



David Bell
Permanent Secretary

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 020 7925 6937 permanent.secretary@education.gsi.gov.uk

Dr Maggie Atkinson
Children's Commissioner for England
The Office of the Children's Commissioner
33 Greycoat Street
London
SW1P 2QF

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Maggie Atkinson

OFFICE OF THE CHILDREN'S COMMISSIONER: REMIT AND RESOURCE ALLOCATION FOR 2011-12

I am writing to you in your capacity as Accounting Officer for the Office of the Children's Commissioner (OCC) to confirm your budget allocation for 2011-12. I am grateful for your important contribution in promoting awareness of the views and interests of children in England, as set out in the Children Act 2004.

As Accounting Officer, you will be aware that you have a personal responsibility for maintaining sound internal control that supports the achievement of your remit. You are also responsible for safeguarding the public funds and assets for which you are personally responsible.

I understand that your budget proposals for 2011-12 have been scrutinised by two of the Department's non-executive directors and I appreciate your co-operation in this exercise. This has been an important part of the process for settling the budgets of Arms Length Bodies (ALBs) this year and it has helped to reassure the Secretary of State that they have been subject to the same level of scrutiny and challenge as other parts of the public sector. The non-executive directors reported that the proposed efficiencies are in line with those being made in other ALBs.

However, they, and I, believe there will be opportunities for further efficiencies to be made, particularly as the reforms resulting from the 2010 Review of the Children's Commissioner undertaken by Dr John Dunford and the resulting proposed legislation are taken forward. I strongly encourage you to continue to work collaboratively with the Commissioners in Northern Ireland, Scotland and Wales to make the most of potential savings from jointly commissioned research and other areas where a joined-up approach would be mutually beneficial.

The Department is to provide an agreed resource budget up to a limit of £2,674,632 for 2011-12, as set out in Annex A, in order to deliver the activities which you have set out in your Business Plan. Grant in Aid will be provided to reflect this budget.

I note that your Business Plan reflects the recommendation by Dr Dunford that greater prominence should be given to the promotion and protection of children's rights, in accordance with the United Nations Convention on the Rights of the Child. In doing so, you will appreciate the need to operate within the requirements of current legislation. I am very pleased that you are taking forward your work in a positive way in collaboration with the Children's Rights Director, given his responsibilities for children living away from home. Equally important is effective working with the Relationship Team, who sponsor your work in the Department, recognising respective roles and responsibilities.

I realise that one of Dr Dunford's recommendations was for the OCC to be, and be seen to be, more independent of Government. We will, as far as is possible, respect this general principle. However, I am sure you will understand that this does not remove the need for you to maintain robust financial management arrangements or for you to continue to provide financial reports in respect of your expenditure.

ALB REFORM PROGRAMME

The Coalition Government is committed to the ALB Reform Programme as a means of radically increasing the transparency and accountability of all public services. The reform process, which covers all of HM Government's Non-Departmental Public Bodies (NDPBs) as well as other public bodies, is designed to help reinvigorate the public's trust in democracy and also to ensure that the Government operates in a more efficient and business-like way. The programme will ensure we have the right organisations in place to implement Government policy and it will play a major part in delivering savings over the next four years.

As you know, in the DfE we are in the process of reducing the number of ALBs and improving accountability by bringing some of the work previously done by ALBs back in to the Department, and creating Executive Agencies which are more directly within the Department's control; removing duplication; looking for ways to achieve efficiencies and cost reductions through the sharing of services; and better aligning our ALB sector with the rest of the Education system. I understand that the OCC has already begun to make this vision a reality, by sharing premises with another ALB and we expect to work with you over the coming year to implement any planned changes to your organisation or reforms we are making to all our ALBs.

TRANSPARENCY

The Government remains committed to greater transparency so that the public can hold politicians and public bodies to account. As part of this you are already publishing information on spending on salaries, organisational

costs and services you buy. In line with all Government departments and ALBs you have already published individual salary information for your senior staff earning over £60k, along with organisation charts to demonstrate the groups of people your senior staff are responsible for, and the costs of these groups.

We expect you to continue to publish this data and to continue to co-operate with transparency requests, ensuring data is submitted to deadline and in the required format.

