

# **Children's Commissioner for England**

## **Annual Report and Accounts 2015-16**



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Presented to Parliament pursuant to Section 8 (3) (B) of the Children Act 2004.

Ordered by the House of Commons to be printed 21 July 2016

HC 223



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Print ISBN 9781474132091  
Web ISBN 9781474132107

ID P002807632 07/16 56489

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by Williams Lea on behalf of the Controller of Her Majesty's Stationery Office

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# 1. Introduction from the Children's Commissioner for England

All children should have the right to the best start in life with the love, security and opportunities they need to grow and flourish. Most of the 11.5 million children growing up in England have just those overwhelmingly positive opportunities. For them, England is a great place to grow up.

However, there is no room for complacency. Concerns over the growing pressures of 24/7 communications, mental health and digital presence have continued to come to the fore over the last year. Childhood changes and for the 'smartphone generation' the changes have been swifter and more far reaching than any of us may have imagined. Highlighting and responding to these changes have been a high priority for me during the year and will continue to be so.

We must also acknowledge that for a significant minority of children, the experience of growing up is not as positive as it should be. There is an increasing population of children who are growing up in care and many more are in need of protection. Whilst the number of children in custody continues to fall, the population is still very high when compared to other countries in Europe. As Children's Commissioner, my central priority is helping all of these vulnerable children overcome and break the cycle of disadvantage – this is at the heart of all that I do.

Children's views and experiences are still too often overlooked when decisions are made and it is my job to be 'the eyes and ears' of children in the system. It is my responsibility to bring concerns over the areas of children's lives where difficulties are occurring to the fore. I am indebted to the many children and young people who have shared their experiences with me throughout the year which have guided and shaped my work and to the professionals who have shared their expertise. This report demonstrates how I have addressed the issues facing children growing up in England in my first year in office.

I am also grateful to the public bodies and organisations who have provided my team with data that has enabled us to understand the experience of children in the system and to identify where change and improvement are needed. My powers of entry enable me to ensure that the rights of individual children who are in care or living away from home are protected. To this end, I and my team undertake regular visits to children in custody, living in residential homes and in hospital to ensure their wellbeing. Again, I am grateful to the statutory bodies for their co-operation.

In my first year of office there have been many highlights. The publication of *Ambitious for Children* in July 2015 set out my strategic priorities for my six-year term of office. It focuses on five areas of policy priority:

- Enriching and supporting positive childhoods. This new area of activity began with the creation of a 'Growing Up Digital' taskforce in 2015, an extended Takeover Challenge and new work on access to mental health support;
- Children growing up in care are a particular responsibility for me in law – this year saw the launch of the first Care Monitor report which highlighted the areas of the care system young people felt needed improving and concluded with recommendations to support stability in care, offer better help to recover from trauma, and allow greater permanence so that all children can remain receiving support until they are 25 if they

wish. My advisory and assistance service for children in care and those living away from home was reviewed as an early priority and will be relaunched in 2016;

- Children's Commissioners have a long track record of seeking to protect children from harm and neglect. I was proud to launch a high profile report into child sexual abuse in the family during the year. The report, which established the significant prevalence of abuse, will be built on in the next year to identify how to prevent abuse, improve service response and provide children with the support they need to recover. I am also piloting new approaches to child-centred child protection;
- Reducing inequalities and changing the odds for the most vulnerable children is a major area of activity for me which last year saw an important report on early years and life chances. We have continued our membership of the National Preventive Mechanism, to help improve conditions of detention and prevent cruel or degrading treatment. To this end we have regularly visited places of detention to assess and report on children's rights, views and experiences and to gain a better understanding of the use of segregation in youth justice and promote alternatives. Improving the response to and support for the high number of child refugees and unaccompanied asylum seekers entering the UK since the summer of last year has also been a high priority. I also published a report into family separation due to immigration rules;
- Putting children at the heart of decision making.

While delivering this work, we have continued to improve the value for money we provide, with an operational budget of £2.904m for 2015-16 down from £2.924m in 2014-15. A major reorganisation of our team has taken place to enable us to deliver the ambitious plan going forward with a strengthening of our strategic, evidence, communication and digital roles.

I will continue to build on the achievements of the past year as I take *Ambitious for Children* into its first full year of delivery. It will take place against the ongoing backdrop of opportunities and challenges for children. I will use my unique powers to systematically identify when children are being let down and work nationally and locally to improve the odds and life chances of the most vulnerable young people. My work will also seek out new approaches that put children's needs and best interests at the heart of everything that affects their lives.

I want all children to have the opportunities they need to flourish and am determined to continue to help bring about real change for those who need it.

**Anne Longfield**  
**Children's Commissioner for England**  
**14<sup>th</sup> July 2016**

## 2. What Children and Young People Say

### Things children and young people who have taken part in our work have said about their experiences

“Listening to the views of young people is important because they are the ones with the knowledge and experience for people to make the overall change. The Children's Commissioner makes a difference to young people's lives. She gives me the chance to have my voice heard when nobody has really listened before.”

**Whitney, 17**

“The Children's Commissioner gives young people a voice. I think it is important to listen to the views of young people as we often view the world from a different perspective to that of adults and it is our generation that will be the longest affected by the decisions made by the current generation in power.”

**Cormac, 17**

“[The meeting with the Minister] was a good opportunity to help improve the care system and to meet and hear from other young people about their experiences of care. I felt like I knew that something was going to happen to improve the children in care services, and that other young people in care are having similar problems. It felt good to be part of a discussion that may help to change the service in the future”

**Aisha, 16**

“I enjoy working with the Children's Commissioner because I think all young people should have a voice... especially with regard to digital rights which affect all young people”

**Isreal, 16**

“There is nothing better than being in the House of Parliament improving the lives of children in care and getting my points across.”

**Ellie, 13**



“Taking part in the Children’s Commissioner’s advice line rebrand was a really unique opportunity; a chance to start something amazing and watch it come alive. The atmosphere was great, and the Commissioner’s team was awesome, as always.”

**Charlotte, 15**

### **Some of the things looked after children said they would do to improve care**

“Constantly being moved doesn’t work. It would help if they could just find the right family and let me stay put.”

“I would like to change people being able to force me to live in places I don’t want to live and with people I don’t want to live with.”

“They only ask your views once you’re in the placement and by then it is too late. They should make time before to see if it is the right place.’

“[I want to make sure children in care] are not moved around so much and they should have things explained to them.”

“You should have someone you can trust so you could talk to them throughout your life.”

## 3. The Performance Report

### 3.1 Overview

#### Statement by the Children's Commissioner on the Performance of the Office of the Children's Commissioner, 2015-16

##### Purpose and activities of the Office of the Children's Commissioner

3.1.1. Anne Longfield is the third Children's Commissioner for England and was appointed in March 2015.

3.1.2. The post of Children's Commissioner was created following a recommendation in the Inquiry into Victoria Climbié's death and requests from a number of children's sector charities. The role was established under the Children Act 2004 which gave the Commissioner responsibility for promoting awareness of the views and interests of children. Her remit includes listening to what children and young people say about things that affect them and encouraging adults making decisions to always take their views and interests into account. She has unique data gathering powers and powers of entry to talk with children to gain evidence to support improvement for children. The Children and Families Act 2014 further strengthened the remit, powers and independence of the Commissioner.

