



Children's Workforce Development Council

A company limited by guarantee

Annual report and accounts

Year ended 31 March 2012

Children's Workforce Development Council

Annual report and accounts 2011 - 12

Presented to Parliament pursuant to paragraph 6(2) (b) of the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009 (SI 2009 No. 476).

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Annual report

Statement from the Chair and Chief Executive

In this, our final year, we have again delivered high quality work in partnership with employers, the workforce and children, young people and families, to support the children and young people's workforce.

We have maintained our reputation as one of the most cost effective non-executive departmental public bodies (NDPBs) in the Department for Education (DfE) family and across government as a whole.

Since our formation we have sought to strengthen the children's workforce through improved qualifications and skills, increased support for employers, and wider integrated working. Our decisions and actions have always been informed by constant dialogue with our Members Group, who have ensured we have remained closely engaged with the sector, and with employers, practitioners, children, young people and their families.

Our staff have been at all times enthusiastic, committed, true to our vision and to our values. Together, we are deeply proud of our achievements.

We have transformed some of the most challenged sections of our workforce, leading a substantial programme of reform in social work and early years. We have supported local authorities to become much more effective in planning for their workforce. We have set up new systems to allow voluntary and private sector employers to access workforce support.

When professionals work together well, everyone benefits. Evidence shows that integrated services keep children and young people safer. Outcomes for children are significantly better – they learn better, are healthier and happier.

We also know professionals and volunteers benefit from working in integrated teams. They remain longer in post, they record greater satisfaction with their job, and they have more opportunities for career development. In turn, employers benefit from the greater flexibility and cost-effectiveness.

The last 12 months has also been about us finding secure homes for our programmes, so we can be sure our good work continues beyond March 2012. In future, other agencies will pick up the baton we have carried, and we wish them well.

The Department for Education's (DfE) Teaching Agency will continue our work with early years and educational psychologists. Our social work reform programme will transfer to DfE, alongside sector-led development across all other sections of the workforce. The leadership and support of integrated working will transfer to the Children's Improvement Board, with the support of DfE.

Effective workforce development has never been more important. In austere times, organisations need to call upon the skills of their workforce to find new solutions. Employers across all sectors must redouble their efforts to train and support those working with children and young people, including volunteers.

As we close our final year of delivery, we thank our staff, the employers we have worked with, and the children and young people who have advised us. It has been a great seven years.

A handwritten signature in black ink that reads "Paul Ennals". The signature is written in a cursive style with a long, sweeping underline.

Sir Paul Ennals CBE

A handwritten signature in black ink that reads "Jane Haywood". The signature is written in a cursive style.

Jane Haywood MBE

Annual report

Directors' report

Brief history and statutory background

The Children's Workforce Development Council (CWDC) was set up in 2005 to support employers in developing a skilled and effective workforce working with children, young people and families. CWDC became an executive Non-Departmental Public Body (eNDPB) on 1 April 2008. It has been sponsored by the Department for Education.

better so that the child is at the centre of all services.

- Be the influential voice of employers and the workforce which is recognised by national and local government and key partners.

Our funded programme budgets

Our programme budget for 2011/2012 was £100.1m, broken down over the following areas:

- Social Work - £78.6m
- Early Years - £16.2m
- Educational Psychologists - £5.2m
- Sector Led Development - £0.1m

Registered Office:

2nd Floor
City Exchange
11 Albion Street
Leeds
LS1 5ES

Company Registration Number:
5409076

Objectives and strategies to achieve them

CWDC has existed to:

- Improve the lives of children and young people, their families and carers by ensuring that all people working with them have the best possible training, qualifications, support and advice.
- Help the children and young people's workforce to work together

Principal activities and review of the business

CWDC has led workforce reform across the wider children and young people's workforce to support more than 7.6m people working and volunteering in a range of sectors, including early years and childcare, children's social workers and foster carers, education welfare and social care for children and young people. CWDC has been one of six bodies forming the UK Skills for Care and Development Sector Skills Council.

Review of 2011-12

For the year ended 31 March 2012, CWDC received Grant-in-Aid funding in respect of all its activities. All Grant-in-Aid from the DfE is treated as financing rather than income as it is a contribution from controlling parties giving rise to a financial interest in the Company. It is recorded as financing in the cash flow statement and credited to reserves. During the year CWDC restricted the claiming of Grant-in Aid (GIA) to an amount equivalent to liabilities transferred to the DfE and the Teaching Agency. This resulted in CWDC drawing down £4.3m of Grant in Aid less than the initial allocation from the DfE; allowing these funds to be utilised by the DfE to settle liabilities transferred to them on 1 April 2012.

The statement of financial position at 31 March 2012 shows net assets of £nil (£16.2m of liabilities in 2010-11). In addition note 11 shows payables of £6.9m (£20.1m in 2010-11) arising for expenditure already incurred. This reflects the inclusion of liabilities falling due in future years,

which were transferred to the DfE or the Teaching Agency on 1 April 2012. The DfE ceased funding CWDC from April 2012 and removed its eNDPB status. Most of CWDC's delivery programmes transferred to the DfE or the Teaching Agency, which is a newly formed agency of the DfE.

CWDC will enter into voluntary liquidation on the 21 June 2012 with the Liquidators being Philip Pierce and Mark Ranson of Baker Tilly Restructuring and Recovery LLP.

If after all liabilities have been settled there is a subsequent deficit from outstanding liabilities, DfE has assured the Directors in a letter of comfort and a deed of indemnity that it is willing to provide the funding required.

There are no risks to CWDC's suppliers as a result of the change of status. However, the going concern basis is not appropriate for the production of CWDC's accounts and the accounts have therefore not been prepared on that basis.

Our work this year

We have had two over-arching objectives during 2011/12 - the delivery of our remit, and the smooth transition of our work after closure.

We have worked closely with colleagues in DfE and other partner organisations. This approach means we close CWDC confident that what we have achieved over the last seven years is safely transferred to DfE, its executive agencies, and other organisations.

Our work throughout 2011-12 has supported DfE's policy approach of continuing to fund sector-led improvement for key priority areas, including early years, social work and educational psychology. This is alongside the withdrawal of centrally funded programmes for areas where numbers and skills issues have been sufficiently addressed or are being reviewed.

In the future, the government will consider when and how to help employers and professionals who work in non-funded areas to take greater responsibility for training and development.

Our programme achievements

Social work

- Administering and distributing £51.8m funding to local authorities through the Social Work Improvement Fund (SWIF).
- Recruiting and supporting more than 31 SWIF advisors to deliver

- peer support to other local authorities.
- Supporting employers who have recruited more than 1,812 social workers to our Newly Qualified Social Worker programme.
- Helping employers provide further support to more than 1,550 social workers in their second and third years of employment through our Early Professional Development programme.
- Supporting local authorities to train almost 400 candidates on the employment-based Step Up to Social Work programme.
- Supporting around 150 qualified practitioners to be able to return to the profession through our Return to Social Work programme.

Early years

- Supporting more than 2,800 candidates to successfully attain Early Years Professional Status (EYPS).
- Reaching a total of more than 9,800 professionally accredited graduate early years practitioners available to the workforce.
- Supporting employers to plan more strategically for staff through the Early Years Qualifications Audit Tool. More than 7,900 local settings and 780 childminders are registered on it.
- Achieving 88% satisfaction rate among EYPS candidates for their training and assessment.
- Ensuring 91% of candidates identified that EYPS increased their confidence as practitioners.
- Achieving 73% satisfaction rate among candidates for New Leaders in Early Years training

- Launching the new era EYPS contracts in November 2011 and recruiting 1500 candidates to pathways by January 2012
- Recruiting 30 candidates to the New Leaders in Early Years scheme

Educational psychologists

- Overseeing the submission of almost 800 online applications for the September 2011 intake of trainees.
- Helping more than 120 educational psychology trainees successfully complete their training.
- Supporting more than 360 further trainees currently in training.
- Successfully launching the online application process for 2012 courses.

Sector Led Development

Families with multiple needs

- Launching a new qualification and resources for practitioners providing intensive support for families with multiple problems.
- Providing a comprehensive 'train the trainer' course and supporting resources to enable 80 trainers to deliver the new Level 4 Award in Work with Parents (Intense support for families with multiple and complex needs).
- Unveiling a comprehensive learner resource to support the launch of the new Level 4 Award and revised manager support guidance.
- Supporting employers to strategically plan for the training and development of their local parenting and families workforce through 12 regional workshops.

- Supporting employers to develop sustainable strategies to meet local demands for accredited family and parenting worker training.
- Working alongside partners to support the national *Families with Multiple Problems* programme.

Residential care for children and fostering

- Continuing to deliver and maintain recruitment guidance and training.
- Supporting more than 5,100 people to enrol on the Recruiting Safely training, with more than 3,000 completing in 2011.
- Supporting more than 7,000 people to enrol on the Safer Recruitment in Education training, with more than 4,500 completing in 2011.
- Supporting employers to share effective practice, develop a more informed workforce and improve recruitment practice.

Safer recruitment

- Continuing to deliver and maintain recruitment guidance and training.
- Supporting more than 5,100 people to enrol on the Recruiting Safely training, with more than 3,000 completing in 2011.
- Supporting more than 7,000 people to enrol on the Safer Recruitment in Education training, with more than 4,500 completing in 2011.
- Supporting employers to share effective practice, develop a more informed workforce and improve recruitment practice.

Integrated Working

- Continuing to embed integrated working across the wider children's workforce, including the promotion and sharing of good practice.

Child Poverty and Disadvantage

- Producing the Child Poverty Checklist and user guidance.
- Producing a child poverty practitioner training module and learner resource.
- Working in partnership with the Child Poverty Protection Unit and adding our resources to the Child Poverty Communities of Practice online forum.
- Conducting child poverty training gap analysis to assess areas for development and producing recommendations.

Disability Capacity

- Continuing to support short break carers and general disability awareness training.
- Working in partnership with DfE to develop capacity among the non-schools workforce to support disabled children and young people.
- Making the Disability Awareness Checklist available to the wider workforce.
- Creating a signposting resource for training practitioners working with disabled people and young people.

A brief history of our time...

CWDC was established in 2005, following the review into the death of Victoria Climbié, to support the implementation of Every Child Matters (ECM).

ECM was an innovative approach to the wellbeing of children and young people. It recognised that the 7.6m people who work or volunteer with them needed to be better trained, and better trained to work together.

Over the last seven years at CWDC, we have lived our values of being strong, accountable, collaborative and informed. We have improved the way the workforce works together, embedding integrated working practices and providing the training and support for professionals and volunteers.

We were one of six organisations that made up the Skills for Care and Development (SfCD) partnership, which was established to address issues across the children and young people's workforce throughout the UK. As a sector skills council body, we worked in partnership with employers and stakeholders to meet the skills and productivity challenges of workers and volunteers across the early years, social care and learning development and support services sectors. We were the bridge between implementing government policy and responding to the needs of employers. We supported sector-led improvements and produced tools,

guidance and training through listening and responding to children, young people and families and those working with them.

