters

Dated: 25 June 2026