3.1.3. Anne Longfield is the first Commissioner to be appointed since the introduction of the new legal framework for the Commissioner to promote and protect children's rights in accordance with the United Nations Convention on the Rights of the Child (UNCRC). The 2014 Act also strengthens the Children's Commissioner's responsibilities towards children in care and other vulnerable groups.

3.1.4. The Children's Commissioner has unique powers to help bring about long term change and improvements for children, in particular the most vulnerable children including those who are in care. She is the 'eyes and ears' of children in the system and is expected to carry out her duties 'without fear or favour' of Government, children's agencies, nor the voluntary or private sector.

3.1.5. The Commissioner is a corporation sole and the Office of the Children's Commissioner is classified as an executive Non-Departmental Public Body. The responsibilities of the Commissioner as Accounting Officer are set out on page 22.

3.1.6. A number of groups advise, scrutinise and challenge the Commissioner:

- Children and young people;
- Advisory Board;
- Specialist advisory groups; and
- Audit and Risk.

The Children's Commissioner values her relationship with the wide range of stakeholders she works with to further children's outcomes. This includes children's groups and professionals, parliamentarians, government officials, charities, parents and community groups and, of course, children and young people themselves.

- 3.1.7. Further information can be found in the Accounting Officer's governance statement on pages 23 to 32.
- 3.1.8. As at 31 March 2016, 18 (17.2 FTE) individuals were directly employed by the Office of Children's Commissioner on a permanent or fixed-term basis. In addition, throughout the year the Commissioner engaged a small number of staff who are support workers. These were either on a secondment or loan from within the Civil Service or a university, or engaged on an interim or agency basis.
- 3.1.9. The Office has a clear set of policies and procedures that guide the actions and behaviour of its employees which are outlined in the Staff Handbook which covers Code of Conduct, Equality and Diversity, Training and Development, Performance Management, Health and Safety, Dignity at Work, a Social Media Policy and policies relating to discipline and whistleblowing.
- 3.1.10. The Commissioner is committed to communicating and consulting with her entire workforce. There are regular team meetings, all staff planning days and all staff meetings - held monthly that assist with communicating the aims of the organisation and updating staff of current and upcoming work.
- 3.1.11. She recognises trade unions and aims to work in partnership with the union Unite with whom Joint Negotiation and Consultation meetings are held quarterly.
- 3.1.12. The business period 2015-16 was a transition year as the Commissioner took up the post.

### **Key Risks and Issues, 2015-16**

3.1.13. The key strategic risks during 2015-16 were:

- a) The possibility of an in-year reduction in funding;
- b) Extension of remit without resources;
- c) Reputation damage from failure to deliver the business plan or from credibility of evidence; and
- d) Loss of key staff and inability to recruit staff with appropriate skills.

3.1.14. Implications of these risks were as follows:

- a) This could result in having to reduce significantly the projects set out in the Annual Strategic Plan;

- b) This could result in being unable to protect the children that come under its statutory remit resulting in the Office failing to deliver on the remit;
- c) This could result in a loss of impact and stakeholder dissatisfaction; and
- d) This could result in the Office losing organisational memory and knowledge

3.1.15. The senior management implement an assurance framework to provide audit evidence and assurance on risk mitigation controls. The assurance framework also provides the senior management, Audit and Risk Committee members or internal audit the opportunity to test the accuracy, completeness and reliability of assumptions made together with the sources of assurances.

3.1.16. Strategic, operational, program, and information risk registers are maintained and kept up to date. This was the result of an internal review of risk registers and the identification of potential gaps in information.

3.1.17. The Audit and Risk Committee review, scrutinise and challenge the strategic risk register and provide advice to the Commissioner.

3.1.18. A number of steps were taken to mitigate risks including:

- strengthened project management processes including review and clearance by myself;
- a clear strategic organisational plan and individual programme work plans and for all staff members;
- strengthened staffing with new Directors of Strategy and Evidence;
- my office's Business Plan being able to accommodate budget changes;
- maintaining regular contact with the Department for Education Sponsor Team; and
- training for new senior/SCS staff.

### Going Concern

3.1.19. Grant-in-aid, unlike other income, is treated as financing and is taken straight into taxpayers' equity. Cash grant-in-aid for the period to 31 March 2017, taking into account the amounts required to meet the Commissioner's liabilities falling due in that period, has already been included in the sponsor department's estimates for the year. There is no reason to believe that the department's future sponsorship will not be forthcoming. It has accordingly been considered appropriate to adopt a going-concern basis for the preparation of these accounts.

### Performance Summary

3.1.20. Among the year's key achievements were:

**A new strategic policy framework.** The Commissioner set out her priorities for the term of her appointment, and a framework for future business, with the publication in July 2015 of *Ambitious for Children*;

**A renewed team and internal structure.** The Commissioner undertook a major internal reorganisation to create a team and internal structure to deliver the strategy. This included creating new posts, including a Director of Strategy with deputising responsibilities to the Children's Commissioner, a Director of Evidence, policy and data analysts, and communication and digital communication posts. Internal governance arrangements have been renewed and refreshed, as have finance, HR and IT functions;

**Delivering an ambitious policy programme.** The Commissioner published a number of reports throughout the year with far reaching recommendations across children's lives (see later in this section). A 'Growing Up Digital' taskforce was created in 2015 to reflect children's growing digital engagement;

**Extensive engagement with decision and policy makers.** The Children's Commissioner extended the profile of the role and levels of engagement with key bodies including the Association of Directors of Children's Services, the Local Government Association, Ofsted, arms-length bodies, the police, and professional bodies and at senior level across government departments;

**Representing children at senior level.** The Commissioner also represented the views and perspectives of children in a range of Government and non-Governmental settings including, the National Crime Agency CEOP, the National Preventive Mechanism - including chairing the children's group, Her Majesty's Inspectorate of Prisons (HMIP), the Independent Police Complaints Commissioner (IPPC), Ofsted, the Ministry of Justice's Review of Youth Justice and the review of Local Safeguarding Children Boards. The Commissioner has spoken at a wide range of national, regional and local conferences and events with a particular emphasis on national events for professional networks;

**Assess and reporting on children's rights, views and experiences of children living away from home.** The Commissioner made regular visits to talk to children in custody, in residential homes and in secure mental health units. She also made interventions, as a result of requests from the advice line, and met with unaccompanied asylum seekers in Dover and Secure Training Centres (STCs) in Medway and other STCs, following an investigation by the BBC's Panorama programme. The advice line was also made available to children in areas where Kid's Company had operated, following the charity's collapse. The advisory and assistance service for children in care and those living away from home was reviewed as an early priority and will be relaunched in 2016;

**Engagement with children.** The Commissioner extended and deepened the reach of engagement with children and young people establishing a new digital programme of engagement for children. She also promoted the views and experiences of children in a number of reviews including: conducting a survey of children living in residential care for Sir Martin Narey's report on

residential children's homes, at working groups and committees for immigration and unaccompanied asylum seekers and in the context of children's health and mental health; and

**Increasing the profile of the role.** National, local media and social coverage increased during this period which increases the profile of the role.