We recognised sector improvements happen best when led locally. This approach, together with a close working relationship with employers, local authorities, like-minded organisations and delivery bodies, has been key to our success.

We recognised the importance of the active participation of children and young people in our business, so we placed them at the heart of our governance, strategy and planning. Our Youth Advisory Group helped us develop our plans and activities so we were confident we were addressing the right issues for them and the workforce. Children and young people's views and advice were part of all our developments and activities.

The government's decision to withdraw our funding was announced at the end of 2010, following a review of government arms length bodies.

Our programmes for social work, early years, integrated working and educational psychology will now be delivered by DfE, one of its executive agencies, or other partner agencies.

Because of CWDC...

...Strategic Workforce Leads work effectively in every local authority to champion workforce reform, and lead integrated working.

...the One Children's Workforce Framework helps professionals understand how to work better together for the benefit of children and young people.

...1,625 young people's workforce leaders and managers are trained to work better with other leaders and managers across the sector.

...the Common Core describes the skills and knowledge needed by everyone working or volunteering with children and young people.

...common induction standards set out what workers should know, understand and be able to do within six months of starting work.

...there is a national baseline for integrated working, and all local authorities are implementing integrated working common practices and processes.

...a Voluntary Sector Engagement fund has supported workforce reform activities between local authorities and the voluntary sector.

...online safer recruitment training has been completed by almost 18,000 people.

...a playwork programme provided formal support for more than 4,000 practitioners.

...the Increasing Skills in Social Care Fund helped more than 7,000 children's residential and foster care practitioners access NVQ and Diploma training.

...Training, Support and Development Standards help all foster carers, including short break carers.

...there is a Level 2 Certificate and Level 3 Diploma for the Children and Young People's Workforce.

...there is a foundation degree framework for Working Together with Young People.

...the Skills Development Framework helps inform further training and qualifications across the young people's workforce.

... 26,000 people have been trained in the young people's volunteer workforce.

... early years practitioners have a graduate professional accreditation.

... more than 9,800 practitioners now have Early Years Professional Status (EYPS), with over 1,500 more now in training.

...the New Leaders in Early Years project has encouraged graduates from outside the sector to develop a career in childcare.

... training on evidence-based parenting programmes has helped more than 1,000 family intervention key workers and family and parenting practitioners.

... more than 1,100 family outreach practitioners have used a bespoke training course and resources .

... 600 parenting and family practitioners have received Level 3 and 4 qualifications in Work with Parents.

...a new Level 4 Award in Work with Parents and training resources supports the training needs of practitioners working with troubled families.

...a child poverty training module and learner resource supports frontline practitioners working with children and families to understand and respond to poverty.

...recruitment of children's social workers was transformed, when the multi-award winning *Be the Difference* recruitment campaign for high quality children and family social workers generated interest from 57,000 people.

...the Newly Qualified Social Worker (NQS) programme has supported more than 6,600 NQSWs, with almost 3,000 progressing onto our Early Professional Development (EPD) programme to support their second or third years of employment.

...a Graduate Recruitment Scheme supported more than 320 candidates to train as a social worker while completing a Masters degree.

...the Step Up to Social Work programme has helped more than 400 trainees complete a work-based training programme to become a social worker alongside studying for a Masters degree.

...the Return to Social Work project has supported almost 600 qualified social workers to be able to return to the profession.

... the Early Years Workforce Qualifications Audit Tool allowed local authorities, employers and practitioners monitor skills in their area or organisation.

... almost 400 educational psychologists have been trained, with more than 360 still in training.

Employee policy and achievements

CWDC's recruitment policy has ensured CWDC attracted and retained high quality staff to build a diverse, highly skilled and highly motivated workforce capable of delivering the organisation's complex agenda. CWDC recognised and valued people's individual contributions to the organisation. Directors and managers led, managed and developed their staff, and all staff were encouraged to actively seek better ways to develop personally and to deliver CWDC's outputs. CWDC developed a flexible resourcing model which enabled staff resource to be moved to priority delivery areas as well as providing opportunities for staff to broaden and develop their skills.

CWDC's employee forum provided a basis for effective consultation on working conditions, changes to working practices, quality, training, new equipment, staffing levels, welfare and health and safety. The forum met at least four times a year and was composed of staff from across the organisation to obtain a cross section of staff for productive improvements, with feedback or ratification from the Board on the suggested improvements.

Equality and diversity

CWDC actively promoted a culture which embraced diversity and promoted equality of opportunity. CWDC sought to recruit a diverse and talented workforce which reflected the society it served. Its goal was to ensure that these commitments, reinforced by its values, were embedded in its day-to-day working

practices with all its customers, colleagues and partners.

CWDC aimed to ensure that there was no discrimination on the grounds of disability, gender, race, and religion as stated in the discrimination legislation and that access to employment and career advancement within CWDC was based solely on ability, qualifications and suitability for the work.

Sustainable Development

The Prime Minister and Government set a number of sustainability targets and ambitions that government departments needed to achieve, including a 10% reduction in CO² emissions before 13th May 2011 as part of the 'Greenest Government Ever' pledge.

CWDC's Sustainable Development Action Plan was developed to complement and mirror that of our sponsor body, the Department for Education (DfE). Our aim for this Sustainable Development Action Plan was to outline how we embedded sustainability principles into our policy development and day-to-day operations. Our key commitments were also detailed to show our priorities.

CWDC was committed to incorporating the Government's sustainable development principles into our work until closure and have set specific targets in areas such as business travel, energy usage and waste reduction.

Commitment to sustainability

CWDC was committed to:

- reducing the energy usage of our Leeds office compared to previous levels;
- reducing the number of staff travelling and the costs involved on a regular basis;
- increasing the awareness of recycling among all staff within the Leeds and London offices making everyone accountable for their actions.

Our offices and operations

A number of measurable actions to allow us to gauge our progress and success have been developed. These actions include a number of low-cost or no cost commitments.

CWDC head office moved into new accommodation in Leeds city centre during 2008 which provided greater energy efficiency and greater recycling opportunities.

We:

- introduced paper and plastic recycling facilities in our Leeds office and encouraged staff;
- to reduce wastage wherever possible; consolidated our forms and office procedures information and resources into our intranet, which we encouraged our staff to use as the key forum for communication. The intranet also helped us to reduce unnecessary printing;
- ensured that all of our publications were sustainably produced and

introduced a stock control system to reduce the volume of printing. Orders were processed online to avoid paper waste;

- adopted a policy to use mains-sourced water (rather than bottled) for staff and for meetings;
- invested in video-conferencing facilities in our Leeds office;
- developed a sustainable procurement policy with a vision of achieving the highest standards of environmental care in our procurement activities. We encouraged our suppliers and funding contractors to do the same;
- implemented a "cycle to work" scheme for CWDC staff;
- produced a sustainability page on CWDC's intranet and internet site;

Health and safety

CWDC maintained an up-to-date health and safety policy statement and a health and safety manual, which were available to all employees. The policy statement set out the organisational responsibilities of the Chief Executive, directors, managers and all employees in respect of health and safety.

All employees were kept up to date with the latest health and safety developments and the Company Secretary responded to any health and safety issues that arise.

The average number of sick days per full-time equivalent employee during the year ended 31 March 2012 was eleven (six in 2010-11).

Payment of creditors

The Late Payment of Commercial Debts (Interest) Act 1998 and the Late Payment of Commercial Debts Regulations 2002 provides all businesses and public sector bodies, with the following entitlements:

- (i) the right to claim interest for late payment.
- (ii) the right to claim reasonable debt recovery costs, unless the supplier has acted unreasonably.
- (iii) the right to challenge contractual terms that do not provide a substantial remedy against late payment.
- (iv) the right for 'representative bodies' to challenge contractual terms that are grossly unfair on behalf of small and medium sized enterprises.

From 1 April 2008 CWDC has supported the Better Payment Practice Code which sets a target payment within 30 days and monitors performance against this target. In total 94% of creditors were paid within 30 days of receipt of invoice in the year ended 31 March 2012 (86% in 2010-11).

There were no interest charges arising and payable by CWDC during the year (£nil in 2010-11).

The aggregate amount owed to trade creditors at 31 March 2012 compared with the aggregate amount invoiced by suppliers during the year, expressed as number of days in the same proportion to the total number of days in the financial year is equal to 0.8 days (2.4 days in 2010-11).

Directors

The directors who served during the year were as follows:

Sir P Ennals, CBE (Chair)
Dr D Braun, OBE
Mr H Cooper, CBE
Mrs J Haywood, MBE (Chief Executive)
Ms J Held
Mr J Khan
Mr N Pursey
Mr J Richards
Mr J Vickers

Pension liabilities

Most past and present employees were covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit scheme was unfunded and non-contributory except in respect of dependants' benefits.

Pension benefits for some staff were provided through a defined contribution pension scheme. Contributions to this scheme are shown as expenditure in the income statement as they became payable in accordance with the rules of the scheme.

Disclosure of information to the auditor

At the date of approval of this report:

- There is no relevant audit information of which the Company's auditor is unaware.
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The Comptroller and Auditor General is the appointed auditor under the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009.

The auditor has not received any remuneration for non-audit work.

This report was approved by the Board on 21 June 2012.



Sir Paul Ennals
Chair and Director
21 June 2012



Mrs Jane Haywood MBE
Chief Executive and Accounting Officer
21 June 2012

Remuneration report

The Remuneration report is prepared in accordance with the Government Financial Reporting Manual.

Part 1 – Unaudited

Remuneration Committee

The Board acts as CWDC's Remuneration Committee, and is made up as follows:

Chair	Sir Paul Ennals
Members	Dr D Braun Mr H Cooper Mrs J Haywood (Chief Executive) Ms J Held Mr J Khan Mr N Pursey Mr J Richards Mr J Vickers

Service contracts of Executive Directors

New appointments to director-level posts are on merit and by fair competition. New opportunities are usually widely advertised, although exceptionally more limited advertising is appropriate.

Policy was to appoint the Chief Executive and other Executive Directors on open-ended contracts or on a period of secondment from other employers. Open-ended contracts have a retirement age of 65 and a notice period of three months.

Early termination for directors and the Executive Directors, other than for misconduct or inefficiency, would result in compensation in line with the Civil Service Compensation Scheme.

Details of the service contract for directors and executive directors who have served during the year are shown below.

	Date of the contract	End of the Contract
Directors		
Sir Paul Ennals	01 August 2009	30 June 2012
Dr D Braun	18 March 2008	30 June 2012
Mr H Cooper	18 March 2008	30 June 2012
Ms J Held	18 March 2008	30 June 2012
Mr J Khan	13 May 2010	30 June 2012
Mr N Pursey	18 March 2008	30 June 2012
Mr J Richards	18 March 2008	30 June 2012
Mr J Vickers	18 March 2008	30 June 2012
Mrs J Haywood	01 July 2005	30 June 2012
Executive Directors		
Mr S Crisp	04 November 2005	31 March 2012
Mr B Tytherleigh	01 June 2008	31 March 2012
Ms D Quill	01 December 2005	31 March 2012
Mr K Brumfitt	02 January 2006	31 March 2012
Mr D Poulson	12 June 2006	31 October 2011
Mrs L Devenny	01 April 2010	2 December 2011
Mr S Jones	21 November 2011	30 June 2012

The proposed resignation date for all directors with the exception of Mrs J Haywood and Sir Paul Ennals is at the liquidation date of 21 June 2012. Service contracts continued until the end of the contract date as above.