EFFICIENCY CONTROLS REMAIN IN PLACE

The Efficiency Reform Group (ERG) was established by the Cabinet Office in 2010. It has brought together expertise from across Government: from different parts of Cabinet Office; HM Treasury; and the Office of Government Commerce. It aims to make Government more efficient (by reducing operational overheads to give taxpayers better value and allow resources to be focused on key priorities); and to reform radically the way public services are provided (to ensure they meet rising public expectations, improving transparency and accountability and shifting power to people and creating the Big Society).

The ERG has introduced a series of financial and management controls to make sure that only essential recruitment and procurement activity is undertaken by Government Departments and organisations like the OCC which are funded by Government. These controls include:

- a freeze on all external recruitment;
- Treasury approval for appointments with salary packages which total more than the Prime Minister's salary of £142,500;
- a freeze on new advertising and spending on marketing;
- a freeze on new contracts and contract extensions; and changes to ICT projects of over £1 million and a review of all existing ICT projects;
- a freeze on any new spending on consultancy services from outside bodies;
- a ban on new property acquisitions, property leases and lease extensions; and
- all other procurement subject to stringent Value For Money appraisal and reporting of all spend to HM Treasury on a monthly basis.

In certain specific circumstances exemptions can be sought by your Chief Executive. Exemptions need to be cleared by the Department, HM Treasury or the Cabinet Office depending on the nature of the exemption. The details of the various exemption processes were sent to your organisation in July 2010.

NEW TREATMENT OF ADMIN BUDGETS

You will be aware that there are changes to the administration budget for the Department's ALBs, which include the OCC, starting in the 2011-12 financial year. Most significantly, the administration budgets for ALBs are being met from the Department's own overall administration allocation.

Administration budgets cover the costs of all activities not related to direct frontline service provision or in support of frontline service delivery. The Department has provided the OCC with detailed guidance on the types of spending which are considered as administrative activity; for the OCC this will include items such as staff salaries, pensions, accommodation and office services (eg: stationery, telephone charges and computer maintenance). It is important that the OCC works closely with the Department's Sponsorship and Finance teams to follow this guidance.

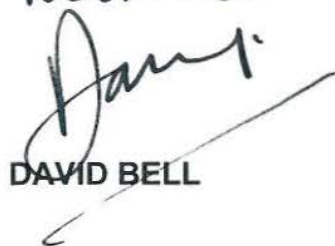
GOVERNANCE AND RISK

It is vital that the OCC has in place robust processes which can help it identify difficulties which might arise which could hamper delivery. We expect to see both robust processes for spotting such difficulties early and dealing with them effectively so that service delivery is maintained. The OCC should also continue to work with the Department to make sure there are appropriate external checks on the work it delivers. I expect the OCC to raise immediately with the Department any potential problems related to delivery, including any arising from organisations with which you are working. I understand that a liability relating to dilapidation costs associated with your former premises at 1 London Bridge is still outstanding and you are liaising with officials on this matter.

CONCLUSION

Either the Department or the OCC can propose amendments to this Remit letter in-year provided that both organisations are in agreement. Officials in the Relationship Team will continue to serve as a first point of contact should you require support and advice on any action or financial issue requested by the Department, whilst respecting your independence of operation.

I am copying this letter to Sue Berelowitz, Chief Executive and Deputy Children's Commissioner.

Yours ever

DAVID BELL

ANNUAL RESOURCE ALLOCATION

For the Financial Year 2011-12 the agreed resource budget for the Office of the Children's Commissioner is £2,674, 632. Details are shown below. The Department will provide a net funding requirement as Grant in Aid up to a limit of £2,649,706.

a) Admin	2,037,707
b) Programme	611,999
c) Depreciation	24,926
d) Total	£2,674,632

Net Funding Requirement (Grant in Aid) £2,649,706

In the event that Income (net of GiA) is less than (or more than) the figure stated, the resource expenditure will need to be reduced (or may increase), in line with any variation from the figure.

Reconciliation

Grant in Aid can be reconciled to the Resource Budget as follows:-

Total net Resource Budget = a + b + c = £2,674,632

Grant in Aid = a + b – c = £2,649,706

[Assuming there are no changes to the level of Debtors/Creditors in the Balance Sheet]