3.1.21. In 2015-16 the Children's Commissioner undertook work and published reports which informed public policy and made important recommendations for change for children:

**Children in Care:** In July 2015 the Commissioner launched the *Children in Care Monitor Survey*, the first of a series of *State of the Nation* reports, designed to be annual stock takes of the views of children and young people in England. The survey of 3,000 children found that young people in care wanted the option of being supported by the care system up to the age of 25. The report has informed and strengthened thinking on post-18 care. Recommendations for stability, recovery and ongoing support are core to the Commissioner's work for 2016;

The Commissioner's advice and assistance representation telephone service offered help throughout the year to children and young people who were in or leaving care, living away from home or receiving social care services. 433 children were helped by the service, over a third of whom received detailed representation for their case. The Office conducted a full review of the service and put in place plans to develop and test a new brand to increase awareness and ensure it continues to provide high quality and impactful support;

**Early years and poverty:** In July 2015 we launched the *Changing the Odds in the Early Years* report in the Palace of Westminster which examined how local areas were developing strategies and services to reduce poverty in very young children. Work in 2016-17 will identify how early years support can improve life chances;

**Immigration and asylum:** A report *Skype Families* examined how families are being separated through immigration rules. The report recommended a child and family approach. In addition, the Commissioner has responded to the high level of child refugees and unaccompanied asylum seekers entering the UK since the summer last year through a fact-finding visit to the Kent Intake Unit with the Home Office and DfE, having regular meetings with Home Office Officials, visiting Calais and the Syria-Jordan border, and communication with local authorities;

**Youth custody:** We have continued our work to improve conditions of detention in England across the secure estate and help prevent cruel or degrading treatment. To that end, we have continued our membership of the National Preventive Mechanism (NPM), visiting places of detention to assess and report on children's rights, views and experiences and to gain a better

understanding of the use of segregation in youth justice and promote alternatives. In October 2015 we published research into the use of isolation in the youth justice system, we also visited places of detention for newly arrived young unaccompanied asylum seekers in Kent. Following an investigation by the BBC's Panorama programme which exposed maltreatment by staff, we conducted visits to a number of Secure Training Centres;

**Protecting children from harm and neglect:** In November 2015 we launched our report into child sexual exploitation in the family environment, *Protecting Children from Harm*, with an event and debate in the Houses of Parliament. *Protecting Children from Harm* is an extensive and high profile review and report which drew on national data from the police and social services and undertook the largest ever survey of child abuse survivors. It established that only 1 in 8 children who have experienced child abuse within the family are likely to be known by the authorities. The report made a strong case for the universal provision of age appropriate lessons on staying safe and healthy relationships as well as the piloting of the successful Barnahus 'children's house' for abuse victims. It made a wide range of hard-hitting recommendations which are being followed up in a second year of the study to include prevention, improving services and improving support;

Over the previous year, our work to review and assess our **See Me, Hear Me** framework to provide a child-centred approach to protection for violence, abuse and exploitation has continued. The framework (which is being piloted in three areas, Oxfordshire, Sandwell and Brighton & Hove) aims to enable local authorities and organisations to work effectively together to ensure children are protected from sexual exploitation and given appropriate support where they may have been victims. All sites are fully engaged in the project and baseline data collection with professionals and children is complete;

We worked with other key child protection partners on an anti-pornography project to protect children from potentially harmful or otherwise unsuitable media content and empower consumers, particularly parents to make informed viewing decisions. This project was published in June 2016. The report contains new qualitative and quantitative data on the use of pornography by children and young people, including access and exposure and the impact on attitudes and values; and

**Digital:** *Growing Up Digital* is an 18-month task force and programme to protect and empower children online which was begun in 2015-16. Reporting in January 2017, it will help children understand their legal rights online, recommend ways of improving digital literacy and support and embed digital right into the United Nations Convention on the Rights of the Child.

- 3.1.22. One of our objectives over the year was to assess the impact of policy on children's rights. To that end we measured the impact of the Immigration Bill – both for care leavers and on the ability of families to obtain financial support.

We also looked at the Welfare Reform and Work Bill, in particular the changes to child poverty measures and tax credit reform.

3.1.23. The work we have carried out to implement the UNCRC has played a significant role in helping us realise our aim of raising the profile of children's rights over the last year. To that end we made a submission to the relevant UN Committee alongside the other UK Children's Commissioner's outlining how well children's rights are met. We also facilitated meetings between the UK taskforce of the UN Committee and children and young people to support their work.

3.1.24. The views, experiences and engagement of children and young people were at the centre of our work throughout:

We maintained regular contact throughout the year with a network of children and young people enabling us to take a measure of their views on a range of issues. Three advisory groups **Amplify** (consisting of children aged 11-18), **Young Amplify** (young people aged 7-11) and our **Young Expert Groups** (children and young people aged 7-25) played a special role in helping us to promote the views of children and young people. For example, following the launch of our **Ambitious for Children** report, we staged an event with more than 40 children aged 7-11 from **Young Amplify**, during which creative approaches were used to discuss what mattered most to them as they grew up;

More than 40 organisations were involved with the advisory groups over the year and we increased our contact with children and young people to embrace a wider reference group. We increased participation in our advisory groups and have begun a new digital programme of engagement. We also initiated a review into the advisory groups' model with a view to enabling the Children's Commissioner to champion and support younger children's involvement on a much wider scale;

In December 2015 we published and disseminated a report into our work with **Young Amplify**. Entitled **Safety First** the report looked at our work to date and summarised some key findings, including the children's rights the group considered the most important, the importance of safety in children's lives and key recommendations to Government, schools, parents and carers;

Participation visits gave us the opportunity to listen to and learn from children and young people where they live, learn and play, enabling us to extend our understanding of the issues affecting children and young people with a view to promoting greater engagement with them. To that end we have taken part in a series of participation visits including meeting with children with care experience in residential homes and foster placements;

We also met with young people in semi-independent and independent accommodation, giving us the opportunity to listen and learn from children



living away from home and receiving social care. Following this, in February 2016 we extended our communication reach and support for children in care by building and maintaining a database of contacts for all children in care across all local authorities in England;

The Commissioner's high profile Takeover Challenge engaged over 40,000 children and young people in a range of organisations including the BBC, Government Departments, the Mayor of London and many local authorities and health agencies around the country. There was a 20% increase in the number of organisations participating across England, taking the number to 1320;

Over 2016-17 we will extend our digital communication to enhance and deepen our communication with a national network of children and young people.

3.1.25. The national strategic fora in which the Children's Commissioner represented children's views were:

- National Crime Agency national strategic assessment group;
- National Preventive Mechanism, chairing the children's group;
- Immigration and Unaccompanied Asylum Seeker working groups and committees;
- Representation and responses to HMI Prisons and HMI Schools (Ofsted);
- A survey of children's views to inform the Children's Residential Care Review;
- Children's views to inform the Local Children's Safeguarding Boards Review;
- Advice and consultations to inform the Ministry of Justice, review of youth justice systems;
- Interventions with advice, on-site and online for unaccompanied asylum seekers in Dover, Secure Training Centres and local areas affected by collapse of Kids Company; and
- Visits to meet with children in custody, in residential homes and in secure hospitals to ensure their wellbeing.

3.1.26. Speeches and presentations to Parliamentarians and professionals, including key-note speeches at national events for:

- Association of Directors of Children's Services;
- Local Government Association;
- Community Care;
- Youth Offending Teams;
- Principal Social Workers;
- Health Safeguarding Leads; and
- Heads of Young People's Services – Ambition youth conference

3.1.27. National events held by the Children's Commissioner included:

- *Ambitious for Children*: launch and debate;
- Early Years and poverty: changing the odds launch event and discussion; and
- State of the Nation for Children in Care: launch and debate.