Mr S Jones was employed through a third party for the duration of his contract.

Remuneration of executive directors

The policy on the remuneration of executive directors was to ensure that the remuneration package took account of the need to recruit, retain and motivate suitably able and qualified people who could, as a team, lead CWDC to achieve its aims as well as taking responsibility for particular aspects of the business contribution to the achievement of CWDC objectives.

Before 1st April 2010 the executive directors' salaries were determined following annual performance based reviews by the Chief Executive and the Chair, and with reference to pay movements in the wider economy, the public sector and the senior civil service, (in particular the annual Treasury pay guidance), the pay levels and pay system for all other CWDC staff, and the affordability of the proposals, taking account of the CWDC's annual administration budget.

The Chief Executive's salary was determined following an annual performance based review by the Chair. Recommendations for the Chief Executive's salary were subject to approval by the Board, acting as the Remuneration Committee.

The pay system for executive directors was analogous to that of all other CWDC staff, where there was pay progression based on individual performance. Individual performance was assessed against key objectives which were agreed at the beginning of

the financial year taking account of the relevant objectives in the CWDC's corporate plan. The remuneration package included basic pay only. Increases in basic pay were dependent on satisfactory levels of performance.

In line with Cabinet Office guidance, CWDC applied a two year pay freeze for all staff with the exception of employees earning below £21,000 per annum. The pay freeze remained in effect until March 2012.

Part 2 – Audited

Salary and pension entitlements

For the year ended March 2012 there was one compensation payment for a director of £190,947 accrued into the accounts. This was for Mrs J Haywood who was still in employment after 1 April 2012 (£nil 2010-11). Mrs J Haywood's compensation is in accordance with the Civil Service Compensation Scheme and her release has been through a DfE voluntary early release scheme approved by the Cabinet Office.

The following sections provide details of the remuneration and pension interests of the members of CWDC's Board and the Executive Directors.

The salary and pension entitlements of the members of the Board and Executive Directors for the year ended 31 March 2012 are shown below (this table has been subject to audit):

Children's Workforce Development Council
Company limited by guarantee
Annual report
31 March 2012
Remuneration report

	Salary as defined below (note 1) £'000	Salary payments 2012 to 30 June 2012 £'000	Prior year salary as defined below (note 1) £'000	Real increase at pension age £'000	Total accrued at pension age as at 31 March 2012 £'000	CETV at 31 March 2012 (note 3) £'000	CETV at 31 March 2011 (note 3) £'000	Real increase in CETV £'000
Dr D Braun <i>Director</i>	5-10	0-5	5-10	-	-	-	-	-
Mr K Brumfitt (note 2) <i>Director of Delivery</i>	95-100	-	95-100	0-2.5	50-55	875	797	8
Mr S Crisp <i>Director of Delivery</i>	85-90	-	85-90	0-2.5	10-15	179	148	18
Mrs L Devenny (note 4) <i>Acting Director of Finance and Company Secretary</i>	5-10 (60-65 full year equivalent)	-	-	0-2.5	0-5	48	40	5
Sir P Ennals (note 5) <i>Chairman</i>	20-25	5-10	-	-	-	-	-	-
Mrs J Haywood <i>Chief Executive</i>	105-110	25-30	105-110	0-2.5	55-60	1,075	981	9
Ms J Held <i>Director</i>	5-10	0-5	5-10	-	-	-	-	-
Mr D Poulson (note 6) <i>Director of Finance and Company Secretary</i>	50-55 (85-90 full year equivalent)	-	85-90	0-2.5	20-25	176	160	3
Mr N Pursey <i>Director & Chair of Audit Committee</i>	10-15	0-5	10-15	-	-	-	-	-
Ms D Quill <i>Director of Delivery</i>	85-90	-	85-90	0-2.5	15-20 plus lump sum of 40-45	362	318	20
Mr B Tytherleigh <i>Director of Business Development and Performance</i>	85-90	-	85-90	0-2.5	30-35	558	493	11
Mr J Vickers <i>Director</i>	5-10	0-5	5-10	-	-	-	-	-

- (1) Salary comprises gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. Salary does not include amounts which are a reimbursement of expenses directly incurred in the performance of an individual's duties. This report is based on accrued payments made by CWDC and thus recorded in these accounts.
- (2) The salary shown for Mr K Brumfitt includes reserved rights to a London weighting of £12,368 in both this year and the prior year. Mr K Brumfitt reduced his working hours on 19 March 2012 to 0.55 of FTE which was reflected in the remuneration he received during this period.
- (3) The actuarial factors used to calculate were changed in 2010-11. The CETVs at 31 March 2011 and 31 March 2012 have both been calculated using new factors for consistency. The CETV as at 31 March 2011 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors
- (4) For the period from 1 November to 2 December 2011 Mrs L Devenny was Acting Director of Finance and Company Secretary. The salary shown relates to this period.
- (5) Sir Paul Ennals' remuneration was made payable to National Children's Bureau until August 2011
- (6) Mr D Poulson ceased employment with CWDC on 31 October 2011. The salary shown relates to this period .

The amounts payable to external parties were as follows:

- £21,820 was made payable to National Children's Bureau for the period 1 April 2011 to 16 August 2011 for the services of Sir P Ennals (£51,891 2010-11) For the remainder of 2011-12 financial year following his departure from NCB Sir P Ennals was remunerated through CWDC payroll.
- £5,100 was made payable to Wirral MBC for the services of Mr H Cooper from 1 April 2011 to 30 November 2011 (£7,650 in 2010-11). Following his departure from Wirral MBC the balance owing of £5,355 was made payable to Howard Cooper Consulting Ltd for the period 1 December 2011 to 30 June 2012. Mr H Cooper's contract will cease on 30 June 2012.
- £7,650 was made payable to UNISON for the services of Mr J Richards (£7,650 in 2010-11). A total amount of £1,913 was accrued into the accounts for the period 1 April 2012 to 30 June 2012. Mr J Richards' contract will cease on 30 June 2012.
- £7,650 was made payable to Jay Kay Associates for the services of Mr J Khan (£7,013 in 2010-11 appointed as a Director on 13 May 2010). A total amount of £1,913 was accrued into the accounts for the period 1 April 2012 to 30 June 2012. Mr J Khan's contract will cease on the 30 June 2012.
- Mr S Jones was appointed through a third party as Interim Director of Finance following the departure of Mrs L Devenny, £76,255.20 was made payable to Gatenby Sanderson for the services of Mr S Jones for the period ended March 2012. An amount of £51,408 was accrued for the contracted period of employment after 1 April 2012. Mr S Jones' contract will cease on the 30 June 2012.

2011 -12	Note 7	2010-11	Note 7
Band of Highest Paid		Band of Highest Paid	
Director's total remuneration	300-305	Director's total remuneration	105-110
Remuneration Median Total	34,020	Remuneration Median Total	31,623
Remuneration Ratio	8.89	Remuneration Ratio	3.46

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contribution and the cash equivalent transfer value of pensions.

The banded remuneration of the highest-paid director in Children's Workforce Development Council in the financial year 2011-12 was £300-305k (2010-11, £105-110k). This was 8.89 times (2010-11, 3.46) the median remuneration of the workforce, which was £34,020 (2010-11, £31,623).

The remuneration of the highest paid director includes a compensation payment of £190,947 resulting in an increase in the remuneration ratio for year ended 2011-12. The remuneration ratio would be 3.16 if calculated excluded the compensation payment.

In 2011-12 nil (2010-11, nil) employees received remuneration in excess of the highest-paid director.

The monetary value of benefits in kind covers the benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were no benefits in kind paid during the year ended March 2012 (£3,298 in 2010-11 received by Mr B Tytherleigh for relocation costs).

There was no performance related remuneration or bonuses paid to employees or directors during the year ended 31 March 2012 (£nil in 2010-11).

The pension of all the Executive Directors is through the Principal Civil Service Pension Scheme (PCSPS) - see note 4.2 in the accounts.

Cash Equivalent Transfer Values (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a

consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Regarding the Board and the Executive Directors, the CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Scheme and for which the Scheme has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the Scheme at their own cost.

Real Increase in CETV

For the Board and the Executive Directors, this reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another

pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Mrs J Haywood MBE
Chief Executive
Accounting Officer of CWDC
21 June 2012

Statement of the Directors' and Accounting Officer's responsibilities

The directors are responsible for preparing the annual report and accounts in accordance with the Companies Act 2006 and directions issued by the Secretary of State.

Company law and directions from the Secretary of State require the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on an appropriate basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006 and the HM Treasury's Financial Reporting Manual (FRoM). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the

prevention and detection of fraud and other irregularities.

The Accounting Officer for the Department has designated the senior full-time official, the Chief Executive, as the Accounting Officer for CWDC. The responsibilities of an Accounting Officer, includes responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the CWDC's assets, are set out in chapter three of Managing Public Money, which is available on the Treasury website.

Governance Statement

The Governance Statement explains CWDC's commitment to the principles of good governance and how it was applied in 2011/12. CWDC stopped trading at the end of March 2012 so this statement looks back at our governance environment and it highlights the key risks and issues faced by CWDC in 2011/12.

Scope of responsibility

As Accounting Officer I had responsibility for maintaining a sound system of governance that supported the achievement of CWDC's policies, aims and objectives. I was personally responsible for safeguarding CWDC's assets and the public funds associated with CWDC. I have done this in accordance with the responsibilities assigned to me in Managing Public Money. This responsibility has also been exercised during the closure of the company from April – June 2012.

CWDC's management statement and financial memorandum defined the respective roles of the Accounting Officer, the Chair and the non-Executive Board; it also defined the reporting requirements placed on CWDC.

CWDC engaged regularly with the DfE through monthly performance meetings and formal reports following Board meetings to ensure that relevant information was shared, and risks identified and managed appropriately.

CWDC Members Group

CWDC was an employer-led organisation; its Members comprised

representatives of the Nominating Bodies appointed pursuant to Articles 2 and 3 of CWDC's Articles of Association and the Bye-laws.

The directors were answerable to the Members for ensuring that CWDC met its objectives and during the year provided members with regular written updates in this regard. Members of CWDC were able to provide fundamental safeguards which are embodied in the Articles of Association of CWDC and in English law. Decisions which impact on Members' rights required approval by at least three quarters of the Members, at a general meeting.

CWDC Members played an active role in shaping and influencing the business and direction of CWDC. Whilst CWDC's directors were responsible for the development of strategy and oversight of day-to-day operations, the Members were responsible for approving the business plan.

The Board

The CWDC Board consisted of eight non-Executives and myself, as the single Executive member. The Board was appointed by the Members rather than the Secretary of State.

The Board met regularly with me and my Executive Management Team to provide strategic guidance to us. The Board acted as the Risk Management Committee and was informed of the risks facing CWDC and the response for dealing with risks.