### 3.2. Performance Analysis

3.2.1. The Children's Commissioner is a unique statutory role to promote and protect the rights and best interest of children. The 2014 Children and Families Act provides the legal framework for the Commissioner to promote and protect children's rights under the UNCRC, with particular duties for children in care. The role has huge breadth with many demands. A champion for children across Government and wider society, the Commissioner brings unique insight and independence to a powerful role for positive change for all children, but especially the most vulnerable. It is backed up by unique powers to collect data from public bodies and of power of entry to speak with children living away from home. Throughout my term of office, my commitment is to make a demonstrable difference to children in England.

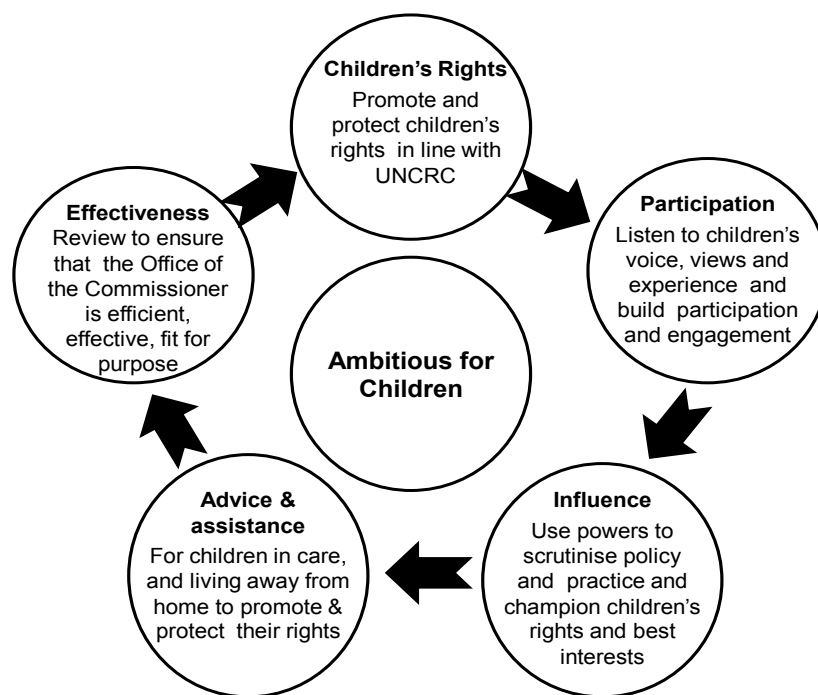
3.2.2. This first year of the new Commissioner's tenure was a transition year from the previous Commissioner's activities. In July 2015, the newly appointed Commissioner published her priorities in the document, *Ambitious for Children* – this creates the framework for all that she does. The Commissioner reviewed and renewed her staffing arrangements to bring them into line with the 2014 Act and the needs of *Ambitious for Children*. This included strengthening the staff teams in the areas of Strategy, Evidence, Communications and Digital Engagement wherein new posts were created, including a Director of Strategy with deputising responsibilities to the Children's Commissioner, a Director of Evidence, policy and data analysts, and communication and digital communication posts. Internal governance arrangements have been reviewed and strengthened, as have corporate and IT functions. This report demonstrates delivery of a successful programme against the objectives as set out in the 2015-16 business plan. 2016-17 will be the first full year of strategic delivery for the *Ambitious for Children* agenda which will be accompanied by key performance indicators (KPIs) and a strengthened performance management framework. The performance of the Office was measured against the completion of the business plan in 2015-16 as detailed below.

3.2.3. *Ambitious for Children* prioritises five policy areas:

- Positive childhoods;
- Children in care;
- Protecting children from harm;
- Reducing inequalities and changing the odds; and
- Children at the heart of everyday life.

3.2.4. These priorities will create the framework for the Commissioner's work for subsequent business plans.

3.2.5. *Ambitious for Children* provides the strategic priorities and focus to deliver priorities in the following way:



3.2.6. When the Children's Commissioner for England was established in 2004, the initial remit was primarily to gather the views of children and inform the UK Government about them. Following the Children and Families Act 2014, the Commissioner has a wider and explicitly rights-based remit, and is required to report in particular on what she does to promote and protect the rights of children living otherwise than at home or who are in receipt of social care. (Section 2B of the Children Act 2004, as amended by the Children and Families Act 2014). Where functions are devolved, the UK Government and UK Parliament exercise those functions in relation to England, and the English Commissioner's remit follows this demarcation including immigration and asylum and youth justice (for England and Wales). This is delivered with a Memorandum of Understanding.

3.2.7. The Commissioner is required to take reasonable steps to *involve* children and make children aware of her role and how they can communicate with her and to consult with children on matters she proposes to consider or investigate. In exercising the primary function, she involved children in all work undertaken, including planning, research, policy development and reporting and has had particular regard to the views of those children who do not have other adequate means of making their views known. Throughout the year, an advisory group of young people, Amplify, met regularly to consider and shape policy priorities and develop their own proposals. The latter culminated in a young people's report on access to mental health which recommended increased access to support through schools and communities. 120 primary

school children were involved in a Young Amplify programme which met in regional areas to consider their experience of growing up. Expert groups of children in care also met throughout the year to consider and shape our understanding of priorities for children in care. A children and young people version of reports has been published to ensure children are made aware of the work of my office. Children and young people also play a key role in recruiting staff, sitting on interview panels and making their recommendations on selection.

- 3.2.8. The Commissioner has reviewed the involvement of children and young people in her work over the last year and has set ambitious targets to significantly increase awareness and involvement going forward. This will be achieved through a new digital network which will launch shortly, through new partnerships with the children's national media and through national engagement campaigns. The children and young people advisory groups will be reformed and extended with enhanced communication to establish a broader group of advisors and champions.
- 3.2.9. The Commissioner has extended the profile of the role and levels of engagement with key bodies over the year including ADCS, LGA, Ofsted, arms-length bodies, the police, and professional bodies and at senior level across government departments. She has also represented the views and perspectives of children in a range of Government and non-Governmental settings as detailed in section 3.1.25 on page 12 of this report.
- 3.2.10. The Commissioner has spoken at a wide range of national, regional and local conferences and events with a particular emphasis on national events for professional networks.
- 3.2.11. There was a Ministerial commitment under the 2010–15 Government to give due consideration to the UNCRC Articles when making new policy and legislation and the Commissioner takes an active role in ensuring UNCRC is taken into account in legislation. She regularly briefed Ministers, parliamentarians and other agencies including the voluntary sector on her policy findings. This included individual meetings, events and communication. Fortnightly policy bulletins were widely disseminated to highlight children's issues on the policy agenda, and web capability improved to support greater interactivity on policy and other issues.
- 3.2.12. The Commissioner is active both in responding to government consultation and in scrutiny of government bills. One of her office's objectives over the year has been to assess the impact of policy on children's rights. To that end they measured the impact of the Immigration Bill – both for care leavers and on the ability of families to obtain financial support. They also looked at the Welfare Reform and Work Bill, in particular the changes to child poverty measures and tax credit reform. The work they have carried out to implement the UNCRC has played a significant role in helping them realise their aim of raising the profile of children's rights. To that end they made a submission to the relevant UN Committee on behalf of all four UK Children's Commissioner's outlining

how well children's rights are met. They also facilitated meetings between the UK taskforce of the UN Committee and children and young people to support their work.

- 3.2.13. Detailed submissions have been made to a wide range of consultations and reviews throughout the year including Sir Martin Narey's review of residential care, Charlie Taylor's review of youth justice systems and Alan Wood's review of local safeguarding boards. Submissions reflect children's views and experiences and in some instances, for example, the review of residential care, have involved an extensive survey of children's views. The Commissioner also intervened in a number of court cases to support the best interest of the child for example in the Public Law Project (PLP) case at the Supreme Court for residence test and legal aid reform.
- 3.2.14. The Commissioner has powers to gather information and data and any person exercising statutory functions must supply her with information relating to those functions. Data requests are made as a key aspect of all major policy programmes, over the last year notably playing a particularly important role in gathering evidence of the prevalence and nature of child sexual abuse. Individualised data was secured from every police force and social services on reported incidences of child sexual abuse over the last two years enabling cross referencing and tracking of children by initials and date of birth. Going forward, the Commissioner's strategy is to maximise the potential of her data collection powers. A 'lightening review' of children's access to mental health has recently been completed with several other such reviews planned for 2016-17.
- 3.2.15. Policy reports and recommendations were published on a range of issues throughout the year. In July 2015 the Commissioner published the first Children in Care Monitor, a survey of 3,000 children which found that young people in care wanted improvements to stability, support and permanence in care with the option of ongoing care support up to the age of 25. The report has informed and strengthened thinking on post-18 care and recommendations for stability, recovery and ongoing support are core to her work for 2016.
- 3.2.16. In the same month, the Commissioner launched the Changing the Odds in the Early Years report in the Palace of Westminster which examined how local areas were developing strategies and services to reduce poverty in very young children. Work in 2016-17 will identify how early years support can improve life chances.
- 3.2.17. A report, Skype Families, examined how families are being separated through immigration rules. The report recommended a child and family approach. In October 2015 the Commissioner published research into the use of isolation in the youth justice system which recommended improvements to care and accommodation in custody.
- 3.2.18. In November 2015 the Commissioner launched her report into child sexual

exploitation in the family environment, Protecting Children from Harm, with an event and debate in the Houses of Parliament. Protecting Children from Harm is an extensive and high profile review and report which drew on national data and the largest ever survey of child abuse survivors. Over the previous year, the OCC work to review and assess our See Me, Hear Me framework to provide a child-centred approach to protection for violence, abuse and exploitation also continued.

3.2.19. The Growing Up Digital task force, which began in summer 2015 and which will report in January 2017, is an important recognition of the increasing influence of the digital world in children's lives. An extensive study on advocacy for children in care was undertaken last year and has been recently published. A report on complaints in schools was also published. Most recently, following a visit to the Calais refugee camp, the Commissioner has written to the French authorities to ask them to speed up the process of reunification of eligible children with their families in the UK under the Dublin 111 agreement. She also called for urgent protection for children who are living in dangerous and unregulated conditions in the camp, many of whom may be legally entitled to enter the UK. In addition, she highlighted the high level of child refugees and unaccompanied asylum seekers entering the UK since summer last year and drew attention to improvements in the support needed.

3.2.20. The Government responds to recommendations the Commissioner makes. For example, the recommendations from her report on child sexual abuse in the family are being progressed with relevant agencies including the police, the Crown Prosecution Service and social services in a next phase of implementation. This includes leading a cross-Government delegation to Iceland in April 2016 to examine the Barnahus model of support for victims which was recommended to be piloted in the report. A proposal to pilot is currently being considered by the Metropolitan Police. Wider recommendations from the report have been presented at a range of committees and across Government and the DfE are currently developing their thinking and response. Ongoing communication with Ministers and officials is taking place on all the policy issues the Commissioner raised this year.

3.2.21. In addition to data collection, the Commissioner has powers of entry, allowing her or another person authorised by her to, at any reasonable time, enter any premises, other than a private dwelling, for the purposes of interviewing a child, or observing the standard of care provided to children accommodated or cared for there. In 2015-16, this power was used to make 17 visits to meet with children in custody, children's homes and asylum centres. On 9 occasions these were unannounced. Her team undertook extended visits to Secure Training Centres (STCs) to meet with children over a number of days following concerns raised by Panorama about the Medway Centre.

3.2.22. Furthermore, the Office of the Children's Commissioner is a designated body as part of the National Preventive Mechanism (NPM) to monitor the treatment

and conditions of people deprived of their liberty. The Mechanism gains its mandate from the UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. In addition to visits to determine welfare, the Commissioner's team chairs the children and young people NPM panel. Her business plan for 2016-17 includes extending this to use power of entry in mental health, social care and immigration settings.

3.2.23. The Commissioner also provides advice and assistance to children who live away from home or are in receipt of social care services as part of her particular responsibilities. The Advice and Assistance Service has doubled the number of enquiries it receives in 2015-16 to 1000, approximately 36% of which resulted in representation for further action. Contacts to the Commissioner have resulted in wider investigations and work into:

- advocacy services for children in care;
- the impact of the family migration rules;
- education complaint processes;
- family courts where parents' contact with children is continued following allegations of child abuse being made against them;
- residential special schools; and
- School exclusions.

3.2.24. An early review determined priorities for the development of the service which will shortly be renamed and relaunched with ambitious targets to raise awareness with the majority of children in care and in custody over next two years. It will maximise the use of digital technology to respond to increased demand.

3.2.25. During the year the service has also been used on a short term basis in response to specific need. The advice line was made available for unaccompanied asylum seeking children in Kent last summer when numbers entering the UK increased rapidly. It was made available for children in the areas where Kids' Company operated at the time of the sudden closure of services, and to children in STCs following increased concern over staff practice. The advice line is currently playing a vital role in helping find missing refugee children who have entered the country and are in danger. This is in collaboration with British volunteers in Calais and the Home Office.

3.2.26. National and local media coverage has increased over the last year which increases the profile of the role. The Commissioner's high profile Takeover Day engaged 40,000 children and young people in a range of organisations from Radio 1, the Mayor of London and many local authorities and health agencies around the country. The well-established and successful day is now extended to an all year Challenge.

3.2.27. Taken together, the work of 2015-16 which saw us restructure, reduce costs and set out a coherent, ambitious and achievable agenda, has created an excellent foundation from which to allow us to improve the lives of children in England in the year ahead.

## Financial review

- 3.2.28. The Children's Commissioner operates within the budget resource allocated by the sponsor department. As Accounting Officer, the Commissioner is responsible for the efficient and effective delivery of the budget within the budgetary controls as delegated by the Department. She can confirm that expenditure during 2015-16 was delivered within these controls.
- 3.2.29. The financial statements for the period to 31 March 2016 are set out on page 46 onwards. The notes contained within these accounts also form an integral part of the accounts. In 2015-16, the budget for the year was £2.904m (£2,924m in 2014-15). The Commissioner set out and managed her budget to deliver best value for money and ensure all spending was effective. In 2015-16 the net expenditure was £2.888m (£2.935m in 2014-15). The reduction in expenditure is due in the main to carrying out research projects in house rather than commissioning external providers.
- 3.2.30. Throughout the year the Commissioner actively managed her budget in order to maximise business planning outcomes. There were some important savings this year which included a reduction in rent of almost 50% for the final eight months of the year. The deletion of the Deputy Children's Commissioner and Chief Executive post and support functions brought further savings, a significant proportion of which still remain when new senior staff are accounted for. The level of externally commissioned research has also been dramatically reduced as research and analysis functions have been brought in house enabling the Commissioner to both make savings and strengthen their research and evidence team in the next year.