The Audit Committee had, as part of its responsibilities, a role in challenging the effective identification and

management of risks, including personal and other sensitive information. During the close down period the Board and audit committee continued to discharge their responsibilities and the Chair of the Board continued to provide leadership to me and the Board.

The role of the Board

Directors had responsibility for ensuring that CWDC complied with any statutory or administrative requirements for the use of public funds. This role continued during the closure period. The Board was CWDC's senior body, having a strategic, cross cutting corporate focus and providing corporate leadership, within the statutory and delegated authority agreed with DfE.

At each Board meeting the Board ensured that appropriate time was given to strategic, operational and performance issues, and to the management of risk. In order to do this the Board received detailed performance information for each programme which set out progress towards meeting key performance indicators, and summarised the financial position and issues and risks. This was supported by a detailed financial report and strategic risk log.

The format of papers was developed over time so that the Board was able to make effective judgements and raise appropriate challenge. The Board received regular reports from the Chair of the Audit committee and, as part of this report, regular reports from internal and external audit.

DfE performance reviews and internal audits have given the CWDC Board independent assurance that they had sufficient high quality information upon which to base their judgements and hold the Executive to account for the delivery of planned objectives.

The Board carried out regular annual assessments of its own performance and the Chair undertook annual assessments of individual Board member's performance. In this last year of operation the Board agreed that a formal self assessment process was unnecessary. However the effectiveness of individual Board members was assessed by the Board Chair. These assessments concluded that all Board Members were individually and collectively effective.

In this last year the demands on the time of Board members have increased. There were 8 Board meetings in 2011-12, an increase on the normal 6 meetings a year. The table below sets out Board attendance for 2010 -11 and 2011-12. Where Directors have not been able to attend the formal meetings this has been with the agreement of the Chair, and Board members have provided comments and views to the meeting via the Chair.

Name	2010-11	%	2011-12	%
Sir Paul Ennals	6	100	8	100
Jane Haywood	6	100	8	100
Dorit Braun	6	100	4	50
Howard Cooper	5	83	6	75
Jane Held	6	100	6	75
Javed Khan	4	67	4	50
Nigel Pursey	6	100	7	86
Jon Richards	6	100	5	63
Jonathan Vickers	5	83	6	75
TOTAL	50	93	54	75

Audit Committee

CWDC's Audit Committee provided support and challenge on issues of risks, control, governance and other related matters. The Committee also provided advice to the Board on these matters. The Committee supported both the audit (internal and external) and risk management roles. The Audit Committee comprised three non-Executive members. Their role continued during the closure period.

The Board confirmed all appointments for a fixed term, after which the appointment ended or became eligible for renewal up to a maximum of three years. The Audit Committee met five times between 1 April 2011 and 31 March 2012 scheduled at key points in the financial reporting and audit cycle.

The Audit Committee's role on internal control was to:

- monitor the integrity of the financial statements of the Company;
- review significant financial reporting judgements;
- review the Company's internal financial control, risk management and disaster recovery systems;
- monitor and review the effectiveness of the Company's internal audit function;
- carry out investigations into any significant allegations of irregularity in the Company's operations and to set up an independent group for special investigations if needed; and
- review with management the adequacy of policies and practices involving legal and ethical compliance.

Baker Tilly UK Audit LLP provided an internal audit service, and has conducted an independent appraisal across the full range of CWDC's activities, financial and otherwise.

The internal audit service was carried out to professional standards promulgated by HM Treasury and complied in all material respects with Government Internal Audit Standards.

The Internal Audit service was responsible for giving assurance to the Board through the Audit Committee

and CWDC's Accounting Officer on the adequacy of CWDC's risk management, control and governance processes. The Board of Executives determined whether or not to accept the audit recommendations and to recognise and accept the risks of inaction.

In 2011 – 12 the Audit Committee attendance was 100%. I have attended all the audit committee meetings supported by my Director of Finance. DfE were invited to all meetings. The internal and external auditors have attended all meetings and have been able to give private advice to the non-Executive members before each meeting

The role of the Chair of the Board

The Chair had particular responsibility for providing effective leadership in:

- Formulating the Board's strategy;
- Ensuring that CWDC delivered against its business objectives and targets;
- Encouraging high standards of propriety and promoting the efficient and effective use of staff and other resources throughout CWDC;
- Ensuring that the Board, in reaching decisions, took proper account of guidance provided by DfE;
- Providing support, challenge and advice to the Chief Executive;
- Representing the views of the Board to the general public.

The Chair has been effective in leading CWDC over the last year and through the closure period. He has provided performance management to me as CEO and, through me, to the Executive team to ensure that the company has achieved all of its

strategic objectives which were agreed with CWDC members and the DfE in 2011-12.

The role of the Chief Executive

I was responsible for the overall organisation, management and staffing of CWDC, and for its procedures in financial and other matters, including conduct and discipline. This involved the promotion, by leadership and example, of the values embodied in the Seven Principles of Public Life.

In addition, I was designated by the Secretary of State for Education as the Accounting Officer, and as such I was personally responsible for safeguarding the public funds provided to CWDC; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the Company. This role and responsibility continued through the closure period.

The role of the Executive Management Team

To the extent permitted by the constitutional documents, responsibility for the day-to-day operation of the Company was delegated to the Chief Executive and other members of the Executive Management Team within a clearly understood framework of strategic control.

The Executive Management Team was responsible for ensuring the delivery of the Company's strategic objectives and for ensuring that the Company achieved the targets set out in the business plan.

Public Service Values

CWDC was committed to the Government's published seven principles of public life.

As a public body, CWDC:

- Observed the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds;
- Maximised value for money through ensuring that services were delivered in the most economical, efficient and effective way, within available resources;
- Was accountable to Parliament, users of services, individual citizens and its staff for its activities for the stewardship of public funds and the extent to which key performance targets and objectives were met;
- Complied fully with Government policy on openness and responsiveness.

In addition to adhering to Public Service values, CWDC complied with relevant provisions set out in the Corporate Governance Code for 2011-12 financial year ensuring appropriate separation of duties between the Board, Audit Committee and Executive. As Accounting Officer I reviewed CWDC's implementation of the code as part of the accounts closure process. To the extent that it is deemed relevant and practical CWDC has followed the code requirements.

CWDC followed best practice in making available information to the public, particularly through the internet at www.cwdcouncil.org.uk.

The Company consulted its users on a wide range of issues by means of online questionnaires, meetings, or

other forms of cost-effective consultation.

The purpose of the internal control systems

The system of internal control was designed to promote high standards of corporate governance and manage risk to a reasonable level rather than to eliminate risk of failure to achieve policies, aims and objectives. It could therefore only provide reasonable and not absolute assurance of effectiveness.

The CWDC system of internal control was based on an ongoing process designed to identify and prioritise the risks to the achievement of its policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Internal control assurance

The CWDC Audit Committee was required to give the Board an opinion on the adequacy and effectiveness of the CWDC internal control systems, and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness.

The system of internal control operated effectively at CWDC for the year ended 31 March 2012 and up to the date of the annual report and accounts, and accords with HM Treasury guidance.

Based upon matters reported to and considered by the Committee, the Committee concluded that in their opinion the Board could rely on the

internal control mechanisms and that arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness were adequate and effective.

The Committee was also of the view that the Board responsibilities, as described in the annual financial statements, had been satisfactorily discharged.

The system of internal control

CWDC's system of internal control comprised a number of elements. These included:

- A defined management structure;
- Clear roles and responsibilities;
- A company wide system of supervision and appraisal which had a clear focus on delivery, finance and risk;
- Separation of duties;
- Regularly reviewed delegations of authority;
- Scrutiny by the Board and audit committee which was supported by internal audit advice;
- Information assurance policies, training and implementation; and
- Detailed operational and strategic risk management.

With closure in March, CWDC had comparatively fewer staff as preparations were made for solvent company liquidation in June. However,

despite a reduced team, CWDC maintained an appropriate separation of duties and has agreed these

arrangements in advance with the Audit Committee.

Change of Status

As part of the wider review of Arms Length Bodies a decision was taken on 15 November 2010 to cease the DfE's funding of the children's workforce reform activities through CWDC by 2012. This triggered a stepped reduction in funding during 2011-12.

This action changed the underlying risk profile of CWDC and, to mitigate risk failure or any unacceptable risks, the internal audit plan was revised. The Board asked the audit committee to lead on this work. As a result key controls were re-assessed and a planned standard agenda item on the Audit Committee focused on the impact of staff leaving the organisation in the control environment. Through a detailed PRINCE2 based project planning approach and a Joint CWDC and DfE transition programme, appropriate control has been maintained until the change process was completed.

The Board also asked the Audit Committee to focus on the risks of closure and provide advice on solvency so that the Board could make appropriate declarations for liquidation.

To ensure that the Board maintained its independent oversight role effectively and transparently, the CWDC policy on conflict of interest risk was amended to identify and facilitate alternative Chairs in situations where a conflict might be perceived or arise.

Closure of CWDC

CWDC ceased trading on 31st March 2012. The Board were clear that they had a responsibility to make the right decisions for the workforce, the children and young people they serve and for the protection of public money.

The Board put in place and led a detailed transition programme and, through the Executive, worked closely with DfE. This ensured that all programme activity was either transferred to DfE, or closed down completely.

A Joint Transition Board (JTB) jointly chaired by DfE and CWDC oversaw this work ensuring each programme had ownership at appropriate levels. In many cases key staff have transferred to DfE as work programmes were signed off by the JTB.

All assets and liabilities have been transferred to DfE with effect from 1st April 2012, with some disposed of or settled by CWDC prior to liquidation.

DfE issued the CWDC Board with a Written Indemnity and Letter of Comfort to confirm that all future liabilities will be met by DfE.

CWDC have a Closure Team in place whose role is to produce the Annual Report & Accounts, manage the process for settling outstanding debtors and creditors, manage the external audit process, and provide the Board with periodic updates on progress in order for them to sign a Declaration of Solvency and enter voluntary solvent liquidation.

The Audit Committee and the Board scrutinised all post year balance sheet

movements to ensure that treatment of transactions were fully compliant with accounting standards and HM Treasury guidelines.

Children's Improvement Board (CIB)

CWDC worked closely with the CIB on a study in support of integrated working practices.

The DfE supported the continuation of this work after the closure of CWDC and agreed that £1.16million should be transferred from CWDC as a grant payment to the Local Government Association, the accountable body for the CIB, who have taken over the leadership of this work.

Capacity to handle risk

Risk is a factor of every day life and can never be eliminated completely. The Risk Management Policy of CWDC was to adopt best practice in the identification, evaluation and cost-effective control of risks to ensure that they were either eliminated or reduced to an acceptable level.

The Audit Committee reviewed and reported annually on CWDC's risk management policy and practice, in order to assess the progress made over the year regarding the improvement of CWDC risk management capacity and capability. These reviews found that CWDC continued to make sound progress regarding the way in which risk is managed.

The Board and the Executive Management Team recognised the importance of leadership to create an environment where risk management

is effective, with programme and project managers reviewing risks to improve their situation. In this last year of operation the focus on risk was strengthened at all levels in the organisation and the necessary leadership, support, assistance and commitment of senior management was provided. All employees understood the nature of risk and accepted responsibility for risks associated with their area of authority.