## Auditing of Accounts

- 3.2.31. The external audit is carried out by the Comptroller and Auditor General, who is required to examine, certify and report on the annual financial statements in readiness for their laying before the Houses of Parliament. The external auditor's remuneration for the audit of the 2015-16 financial statements was £25,000 (the published remuneration for 2014-15 was £38,000 in 2014-15 although the actual cost rose to £41,000 due to delays and additional work required to deliver the audit opinion on the 2014-15 annual report and accounts). The additional £3,000 is reflected in the 2015-16 figure.

**Anne Longfield**  
**Children's Commissioner for England**  
**14<sup>th</sup> July 2016**



## 4. The Accountability Report

### 4.1 Corporate Governance Report

#### 4.1.1. Director's Report

##### Introduction

4.1.1.1. The Commissioner began to implement the recommendations made in the Governance Review undertaken in 2014 on appointment. This covers all aspects of running the office. A number of groups advise, scrutinise and challenge the Commissioner:

- **Children and young people**

The Children's Commissioner is advised by two groups of children and young people, **Young Amplify** (aged 7–11) and **Amplify** (aged 11–18). They make sure the views of children and young people are included all of our work. Members come from a wide range of geographical locations and backgrounds;

- **Advisory Board**

Leading figures and experts in areas of policy priorities provide advice to the Children's Commissioner;

- **Specialist advisory groups**

Specialist experts and practitioners support our work and programmes. This includes specialist children and young people's groups; and

- **Audit and Risk**

The Audit and Risk Committee (ARC) is responsible for providing independent assurance and objective review of financial systems, financial information, information data security, risk management, governance arrangements and internal control mechanisms.

4.1.1.2. The Children's Commissioner values her relationship with the wide range of stakeholders she works with to further children's outcomes. This includes children's groups and professionals, parliamentarians, government officials, charities, parents and community groups and, of course, children and young people themselves. We are grateful for your inspiration, encouragement, challenge and support.

4.1.1.3. Further information about the Office's governance arrangements can be found in the Accounting Officer's governance statement on pages 23 to 32.

## Registration of Interests

- 4.1.1.4. The Office of the Children's Commissioner keep a record of all staff and Committee and Advisory Group members' interests, the registration of interests for all staff are updated yearly. These records can be found on our website at:

<http://www.childrenscommissioner.gov.uk/publications/registration-interests-senior-staff-and-members-audit-and-risk-committee-and-advisory>

## Corporate governance

- 4.1.1.5. Information about our corporate governance structure can be found above and in our performance section of this report.

## Personal Data Incidents

- 4.1.1.6. In 2015-16 there were no personal data related incidents that occurred within the Office of the Children's Commissioner

## Complaints

- 4.1.1.7. The Office of the Children's Commissioner takes complaints seriously and welcomes comments regarding performance and suggestions for improvements.

- 4.1.1.8. Information regarding the Children's Commissioner's complaints policy and process is available upon request from [info@childrenscommissioner.gsi.gov.uk](mailto:info@childrenscommissioner.gsi.gov.uk)

## Human Resources

- 4.1.1.9. The first internal audit review of human resources is due to take place in 2016-17 and will be presented to the Audit and Risk Committee.

## Internal Audit

- 4.1.1.10. Gateway Assure Ltd provided the internal audit service to the Office and this year has reviewed the governance measures that are in place. Gateway Assure Ltd was appointed as the internal auditor in May 2014 after a successful open tender process.

## Donations

- 4.1.1.11. In 2015-16 there were no charitable or political donations made to or from the Office of the Children's Commissioner.

#### **4.1.2. Statement of the Accounting Officer and Children's Commissioner's Responsibilities**

- 4.1.2.1. Under the Children Act 2004, schedule 1, clause 8, HM Treasury has directed the Office of the Children's Commissioner to prepare for each financial year a statement of accounts in the form and on the basis set out in in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Office of the Children's Commissioner and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.
- 4.1.2.2. In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:
- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
  - make judgements and estimates on a reasonable basis;
  - state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the accounts; and
  - prepare the accounts on a going concern basis.
- 4.1.2.3. The Permanent Secretary as Principle Accounting Officer of the Department for Education has designated the Children's Commissioner as Accounting Officer of the Office of the Children's Commissioner. The responsibilities of an Accounting Officer, including responsibility for the propriety and regulatory of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Office of the Children's Commissioner's assets, are set out in Managing Public Money published by HM Treasury.
- 4.1.2.4. As far as the Commissioner is aware, there is no relevant audit information of which the auditor is unaware, and she has taken all the steps that ought to have been taken to make him aware of any relevant information and to establish that the auditor is aware of that information. She has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. The annual report and accounts as a whole is fair, balanced and understandable and the Commissioner takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

### **4.1.3. Governance Statement**

#### **Scope of Responsibility**

4.1.3.1. As Children's Commissioner I am designated Accounting Officer for the Office of the Children's Commissioner. I have personal responsibility for maintaining a sound system of governance, internal control and risk management within my area of responsibility to support the achievement of my Office's policies, aims and objectives, whilst safeguarding public funds and the sponsoring department's assets.

#### **Governance Framework**

4.1.3.2. The framework document for my Office sets out the arrangements for the governance, accountability and operation of my Office. This has been agreed between the Department for Education (DfE) and myself.

#### **Governance**

4.1.3.3. I confirm that I have reviewed the governance, internal control and risk management arrangements in operation within my area of responsibility. My review of the effectiveness of the system of internal control has been informed by senior managers within my office who have responsibility for the development and maintenance of the internal control framework and supported by internal and external audits. I also confirm that governance arrangements are compliant with DfE and Cabinet Office requirements placed on NDPBs and are consistent with the UK Corporate Governance Code.

4.1.3.4. The Office of the Children's Commissioner underwent a major governance review in 2014. The review made a wide range of recommendations to strengthen/add: decision making; leadership; transparency; and reduce costs. The new governance arrangements came into effect from 1 April 2015. And revisions were made throughout the year to reflect the needs of the organisation. There are a number of internal controls underpinning the work of the Commissioner including newly appointed internal auditors, a new board of Audit and Risk Committee members, an Advisory Board, a Senior Management Team and the introduction of an Extended Senior Management Team. The Extended SMT comprises heads of teams and meets monthly with the SMT to focus on the operational delivery of the business plan.

4.1.3.5. A key aspect of the new structure was to commission a shared service provision for Corporate Services/Finance from the Department for Education. This aims to reduce costs and avoid the risk of being dependent on a sole internal finance post.

## Advisory Board

- 4.1.3.6. Membership is by the formal invitation of the Children's Commissioner, members being recruited through open competition.
- 4.1.3.7. Members are invited to serve a one year term, which the Commissioner can extend and existing Board members at the beginning of April 2015 were invited to extend their appointments for a further year. The Advisory Board advised the Commissioner on the Business Plan and Ambitious for Children.
- 4.1.3.8. The Advisory Board met three times during 2015-16 and the attendance listed below relates solely to this period.

<b>Name</b>	<b>Dates of appointment</b>	<b>Meeting attendance</b>
Christian Guy, Director, Centre for Social Justice	April 2015 – July 2015	1/1
Alex Burghart, Interim Director, Centre for Social Justice	August 2015 - February 2016	2/3
Christine Davies Member of the Youth Justice Board	April 2015 - present	2/3
David Holmes, Chief Executive, Family Action	May 2015 - present	3/3
Javed Khan, Chief Executive, Barnardo's	April 2015 - present	2/3
Mark Hammond Chief Executive, Equality and Human Rights Commission	April 2015 - July 2015	1/1
Natasha Finlayson, Chief Executive, The Who Cares? Trust	April 2015 - present	3/3
Professor Marian Brandon, School of Social Work, University of East Anglia	April 2015 - present	3/3
Simon Woolley, Director, Operation Black Vote	April 2015 - July 2015	1/1
Jane Cooper, and Lily Caprini Deputy Executive Director, Communications and Programme UNICEF	April 2015 - present	3/3

## Audit and Risk Committee

- 4.1.3.9. The Audit and Risk Committee (ARC) is responsible for providing scrutiny, challenge, advice, oversight and assurance to myself as Accounting Officer on the adequacy and effectiveness of internal controls, risk management and governance. ARC also oversees internal and external audit arrangements covering financial and non-financial systems. The ARC met five times in 2015-16, 20 April 2015, 13 July, 14 September 2015, 10 November 2015 and 24 February 2016
- 4.1.3.10. The ARC agrees the content of the annual internal audit programme with the management and myself. They provide an annual assessment of the effectiveness of my Office's internal controls and risk management. The ARC also receive the external auditor's planning report, audit completion report and management letter.
- 4.1.3.11. All in attendance at ARC are required to declare any potential conflicts of interest on appointment and at the beginning of each meeting they attend. The register of interests is reviewed on an annual basis. During the reporting year 2015-16, no members declared any directorships or other significant interests that may have conflicted with their responsibilities.
- 4.1.3.12. The term of office for four members expired following the February meeting and new members have been appointed via open competition and bringing a range of skills and experience.

<b>Audit and Risk committee</b>			
<b>Name</b>	<b>Date of appointment</b>	<b>Terms of appointment</b>	<b>Board attendance during 2015-16</b>
Lynne Snowball Chair	September 2011	Initially three years, with an extension which ended September 2015	2/3
Magda Moorey	September 2011	Initially three years, extended until April 2016	5/5
Sue Gower MBE	September 2011	Initially three years, extended until April 2016	3/5
Gill Galliano	September 2013	Initially one year, extended until April 2016	2/5
David Clarke Chair	October 2015	Three years	2/2
Susan Tranter	October 2015	Three years	2/2

## Senior Management Team

4.1.3.13. The purpose of SMT is to support me with the identification, development and implementation of my strategic priorities in the form of a five year strategic plan and an annual strategic business plan. The remit of SMT is both strategic and operational and includes the following:

- strategic and operational policy;
- communications;
- participation; and
- corporate planning.

This includes; business planning and performance measurement, financial management and budgetary control, human resources, risk management, internal audit, external audit, premises management, IT and systems, and information governance.

4.1.3.14. The SMT meet once per fortnight, chaired by myself.

<b>Senior Management Team</b>			
<b>Name</b>	<b>Position</b>	<b>Date of appointment</b>	<b>Meeting attendance record</b>
Anne Longfield	Children's Commissioner	March 2015	16/16
Oliver Berman	Director of Communications and External events	October 2012	16/16
Anna Henry	Director for Children's Rights	September 2014	16/16
David Ryan	Director of Corporate Services	March 2011 to October 2015	8/11
Alex Burghart	Director of Strategy	March 2016	1/1

## Internal Control

4.1.3.15. A system of internal control was in place for the whole of 2015 to 2016. This has continued up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance. The following section of this statement describes the system of internal control in operation for the year.

- 4.1.3.16. Our system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. Our system can, therefore, achieve a reasonable and not absolute assurance of effectiveness.
- 4.1.3.17. The Senior Management Team and Audit and Risk Committee consider a number of sets of management data at each meeting. This includes monthly management accounts, performance indicators and delivery indicators, risk management and communication and awareness data.

Senior staff are responsible for the quality of the data which is reviewed and reflected on a regular basis. The internal auditors consider these matters as a key aspect of their work reporting to the Commissioner and the Audit and Risk Committee. This year, the SMT has prioritised the development of high quality data sets for management accounts and risk management and a development process of review and improvement has been in place throughout. The production of high quality finance and HR data is a key requirement of the OCC's contract with shared services which is monitored by the Commissioner.

### **Internal Audit**

- 4.1.3.18. An internal audit function is provided by Gateway Assure, who give independent and objective assurance to me on the adequacy and effectiveness of my Office's framework of governance, risk management and control by measuring and evaluating the Office's effectiveness in achieving its agreed objectives. A full audit plan was produced and delivered for 2015-16 and, based upon the reviews performed, other assurances available and significant risks being addressed during the year, the Office of the Children's Commissioner has:

- adequate and effective risk management;
- adequate and effective governance; and
- adequate and effective control processes.

Some key issues that were dealt with during the period 2015-16 included premises security, the design of a Service Level Agreement, an updated Scheme of Delegation, a risk assessment of data assets and a review of the Risk Management strategy, and approval of risk definitions.

### **Programme and Project Management**

- 4.1.3.19. An annual calendar of governance processes ensures that governance is well planned and executed.



## Financial Management

4.1.3.20. I am confident that my Office has clear lines of accountability in place for all programme and administrative expenditure with support from DfE finance business partners under our Shared Services Agreement. We have put in place a number of systems to ensure adherence to financial processes, controls, risk management and fraud prevention so that propriety, regularity and value for money are achieved. The Senior Management Team invites the Finance Business Partner to regular meetings to receive and discuss monthly financial management reports and I weekly meet with my finance leads to review and agree priorities.

## Delivery Arrangements and Achievement against Business Plan

4.1.3.21. My Office produced a high-level strategy for business planning and performance measurement. The strategy supports the identification of strategic priorities and the development of annual business planning.

4.1.3.22. Before publishing my business plan, I consulted in line with the requirements set out in the Children Act 2004. Following consultation, I published my business plan, detailing proposed strategic priorities as part of that process. The business plan was provided to the Department for Education for comment. The agreed business plan was published on my website and made available to staff. An overview of the plan was also published and launched at a summer stakeholder and sector event.

4.1.3.23. I have also designed a performance measurement reporting system to measure outcome and impact against plan which will come into effect in 2016-17.

## I.T. Management and Data Safeguarding

4.1.3.24. General information systems are developed to meet internal and external standards and the needs of the business. Data is securely handled and safeguarded within my Office. Mandatory information assurance training is undertaken by all staff annually. My Office had no protected personal data related incidents which were judged significant enough to be formally reported to the Information Commissioner's Office in 2015-16.

4.1.3.25. An Internal Audit Review sought to ensure that there were appropriate policies and procedures in place to ensure that current legislation and regulations were adhered to. It appears that previously an assumed compliance with DfE policies has been used, which if continued under a new Shared Service Agreement, should be formalised – as a result compliance could not be assured. It was also found that the principles of the government's protective marking scheme were not upheld on a regular basis and a risk assessment of all data assets had not been conducted. Since the audit took place, my Office has adopted DfE procedures in the

name of the Office of the Children's Commissioner and ensured adequate physical security to our premises. An action plan is in place to deliver all outstanding audit recommendations by the end of summer 2016.

### **People Management**

4.1.3.26. Performance Management systems are in place. The performance of staff at all levels in my Office is satisfactorily appraised. For details of my Office's FTE please refer to the Staff Report within the Remuneration and Staff Report.