During the closure process the strategic risk log was a key tool for the Board in identifying, managing and responding to risk. It has been updated at every Executive and Board meeting to reflect changing circumstances. It was closed in March 2012 and replaced by a closure risk log which focussed on the lower level of operational detail required in the last 3 months.

The risk and control framework

Risk management continued to be embedded into CWDC's finance and project procedures. Guidance on the identification, assessment and active management of risk in CWDC was been available to all staff.

The Director of Finance continued to work with colleagues to ensure that risk management has been further embedded into CWDC's corporate governance, finance management, business planning and assurance, performance management arrangements and improvement activities.

The Board and the Executive Management Team regularly reviewed and monitored strategic level risk to

meet the Company's strategic outcomes and maintain its reputation.

The processes in place for reporting risks to Ministers were through correspondence from me as Accounting Officer with DfE's Accounting Officer made through DfE's Sponsor team.

A protocol was also in place for the Chair of the CWDC Audit Committee to refer risks to DfE risk register through DfE Head of Internal Audit. No risks were referred during the year.

At an operational level CWDC's approach was to assign risks to those best placed to manage them. Therefore, individual project managers were responsible for managing risk, as they had knowledge of the issues involved and could best manage risk and mitigate the potential impact. All project managers were expected to systematically identify, assess and manage risk and document the underlying assumptions. The risk management process was built into the CWDC's business planning and reporting processes, through such mechanisms as project boards, team meetings and business case reviews.

As the major element of CWDC's expenditure was on specific projects, the main risk management arrangement focus was on the delivery of this work and the risks associated with changing the way services are delivered. These were managed through a strong programme and project management framework.

There was clear accountability and ownership of risk to ensure that risk was managed at the appropriate level and there were frameworks in place to

escalate risks to ensure that significant risks were reported to the Executive Management Team and, if required, the Board.

As CWDC has moved towards closure, staff left the organisation to work elsewhere. The Finance Director moved to a new role within DfE in October. An experienced replacement was recruited to oversee the closure and production of the Annual Report & Accounts, and to ensure business continuity over the remaining months of trading activity.

The replacement Finance Director was in regular contact with the DfE throughout the closure process and was able to liaise with the previous Finance Director to provide extra continuity.

CWDC's preparedness for dealing effectively with emergencies was based on our Business Continuity Plan. The plan provided robust, up to date, fit for purpose and flexible business continuity management arrangements that would allow us to maintain or, in a timely manner, resume provision of key business services in the event of disruption. CWDC's Business Continuity Management arrangements were tested and reviewed regularly, most recently in an exercise for our Crisis Management team in November 2011 and with IT disaster recovery testing taking place over December 2011. The business continuity plan was updated to reflect the changing circumstances of the close down team.

In addition, Business Continuity considerations were taken into account during the analysis and specification of processes comprising the functions

and work that will be transferred to the DfE or the Teaching Agency.

Key Risks in 2011/12

The closure and transition programme brought new risks to CWDC which were actively managed through CWDC's risk management process.

There were 3 main risks.

Loss of key staff – Over the year a number of key staff left the organisation which could have damaged CWDC's ability to deliver its business plan. CWDC put in place a succession plan to ensure appropriate cover for each role. The Executive managed resource centrally so that it could be moved quickly to meet emerging need. The business plan and key products were delivered as planned.

Loss of morale – This could have led to staff losing a focus on delivery and poor implementation of systems and processes. A strong leadership programme was put in place which was supported by regular communications. Morale was maintained through the year and the internal audit report on key financial controls demonstrates that processes were managed appropriately.

Poor transfer of work and assets – This could have led to poor value for money and damage to external partner's ability to deliver on their workforce agenda. The joint transition plan with DfE and CWDC project plan ensured that all assets and issues were tracked, resolved and transferred appropriately by the end of March 2012.

Review of effectiveness

As Accounting Officer I had responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control was informed by the work of the internal auditors and the Executive Directors within CWDC, who had responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Internal Audit.

During the year the following areas were subject to review by internal audit: New Programme areas, Key Financial Controls (three visits), Key policies, Performance Management, Project Delivery and Procurement - Fraud Policy.

No significant control weaknesses were identified by internal audit and of these six audits undertaken during the year, five reported a "good" level of assurance that risks material to the achievement of the system's objectives are adequately managed, and one reported a "satisfactory" level of assurance that risks material to the achievement of the system's objectives are adequately managed.

Of the total 13 actions identified by internal audit work undertaken during the year, 1 action was classified as requiring action needing to be implemented within the next six months to avoid exposure to risks; and

12 actions were classified as requiring action which would improve control or to add value to the business. One recommendation was rejected. The Audit Committee monitored progress in completion of actions identified by the internal audit process. All recommendations have been appropriately dealt with.

The Head of Internal Audit's opinion on the assessment of internal control for the year ended 31 March 2012 is that CWDC had adequate and effective risk management, control and governance processes in place that provide good assurance regarding the achievement of the organisation's objectives and for securing economy, efficiency and effectiveness.

Potential Fraud

CWDC identified a potential fraud in 2010. This matter remains under investigation by the police which has led the Audit Committee to formally assign this risk to DfE. This case did not indicate a systematic failure in the controls operated by CWDC and the amounts involved are not material. No further fraud was detected during 2011-12.

Benchmarking

CWDC engages in an annual cross government benchmarking exercise to assess value for money of its central resources and as a result of this has demonstrated its efficiency compared to other government organisations.

Information assurance

In my role as Accounting Officer and in accordance with Cabinet Office

guidance, I had a Senior Information Risk Owner and Information Asset Owners. Appropriate Information Assurance policies were in place which enabled me to ensure that information risk was minimised by identifying all Information Assets and ensuring that they were appropriately secured and handled. I promoted a culture that valued, protected and used information for the public good through active communication and leadership of staff on these issues.

The effective and easy sharing of information was essential in order to enable CWDC to deliver against our objectives of leading workforce reform to improve chances for children and young people throughout the country. However, the need for safe and secure handling of information (especially that containing personal data) was seen as paramount (an overriding principle), as the unauthorised disclosure of sensitive or personal information could result in citizens being adversely affected and/or CWDC's reputation being damaged. Overall, therefore, the Information Risk Appetite for non-personal data was "Cautious" and for personal data was "Minimalist".

During the year accreditation for all new ICT systems processing protectively marked information took place. In addition, reviews including penetration testing of physical and logical security controls were undertaken and minor improvements made, with the objective of maintaining the security of the organisation's Impact Level 3 accredited ICT infrastructure.

Delivery chain confidence was also maintained by carrying out assurance reviews of the security controls in place at a number of the security

controls in place at a number of commercial organisations who supply services to CWDC on a permanent/semi-permanent basis.

I ensured that Information Assurance (encompassing data security) was a priority area in CWDC. During 2011-12 all existing staff successfully re-took the Level 1 assessment during the same period. In view of the risks of closure a manager's workshop was held in February to test out the CWDC response to serious information losses and help managers provide support to staff to maintain consistent processes in the final period of operation.

I obtained written confirmation from my Senior Information Risk Owner that an Annual Assessment of Information Risk had been completed satisfactorily with no significant risks being identified and that during the course of the year no reportable weaknesses in access controls had been identified.

My Senior Information Risk Owner has similarly confirmed that, to his knowledge, there has not been any instance where the best use of these assets within the law has not been made.

Data incidents

No personal data related incidents were formally reported to the Information Commissioner's Office by CWDC under the HMG Data Handling Requirements or the Security Policy Framework Mandatory Requirement 44

A handwritten signature in black ink that reads "Jane Haywood". The signature is written in a cursive, slightly slanted style.

Mrs Jane Haywood MBE
Chief Executive and
Accounting Officer
21 June 2012

The certificate and report of the Comptroller and Auditor General to the Members of the Children's Workforce Development Council

I certify that I have audited the financial statements of the Children's Workforce Development Council for the year ended 31 March 2012 under the Government Resources and Accounts Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the directors and the auditor

As explained more fully in the Statement of the Directors' and Accounting Officer's responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and

Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by

Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by European Union; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

Emphasis of matter – financial statements not prepared on a going concern basis

Without qualifying my opinion, I draw attention to Note 1.3 of the financial statements. On the 15 November 2010 the Government announced its decision to withdraw its funding of the Children's Workforce Development Council after 31 March 2012. As a consequence, the Directors took a decision to close the Children's Workforce Development Council and do not consider it to be a going concern. The financial statements have been prepared on a basis other than going concern. Details of the impact of this on the financial statements are provided in Note 1.3 to the financial statements.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance

with the Government Financial Reporting Manual; and

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse

26 June 2012

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of Comprehensive Net Expenditure

	Notes	Year to 31 March 2012 £'000	2010-11 £'000
Income			
Operating Income	3	(1,508)	(1,974)
Expenditure			
Staff costs	4.1	7,810	9,377
Direct programme expenditure	5.1	98,585	115,877
Depreciation and amortisation	7/8	318	320
Impairment of Assets	7/8	453	-
Other administrative expenses	5.2	3,039	2,475
Loss in disposal of fixed asset		-	1
Total expenditure		<u>110,205</u>	<u>128,050</u>
Net Operating Expenditure		108,697	126,076
Interest receivable		-	-
Contribution from the Secretary of State for CWDC's net liabilities transferring to the DfE		<u>(4,345)</u>	<u>-</u>
Net Operating Expenditure before Tax		104,352	126,076
Corporation tax refund	6	<u>-</u>	<u>(57)</u>
Net Operating Expenditure after Tax		104,352	126,019
Net Expenditure for the Year		<u>104,352</u>	<u>126,019</u>

Continuing operations

All activities relate to operations that were discontinued during 2011-12; most functions were transferred to DfE on the 1st April 2012 (note 12).

The notes on pages 46 to 73 form part of these accounts.

Statement of Financial Position

	Note	31 March 2012 £'000	31 March 2011 £'000
Non-current assets			
Property, plant & equipment	7	39	558
Intangible assets	8	159	363
Total non-current assets		198	921
Current assets			
Trade and other receivables	9	146	698
Contribution from Secretary of State	12	4,345	-
Cash and cash equivalents	10	3,172	2,313
Total current assets		7,663	3,011
Total assets		7,861	3,932
Current liabilities			
Trade and other payables	11	(6,831)	(19,621)
Provisions	13	(923)	-
Total current liabilities		(7,754)	(19,621)
Non-current assets less net current liabilities		107	(15,689)
Non-current liabilities			
Other payables	11	(107)	(516)
Total non-current liabilities		(107)	(516)
Assets less liabilities		-	(16,205)
Reserves			
General Reserves		-	(16,205)
Taxpayers' Equity		-	(16,205)

The financial statements on pages 42 to 73 were approved by the Board on 21 June 2012 and were signed on its behalf by:

Jane Haywood

Paul Ennals

Mrs J Haywood MBE
 Chief Executive
 Accounting Officer of CWDC
 21 June 2012

Sir Paul Ennals
 Chair
 21 June 2012

Statement of Cash Flows

		Year to 31 March 2012 £'000	2010-11 £'000
	Note		
Cash flows from operating activities			
Net expenditure after tax and interest		(104,352)	(126,019)
Adjustment for depreciation and amortisation	7/8	318	320
Adjustment for impairment		453	-
Adjustment for loss on sale of non-current assets		-	1
(Increase)/Decrease in trade receivables and other current assets	9	552	2,981
Contribution from the Secretary of State	12	(4,345)	
(Decrease)/Increase in trade payables and other liabilities	11	(13,199)	6,465
Increase in Provisions for liabilities and charges	13	923	-
Movements in payables relating to items not passing through the Net Expenditure account		-	(19)
Tax paid		-	(10)
Net cash outflow from operating activities		(119,650)	(116,281)
Cash flows from investing activities			
Cash paid for property, plant and equipment		-	(22)
Cash paid for intangible assets		(48)	(197)
Net cash (outflow) from investing activities		(48)	(219)
Cash flows from financing activities			
Grant-in-Aid from Parent Department	17	120,557	117,429
Net cash inflow from financing activities		120,557	117,429
Net (decrease)/increase in cash and cash equivalents in the period	10	859	929
Cash and cash equivalents at the beginning of the period	10	2,313	1,384
Cash and cash equivalents at the end of the period	10	3,172	2,313

The notes on pages 46 to 73 form part of these accounts.

Statement of Changes in Taxpayers' Equity

		General Reserve	General Reserve
		Year to 31 March 2012 £'000	2010-11 £'000
	Note		
Balance at 1 April		<u>(16,205)</u>	<u>(7,615)</u>
Net expenditure for the Year		(104,352)	(126,019)
Comprehensive Net Expenditure		<u>(104,352)</u>	<u>(126,019)</u>
Grants and Grant-in-Aid funding	17	120,557	117,429
Balance as at 31 March		<u>-</u>	<u>(16,205)</u>

The notes on pages 46 to 73 form part of these accounts

Notes to the accounts

1 Statement of accounting policies

The particular policies adopted by CWDC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Basis of preparation

These statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), IFRIC Interpretations, the Companies Act 2006 applicable to companies reporting under IFRS and the 2011-12 Government Financial Reporting Manual (FReM) issued by HM Treasury. The FReM is only applied where it does not conflict with the Companies Act 2006. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of CWDC for the purpose of giving a true and fair view has been selected.

1.2 Accounting convention

The accounts have been prepared under the historical cost convention, modified by the revaluation of non-current assets, and, where material, current asset investments and stocks to fair value as determined by the relevant accounting standard.

1.3 Going Concern

DfE ceased funding CWDC from April 2012 and removed its eNDPB status. The programme and delivery of CWDC's workforce reform role will transfer to the DfE or The Teaching Agency, a new executive agency of the DfE. Note 12 shows the redistribution of CWDC's assets and liabilities at closure.

Income has been recognised in the Statement of Comprehensive Net Expenditure to recognise the transfer of net liabilities to the DfE and the newly established Teaching Agency for nil consideration on 1 April 2012. Included in the liabilities to be transferred is a provision for lease and dilapidation charges (Note 13). All liabilities arising from the decision to cease funding will be met by DfE.

There are no risks to CWDC's suppliers as a result of the change of status. However, the going concern basis is not appropriate for the production of CWDC's accounts therefore these financial statements have not been prepared on a going concern basis and as a consequence where appropriate the organisations assets that are not transferring have been written down to net realisable value.

The financial statements include accruals for the future cost of closing the organisation where costs were known at the balance sheet date and these liabilities are a direct result of the decision to close CWDC, and therefore CWDC has a legal or constructive obligation. On 21 June 2012 CWDC will be placed in Voluntary Liquidation with the Liquidators being Philip Pierce and Mark Ranson of Baker Tilley Restructuring and Recovery LLP. If after all liabilities have been settled there is a subsequent deficit from outstanding liabilities, this would be met by the Department for Education in full.

1.4 Grant-in-Aid

Grant-in-Aid used to finance activities and expenditure that supports the statutory and other objectives of CWDC is treated as financing and credited to the general reserve, because it is regarded as contributions from a controlling party.

1.5 Revenue recognition - Grants and other income

Funding received from local authorities to fund Educational Psychology training is recorded as deferred income on receipt and recognised in the net expenditure account in the period in which the training is delivered and when the training costs are incurred.

Other income is received from services supplied and provided by CWDC, it is recognised when the Company is legally entitled to receive the income and the amounts can be quantified with reasonable accuracy.

1.6 Funding provided to other bodies

When CWDC provided funding to other bodies, it was provided under funding contracts or Memoranda of Understanding. Payments can be claimed by the other bodies when contractual milestones are met. Expenditure is accounted for on an accruals basis with full provision made for contractual payments due but not claimed at the end of the year.

At 31 March 2008 under the terms of the contracts with the training providers delivering the training courses, CWDC had a constructive obligation to provide training for students enrolled on courses commencing in September 2008 or earlier. Thus, the company was required to recognise the full cost Educational Psychologist training, together with the related income in 2007-08. These courses ended during 2010-11.

New contracts for students enrolled on courses commencing in September 2009 or later do not create a constructive obligation until the training takes place and the expenditure is recognised in the period in which the training is delivered.

1.7 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the net expenditure account on a straight line basis over the period of the lease.

1.8 Pensions

Most past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit scheme is unfunded and non-contributory except in respect of dependants' benefits. The Company recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from the employees' services by payment of charges calculated on an accruals basis, as disclosed in Note 4.1. Liability for payment of future benefits is a charge on the scheme.

Pension benefits for some staff are provided through a Friends Provident defined contribution pension scheme. Contributions to this scheme are shown as expenditure in the income statement as they become payable in accordance with the rules of the scheme.

1.9 Property, plant and equipment and depreciation

The capitalisation threshold for property, plant and equipment is £2,500. Assets of the same type are grouped for capitalisation purposes. Property, plant and equipment is carried at depreciated cost as a proxy for fair value, given the low value of the assets and their relatively short useful life.

Depreciation is charged in the month of acquisition, but not in the month of disposal. Depreciation is calculated using the straight-line method to write off the value, less estimated residual value, of each asset evenly over its expected economic useful life, as follows:

Leasehold improvements	- straight line over the period of the lease
Information Technology	- straight line over 5 years
Furniture and fittings	- straight line over 3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

1.10 Intangible assets and amortisation

The costs of software licences and the development cost of bespoke software used in the delivery of the business plan have been capitalised. These are being amortised on a straight line basis over the expected useful life of the software licences or software, estimated to be 1 to 3 years. Given their low value and relatively short useful lives, intangible assets are carried at amortised cost as a proxy for fair value.

1.11 Financial instruments

As the cash requirements of CWDC are met through Grant-in-Aid provided by the DfE, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The financial assets held by CWDC are trade receivables and therefore held at amortised cost.

The majority of financial instruments relate to contracts to buy non-financial items in line with the Company's expected purchase and usage requirements and the Company is therefore exposed to little credit, liquidity or market risk.

1.12 Current and deferred corporation tax

CWDC's activities are outside the scope of corporation tax as the Company does not carry on a trade or any other business and its objects are not for profit. Corporation tax is, however, payable on interest receivable and the tax payable is recognised in the net expenditure account. A refund was received financial year 2010-11 relating to an overpayment from previous years.

1.13 VAT

CWDC was partially registered and charged VAT on vatable sales until de-registration on the 19th September of 2011. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

1.14 Significant accounting estimates

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The only accounting estimate that has a significant risk of causing a material adjustment to the accounts within the next financial year is considered to be the estimation of the number of students dropping out of their Early Years Professional Status training courses in between census points straddling the financial year end. Training providers are paid according to the number of students at each pre-determined census point. At the end of the financial year, it is necessary to estimate how many students will reach the next census point on each course so that the

related expense can be calculated and allocated to the correct period. The estimated drop-out rate used is calculated based on recent recorded drop-out rates for each training provider and course.

1.15 Provisions

Provisions are recognised when it is probable that CWDC has been required to settle a present obligation and a reliable estimate can be made of that obligation. The obligation is normally the amount that CWDC would pay to settle the obligation at the statement of Financial Position date or to transfer it to a third party at that time.

1.16 New Accounting Standards

The requirement to identify IFRS's which have not been issued and may have an impact on future accounts is no longer applicable as CDWC ceased trading on the 31 March 2012. There has been no significant impact on the current year accounts from IFRS's identified in previous year accounts.

1.17 Segmental Reporting

CWDC complies with IFRS 8 which requires disclosure of the Company's operating segments.

The segmental reporting information disclosed (see note 2) reflects the programme expenditure which represents CWDC structure in managing the business.

The programme and delivery of CWDC's workforce reform role transferred to the DfE or the Teaching Agency on 1 April 2012. All liabilities on closure will be met by the DfE.

1.18 Payment of Grants

Grants payable are charged to the Statement of Comprehensive Net Expenditure in the year that the offer is conveyed. Where monies are not paid over by the year end outstanding amounts are accrued as expenditure.

2 Analysis of Net Expenditure by Segment

IFRS 8 requires management to define the Company's operating segments in accordance with how its operations are managed in practice.

CWDC operations fall within the same geographical location and regulatory environment and under the terms of its remit from DfE, the Company has effectively one overall budget for expenditure, as movements between initial outline maximum funding allocations may be made on the basis of value for money and need and approval from DfE where required by the remit letter. The basic structure is to manage the direct cost of operations by reference to programmes. These programmes are not fixed and can change considerably over time.

The costs are fully funded and there are no profit- or loss-making activities. Funding is allocated on a needs basis rather than performance on return. Internal service functions - HR, IT, Finance and Procurement - are managed by one director. In each year, various internal projects are established and closed as required for the purpose of monitoring expenditure. Projects are grouped under programmes and therefore may move between programmes from one year to the next. The assets and liabilities are not recorded or reviewed at programme level. The expenditure for the segments is set out below:

	Year to 31	
	March	
	2012	2010-11
	£000	£000
Early Years	14,791	31,376
Integrated Working & Workforce Reform	1,160	102
Social Work	80,194	54,977
Young People's Workforce	-	9,751
Parents & Families	783	4,152
Sector Investment	5,455	8,389
Childrens Workforce	(33)	14,334
Organisational Development	204	675
Business Restructure	1,400	-
Total	103,954	123,756

The total expenditure by programme includes direct programme expenditure of £98,585,000 (£116,349,000 2010-11) and direct staff costs attributed to each programme of £5,369,000 (£7,407,000 in 2010-11). The direct programme expenditure for 2010-11 includes £472,000 for travel and subsistence costs.

3. Operating Income

	Year to 31 March 2012 £'000	2010-11 £'000
Other Income	33	29
Release of Deferred Income (note 11.3)	1,465	1,929
Information and Guidance Work	10	16
	<u>1,508</u>	<u>1,974</u>

4. Staff costs

4.1 Staff numbers and related costs

	Year to 31 March 2012			2010-11		
	£'000	£'000	£'000	£'000	£'000	£'000
	Permanently Employed Staff	Other	Total	Permanently Employed Staff	Other	Total
Wages and salaries	5,382	78	5,460	6,843	744	7,587
Social security costs	483	-	483	584	-	584
Other pension costs	1,000	-	1,000	1,261	-	1,261
Wages and salaries - Closure Team	158	51	209	-	-	-
Compensation - Exit Payments	758	-	758	-	-	-
Subtotal	7,781	129	7,910	8,688	744	9,432
Less recoveries in respect of outward secondments	(100)	-	(100)	(55)	-	(55)
Total net costs	7,681	129	7,810	8,633	744	9,377

For 2011-12 staff costs totalling £48,031 (£50,136 in 2010-11) have been capitalised in respect of the development of internally generated software.

The average monthly numbers of full-time equivalent staff, including senior management, directly employed during the year were as follows:

	Year to 31 March 2012 Number	2010-11 Number
Directly Employed	153	178
Other	3	21
Staff engaged on capital projects	1	1
	<u>157</u>	<u>200</u>

Pension benefits for seven staff were provided through a defined contribution Friends Provident pension scheme. Employer contributions were set at between 8% and 24% of pensionable earnings and employee contributions were set at a rate between 2.5% and 6.5% of pensionable earnings. For 2011-12, employers contributions of £15,626 were payable to Friends Provident (£15,626 in 2010-11).

From 1 April 2008, CWDC staff became public servants and pension benefits for most staff including all members of the Executive Management Team are provided through the Civil Service pension arrangements. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but CWDC is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2011-12, employers' contributions of £985,150 were payable to the PCSPS (£1,232,093 in 2010-11) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2011-12 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £26,127 (£23,116 in 2010-11) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £2,496 (£1,722 in 2010-11), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £nil (£nil in 2010-11). Contributions prepaid at that date were £nil (£nil in 2010-11).

4.2 Directors' emoluments

	Year to 31 March 2012	2010-11
	£'000	£'000
Salary	986	665
Company contributions to defined benefit pension schemes	134	135
	<u>1,120</u>	<u>800</u>
Highest paid director:		
Salary for the year ended 31 March 2012	109	109
Salary for closure period 01 April 2012 to 30 June 2012	28	-
Accrued voluntary early severance	191	-
Company contributions to defined benefit pension schemes for year ended 31 March 2012	27	27
Company contributions to defined benefit pension schemes for closure period 1 April 2012 to 30 June 2012	6	-
	<u>361</u>	<u>136</u>
	Year to 31 March 2012	2010-11
	Number	Number
Number of directors in Company pension schemes:		
Defined benefit pension schemes	<u>7</u>	<u>6</u>

The compensation payment of £190,947 accrued for Jane Haywood who is the highest paid director, has been included within Directors' emoluments.

The number of directors whose emoluments (defined as the total of gross salary and Company contributions to defined benefit pension schemes) fell within the following bands and includes emoluments post March 2012 for Directors whose contracts have been extended to 30 June 2012.

Children's Workforce Development Council
Company limited by guarantee
Notes to the accounts
For the year ended 31 March 2012

	2011-12	2010-11
	Number	Number
more than £360,000 but not more than £365,000	1	-
more than £135,000 but not more than £140,000	-	1
more than £125,000 but not more than £130,000	1	-
more than £120,000 but not more than £125,000	1	1
more than £110,000 but not more than £115,000	-	-
more than £105,000 but not more than £110,000	3	4
more than £100,000 but not more than £105,000	-	-
more than £95,000 but not more than £100,000	-	-
more than £85,000 but not more than £90,000	-	-
more than £75,000 but not more than £80,000	-	-
more than £60,000 but not more than £65,000	1	-
more than £50,000 but not more than £55,000	-	1
more than £40,000 but not more than £45,000	1	-
more than £15,000 but not more than £20,000	1	-
more than £10,000 but not more than £15,000	-	1
more than £5,000 but not more than £10,000	7	6

4.3 Reporting of Civil Service and other compensation schemes - exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band 31 March 2012	Total number of exit packages by cost band 2010-11
<£10,000	-	22	22	9
£10,000 - £25,000	-	21	21	-
£25,000 - £50,000	-	2	2	-
£50,000 - £100,000	-	-	-	-
£150,000 - £200,000	-	1	1	-
		-	-	-
Total number of exit packages by type	-	46	46	9
Total Resource Costs			£758,616	£33,079

Redundancy and other departure costs have been paid in accordance with the Civil Service Compensation Scheme. Exit costs are accounted for in full in the year of departure. An accrual has been made in 2011-12 accounts for exit package costs in respect of members of staff employed as part of the closure team between April 2012 and June 2012; this is included in the total resource costs amount as at 31 March 2012. The CWDC exit package has been approved by Cabinet Office.

5. Analysis of expenditure

5.1 Analysis of direct programme expenditure

	Year to 31 March 2012 £'000	2010-11 £'000
<i>Project funding:</i>		<i>Restated</i>
Training Early Years Professionals	12,648	29,645
Developing Integrated Working Practice	1,160	9,866
Playwork - Level 3 training	(104)	2,009
Social Work Recruitment	7,972	12,088
Social Work - Early Professional Development	16,603	11,761
Social Work Reform	51,816	25,584
Other project funding activities	(64)	1,428
Social Care minimum Level 3	(558)	1,382
Initial Training of Educational Psychologists	5,253	4,260
Young people's workforce reform	-	2,239
<i>Other direct programme expenditure:</i>		
Short term resourcing	192	(117)
External Services	1,770	4,858
Interim specialist skills	4	73
Independent reviews and support	1,086	8,994
Other	610	563
Media	4	305
Consultation events	193	939
	<u>98,585</u>	<u>115,877</u>

The accounts have been restated following travel and subsistence being accounted for within administration expenditure

5.2 Analysis of other administrative expenses

	Year to 31 March 2012 £'000	2010-11 £'000 Restated
Employee costs:		
Recruitment costs	-	67
Travel and subsistence	316	519
Staff training & welfare	31	123
Health & life insurance	60	74
Restructure Costs	(127)	195
	280	978
Premises costs:		
Operating lease rentals - land & buildings	457	457
Operating lease rentals - plant and machinery	-	2
Other accommodation costs	542	483
	999	942
General administrative expenses:		
Office administration costs	63	168
Consultation Events	4	
Non capital IT costs	200	211
	267	379
Legal and professional costs:		
Advertising and PR	-	(41)
Internal audit services	44	111
Auditors' remuneration - audit services	48	52
Other professional services	63	54
	155	176
Closure Administration costs		
Operating lease rentals - land & buildings	587	-
Property Service charges	214	-
Property rates expenditure	196	-
Dilapidation cost	290	-
Liquidator cost	51	-
	1,338	-
	3,039	2,475

6 Corporation Tax

	Year to 31 March 2012 £'000	2010-11 £'000
Analysis of corporation tax expense for the year		
Current tax:		
UK corporation tax on deficit	-	-
Corporation tax refund	-	(57)
	<hr/>	<hr/>
Corporation tax refund	-	(57)
Factors affecting tax charge for year		
The difference between the tax assessed for the year and the standard rate of corporation tax are explained as follows:		
Deficit before corporation tax	<hr/>	<hr/>
	(104,352)	(126,076)
Standard rate of corporation tax in the UK	21%	21%
Tax at the standard rate of corporation tax	(21,914)	(26,476)
Effects of:		
(Deficits)/Surpluses not subject to corporation tax	21,914	26,476
Corporation tax refund	-	(57)
	<hr/>	<hr/>
Current corporation tax refund for the year	<hr/> <hr/>	<hr/> <hr/>
	-	(57)

For the financial years 2007-08, 2008-09 and 2009-10 a total of £65,154 income tax was deducted from bank interest at source. This resulted in a corporation tax refund of £56,591 in 2010-11.

7 Property, plant and equipment

Year to 31 March 2012	Leasehold improvements £'000	Information technology £'000	Furniture & fittings £'000	Total £'000
Cost				
At 1 April 2011	492	543	364	1,399
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2012	<u>492</u>	<u>543</u>	<u>364</u>	<u>1,399</u>
Depreciation				
At 1 April 2011	136	423	282	841
Charge for the year	47	49	50	146
Disposals	-	-	-	-
Impairments	309	37	27	373
At 31 March 2012	<u>492</u>	<u>509</u>	<u>359</u>	<u>1,360</u>
Net book value				
At 31 March 2012	<u>-</u>	<u>34</u>	<u>5</u>	<u>39</u>
At 31 March 2011	<u>356</u>	<u>120</u>	<u>82</u>	<u>558</u>
2010-11				
Cost				
At 1 April 2010	488	538	373	1,399
Additions	4	17	1	22
Disposals	-	(12)	(10)	(22)
At 31 March 2011	<u>492</u>	<u>543</u>	<u>364</u>	<u>1,399</u>
Depreciation				
At 1 April 2010	90	366	231	687
Charge for the year	46	69	60	175
Disposals	-	(12)	(9)	(21)
At 31 March 2011	<u>136</u>	<u>423</u>	<u>282</u>	<u>841</u>
Net book value				
At 31 March 2011	<u>356</u>	<u>120</u>	<u>82</u>	<u>558</u>
At 1 April 2010	<u>398</u>	<u>172</u>	<u>142</u>	<u>712</u>

8. Intangible assets

Year to 31 March 2012	Software £'000	Software licences £'000	Total £'000
Valuation			
At 1 April 2011	383	211	594
Additions	48	-	48
Disposals	-	-	-
At 31 March 2012	<u>431</u>	<u>211</u>	<u>642</u>
Amortisation			
At 1 April 2011	124	107	231
Charge for the year	125	47	172
Impairments	27	53	80
Disposals	-	-	-
At 31 March 2012	<u>276</u>	<u>207</u>	<u>483</u>
Net book value			
At 31 March 2012	<u>155</u>	<u>4</u>	<u>159</u>
At 31 March 2011	<u>259</u>	<u>104</u>	<u>363</u>
2010-11			
	Software £'000	Software licences £'000	Total £'000
Valuation			
At 1 April 2010	196	185	381
Additions	187	29	216
Disposals	-	(3)	(3)
At 31 March 2011	<u>383</u>	<u>211</u>	<u>594</u>
Amortisation			
At 1 April 2010	40	49	89
Charge for the year	84	61	145
Disposals	-	(3)	(3)
At 31 March 2011	<u>124</u>	<u>107</u>	<u>231</u>
Net book value			
At 31 March 2011	<u>259</u>	<u>104</u>	<u>363</u>
At 1 April 2010	<u>156</u>	<u>136</u>	<u>292</u>

An impairment charge was made in 2011-12 against all fixed assets to reflect that the useful economic life had been reduced reflecting the decision that CWDC would be closed on 31 March 2012. The remaining fixed assets were sold post March 2012 or transferred to DfE under Deed of Assignment (note 12).

9 Trade and other receivables

	31 March 2012 £'000	31 March 2011 £'000
9.1 Analysis by type:		
Amounts falling due within one year:		
Trade receivables	146	235
Prepayments	-	406
Corporation Tax	-	57
	146	698

9.2 Intra-government balances:

Other central government bodies	15	57
Local authorities	-	493
NHS Trusts	-	-
Sub-total : intra-government balances	15	550
Balances with bodies external to government	131	148
	146	698

10 Cash and cash equivalents

	31 March 2012 £'000	31 March 2011 £'000
Balance at 1 April	2,313	1,384
Net change in cash and cash equivalent balances	859	929
Balance as at 31 March	3,172	2,313
 The following balances at 31 March were held at:		
Government Banking Service	3,123	2,249
Commercial banks and cash in hand	49	64
Balance as at 31 March	3,172	2,313

11 Trade and other payables

	31 March 2012 £'000	31 March 2011 £'000
11.1 Analysis by type:		
Amounts falling due within one year:		
Inland Revenue	135	-
Trade payables	360	729
Other Payables	6,336	18,892
	<u>6,831</u>	<u>19,621</u>
Amounts falling due after one year:		
Other Payables	107	516
	<u>107</u>	<u>516</u>
	<u>6,938</u>	<u>20,137</u>

11.2 Intra-government balances:

	31 March 2012 £'000	31 March 2011 £'000
Amounts falling due within one year:		
Other central government bodies	136	225
Local authorities	2,245	7,536
NHS trusts	-	28
Public Corporation	-	(47)
Sub-total : intra-government balances	<u>2,381</u>	<u>7,742</u>
Balances with bodies external to government	4,450	11,879
Sub-total	<u>6,831</u>	<u>19,621</u>
Amounts falling due after one year:		
Local authorities	-	444
Balances with bodies external to government	107	72
Sub-total	<u>107</u>	<u>516</u>
	<u>6,938</u>	<u>20,137</u>

11.3 Deferred income and capital grants:

	Capital grants	Local authority funding of Education Psychology training	Total 2011-12	Total 2010-11
	£'000	£'000	£'000	£'000
At 1 April	198	1,706	1,904	2,981
2009-10 Local Authority funding	-	-	-	177
2010-11 Local Authority funding	-	8	8	546
2011-12 Local Authority funding	-	92	92	129
Credited to net expenditure account	(198)	(1,267)	(1,465)	(1,929)
At 31 March	<u>-</u>	<u>539</u>	<u>539</u>	<u>1,904</u>

The capital grants relate to the grants for the purchase of specific non-current assets. The receipts are initially recorded in the same way and then recognised in the net expenditure account over the estimated useful lives of the assets acquired.

12 CWDC Closure and transfer of activities and responsibilities

As a consequence of withdrawal of funding, CWDC ceased trading on 31 March 2012, but its functions and responsibilities have subsequently transferred to DfE, or the Teaching Agency a new executive agency of DfE.

Work to support the recruitment and development of early education and childcare workers and educational psychologists has transferred to the Teaching Agency.

The social work programme has transferred to the DfE who will also maintain the strategic lead for CWDC's sector-leadership programme. This includes work with foster carers and short break carers, the young people's workforce, those who work in residential care and people working with parents and families with multiple and complex needs. It also includes CWDC's activity to support safer recruitment, child poverty and leadership and management for children's services.

DfE has taken on the liability for the Company's lease of its office in Leeds up until the July 2013 break clause.

Income has been recognised in the Statement of Comprehensive Net Expenditure to recognise the transfer of net liabilities of £4,345k to the DfE and the newly established Teaching Agency for nil consideration on 1 April 2012. A related asset is recognised in the Statement of Financial Position but has been excluded from the note below showing the transfer of net liabilities to the DfE and Teaching Agency.

12.1 Transfer of Assets and Liabilities

	Total Statement of Financial Position	Department for Education element	Teaching Agency element
	As at 31 March 2012 £'000	As at 1 April 2012 £'000	As at 1 April 2012 £'000
Non-current assets			
Property, plant & equipment	39	39	-
Intangible Fixed Assets	159	159	-
Total non-current assets	198	198	0
Current assets			
Trade and other receivables	146	140	6
Cash & Cash Equivalents	3,172	3,172	-
Total current assets	3,318	3,312	6
Total assets	3,516	3,510	6
Current liabilities			
Trade payables	(495)	(495)	-
Other Payables	(6,336)	(3,518)	(2,818)
Provisions	(923)	(923)	-
Total current liabilities	(7,754)	(4,936)	(2,818)
Total assets less current liabilities	(4,238)	(1,426)	(2,812)
Non-current liabilities			
Other payables	(107)	(15)	(92)
Total non-current liabilities	(107)	(15)	(92)
Assets less liabilities	(4,345)	(1,441)	(2,904)
Taxpayers' equity			
General reserves	(4,345)	(1,441)	(2,904)
Total Reserves	(4,345)	(1,441)	(2,904)

All CWDC assets and liabilities will transfer to DfE. A £100k cash balance has been deposited with the liquidator Baker Tilley LLP to manage any unforeseen liabilities. After liquidation any remaining balance will transfer back to DfE.

12.2 Transfer of Programmes

The table below details the destination of programmes for the year end March 2012.

	Year to 31 March 2012 £'000	CWDC Discontinued Programmes	DfE Element	Teaching Agency element
		As at 1 April 2012	As at 1 April 2012	As at 1 April 2012
Income				
Operating Income	(1,508)	(43)	-	(1,465)
Expenditure				
Staff costs	7,810	272	5,679	1,859
Direct programme expenditure	98,585	1,323	78,080	19,182
Depreciation and amortisation	318	-	318	-
Impairment of Assets	453	-	453	-
Other administrative expenses	3,039	-	3,039	-
Total expenditure	110,205	1,595	87,569	21,041
Net Operating Expenditure	108,697	1,552	87,569	19,576
Contribution from the Secretary of State for CWDC's net liabilities transferring to the DfE	(4,345)	(4,345)	-	-
Net Operating Expenditure before Tax	104,352	(2,793)	87,569	19,576
Net Operating Expenditure after Tax	104,352	(2,793)	87,569	19,576
Net Expenditure for the Year	104,352	(2,793)	87,569	19,576

13 Provisions for liabilities and charges

	Lease £'000	Dilapidation £'000	Total £'000
Balance as at 1 April 2011	0	0	0
Provided in the year	633	290	923
Balance as at 31 March 2012	633	290	923

CWDC has a provision of £290k put aside to pay the decommissioning costs of the Leeds premises based on an independent surveyor report.

The provision for lease costs has been calculated from July 2012 until the end of the break clause in July 2013. This includes property service costs charged over the remaining lease period.

14 Contractual Commitments

Commitments relating to the period beyond 31 March 2012 were as follows:

	Payable within one year £'000	Payable within two years £'000
Early Years Programme - Training and assessment	19,731	19,353
Educational Psychologists - Training and assessment	5,421	3,433
Social Work - Training and Professional Development	13,991	2,966
Total	39,143	25,752

The commitments going forward became the responsibility of DfE as at 1 April 2012.

There were no contracted capital commitments as at 31 March 2012 (£nil in 2010-11).

15 Company limited by guarantee

The Company has no share capital. Every Member of the Company has a limited liability of £1 while he or she is a member or within one year after he or she ceases to be a member.

16 Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases are given in the table below for each of the following periods:

	Land and buildings	Land and buildings	Other	Other
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	£'000	£'000	£'000	£'000
Not later than one year	519	519	-	3
Later than one year, not later than five years	130	649	-	-
Later than five years	-	-	-	-
	649	1,168	-	3

The lease commitment for land and buildings relates to the Company's lease of its office in Leeds, which extends to July 2018 with a break clause in July 2013. The commitments shown above are calculated up to the date of the break clause.

DfE will take responsibility for the lease on the property beyond 31 March 2012.

17 Grant-in-Aid

	2011-12	2010-11
	£'000	£'000
Main funding Grant-in-Aid	120,557	88,770
Transformation funding Grant-in-Aid	-	28,659
	120,557	117,429

Project funding for training Early Years Professionals was funded by Transformation Fund ring-fenced funding for 2010-11. This funding is no longer ring fenced and therefore not reported separately for 2011-12 as previously required.

18 Contingent Liabilities

There were no contingent liabilities as at 31 March 2012 (£nil in 2010-11).

19 Related Parties

During the year CWDC entered into the following transactions with these related parties:

Directors	Position held	Third Party	Expenditure Creditors		Expenditure Creditors	
			2011-12	2011-12	2010-11	2010-11
			£'000	£'000	£'000	£'000
Mr H Cooper	Director of Social Services	Wirral MBC	1,756	5	1,076	56
	Chair	Workforce Development Policy Committee for Association of Directors of Children's Services Ltd	-	-	4	-
	Director	Howard Cooper Consulting	5	-	-	-
Sir P Ennals	Chief Executive	National Children's Bureau	60	-	569	75
Ms J Held	Vice Chair	National Children's Bureau	60	-	569	75
	Trustee	Family Action	49	-	34	9
	Chair	Adoption Panel - Suffolk County Council	789	-	526	-
	Director	Jane Held Consulting	-	-	1	-
	Chair	Leeds Local Safeguarding Children Board	1,194	-	-	-
	Chair	Birmingham Safeguarding Children Board	2,095	-	-	-
	Chair	Peterborough Council Improvement Board	305	-	-	-
Mr J Khan	Director	Jay Kay Associates	8	2	7	-

The Children's Workforce Development Council is an NDPB and a company limited by guarantee. DfE is considered to be a related party as it has significant influence over the financial and operating policies of CWDC. For the year ended 31 March 2012, Grant-in-Aid funding receivable from DfE totalled £120,556,789 (Grant-in-Aid funding of £117,429,000 in 2010-11). Expenditure relating to rent paid for office space at the DfE totalled £88,587 (£71,230 in 2010-11).

CWDC required staff to declare any potential conflict of interest where they could have a financial interest. During the year none of the key management staff or other related parties have undertaken any material transactions with CWDC, other than those disclosed above.

20 Controlling party

The Department for Education is considered to be a controlling party.

21 Events after the reporting period

On 21 June 2012 CWDC will be placed in Voluntary Liquidation with the Liquidators being Philip Pierce and Mark Ranson of Baker Tilley Restructuring and Recovery LLP. If after all liabilities have been settled there was a subsequent deficit from outstanding liabilities, this would be met by the Department for Education, in full. This would be in accordance with their letter of 7 March 2012 and under the normal conventions applying to parliamentary control over income and expenditure, taking account of the amounts required to meet the liabilities as they fall due. Hence there is no reason to believe that DfE's future funding and future parliamentary approval will not be forthcoming, should a deficit arise.

In the event that there is a remaining cash balance following the settlement of liabilities this will be returned to DfE.

Mrs J Haywood, Chief Executive, authorised the accounts for issue on June 2012.

The Children's Workforce Development Council (CWDC) supports local areas to drive sector-led improvements so the millions of people and volunteers working with children and young people across England are able to do the best job they possibly can.

We want England's children, young people and families' workforce to be respected and valued for the positive difference it makes to children, young people and their families.

We work in partnership with lots of different organisations and support workers and employers who want the lives of all children and young people to be healthy, happy and fulfilling.



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