### **Whistle-Blowing Arrangements**

4.1.3.27. Whistle-blowing arrangements offer a framework of protection against victimisation or dismissal for workers who blow the whistle on criminal behaviour or other wrongdoing. Whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place and have been throughout 2015-16. No notifications have been received during the year.

### **Risk Management Arrangements**

4.1.3.28. My Office has developed an overarching risk management strategy to manage risk. The Audit and Risk Committee support me in reviewing the process for the risk identification and mitigation and the Senior Management Team's responsibility is to ensure risk is effectively reviewed and managed by the design of adequate and effective controls. Risk is identified by any member of staff or advisory member and is then logged as an issue and identified as an operational or strategic risk to be assessed and acted on.

### **Assessment of Risk**

4.1.3.29. The overarching risk management strategy informs strategic and operational risk. Procedures and processes are designed to assess whether to treat or tolerate risk and comply with the stated strategy. The strategy, procedures and processes provide reasonable assurance that the controls are adequate in their design. Internal audit provides an audit opinion on the effectiveness of the controls and this year's review was rated as adequate assurance.

### **Reporting of Risk**

4.1.3.30. The strategic risk register is reviewed scrutinised and challenged at the Senior Management Team meetings on a monthly basis and at Audit and Risk Committee up to five times a year. An annual review of risk management was undertaken by internal audit as part of the internal audit programme for 2015-16 to provide an audit opinion to the Audit and Risk

Committee and myself on the management of risk. As a result of this year's review, my Office has adopted a revised format which places the risk register within a wider Board Assurance Framework, compiled a wider set of corporate objectives to highlight a wider spectrum of risk in relation to finance, technology and employment risk rather than just focussing on policy, and adopted a more structured approach which fully reflects both inherent and residual risk.

### **Key Risks in 2015-16**

4.1.3.31. The key strategic risks during 2015-16 were:

- a) The possibility of an in-year reduction in funding;
- b) Extension of remit without resources;
- c) Reputation damage from failure to deliver the business plan or from credibility of evidence;
- d) Loss of key staff and inability to recruit staff with appropriate skills.

### **Mitigating Controls**

4.1.3.32. A number of steps were taken to mitigate risks including:

- strengthened project management processes including review and clearance by myself;
- a clear strategic organisational plan and individual programme plans and for all staff members;
- strengthened staffing with new Directors of Strategy and Evidence;
- my Office's Business Plan being able to accommodate budget changes;
- maintaining regular contact with the DfE Sponsor Team; and
- training for new senior/SCS staff.

### **Key issues in 2015-16**

4.1.3.33. With the exception of the one issue (described below), my Office has complied with all controls in regard to the deletion of posts which has included gaining HM Treasury clearance for severance packages. However, a consultancy contract was put in place which was found to be non-compliant with Cabinet Office efficiency controls and I took immediate action to address the non-compliance and cancel the contract. I reported this issue as an event after the reporting period in my Governance Statement for 2014-15. Steps have been taken to ensure controls are designed in order that this does not occur again in the future. HM Treasury conducted an investigation and concluded that overall, the Office of the Children's Commissioner and DfE breached three pieces of government guidance: Cabinet Office's controls on consultancy; guidance on the use of settlement arrangements, special severance payments and

confidentiality; and HMT's off-payroll guidance. Of the £100,000 fine imposed by HM Treasury, my Office contributed £20,000 via a reduction in grant-in-aid with the Department for Education contributing the remaining £80,000.

- 4.1.3.34. As a result of these breaches, the Office and DfE were required to inform the NAO of their breach of the consultancy control, to subsequently review any off-payroll contracts to ensure they contain the correct clauses and to provide assurance these breaches will not occur in future.
- 4.1.3.35. A second issue of note is in relation to a purchase order to The Access Group, signed by a senior member of staff, for the provision of a new Customer Relationship Management and HR system. This was subsequently deemed to be in breach of procurement legislation, requiring three competitive tenders for the work. My Office informed the supplier to this effect and sought appropriate tenders. However, following this process, I advised The Access Group that my Office would not now be contracting with them for the work. In response, the supplier requested payment in full due to the purchase order having been signed and therefore, being a contractual obligation. With support under the Shared Service Agreement from a Commercial colleague, I successfully negotiated a reduced settlement of £60,000 plus VAT (£72,000 total) this being reported as a fruitless payment. This has been approved by the Department for Education.
- 4.1.3.36. The strengthening of the corporate function delivery including outsourcing of Commercial Services to DfE and the appointment of a Business Manager supported by a Corporate Business Team will ensure that this type of breach does not occur again in the future.

### **Overall Assessment**

- 4.1.3.37. The information outlined above demonstrates that my office has been run in an effective and efficient manner during 2015-16. A new five year plan provides strategic direction and governance reforms and staff reorganisation have strengthened the ability to provide impact. New corporate support arrangements provide value for money and improve access to specialist skills. The new organisational structure began to be put in place in the final quarter of the year and will be finalised in 2016. This will complete the structural changes.

4.1.3.38. As Accounting Officer I am broadly satisfied with my office's internal control, risk management and governance arrangements. My office continues to deliver successfully across a broad range of areas and governance arrangements have supported the effective delivery of this work.

**Anne Longfield**  
**Children's Commissioner for England**  
**14<sup>th</sup> July 2016**

## 4.2 Remuneration and Staff Report

### Part 1: Unaudited Information

#### Senior Team Members' Remuneration Policy

- 4.2.1 The Office of the Children's Commissioner does not have a Remuneration Committee at present. The recruitment drive for the new members of the Audit and Risk Committee (ARC) has concluded and the terms of reference of the Committee will be revised to include a remuneration sub-committee. This is in order to provide scrutiny and challenge on pay and rewards and ensure good corporate governance.
- 4.2.2 The Children's Commissioner is required to submit a pay remit proposal on an annual basis for approval to DfE. The Office of the Children's Commissioner has formally adopted the DfE pay and rewards policies to ensure that pay and rewards are linked to a rateable performance management system that are transparent, open and fair.

#### Service Contracts

- 4.2.3 The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.
- 4.2.4 Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.
- 4.2.5 Further information about the work of the Civil Service Commission can be found at <http://civilservicecommission.independent.gov.uk/>

#### Staff Composition

- 4.2.6 At 31 March 2016 our staff headcount figures, for permanent staff, was as follows:

Grade	Male	Female	Total
Senior Civil Servant	1	1	2
Grade 6	1	1	2
Grade 7	1	3	4
Senior Executive Assistant	-	2	2
Higher Executive Assistant	-	7	7
Executive Officer	1	-	1
	<b>4</b>	<b>14</b>	<b>18</b>

## **Sickness Absence**

4.2.7. Figures at 31 March 2016 showed that 57 days in total were lost through sickness absence in 2015-16 (93.5 days in 2014-15); the average number of working days lost per FTE was 3 days in 2015-16 (3 days in 2014-15).

## **Staff Policies in regard to Employment Opportunities and Development of Disabled Employees**

4.2.8. The Children's Commissioner is committed to eliminating discrimination, promoting equality and respecting diversity. Her aim is that our workforce will be truly representative of all sections of society and each employee feels respected and able to give of their best.

4.2.9. The diversity policy is detailed in the staff handbook. This sets out the Children's Commissioner's commitment: to create an environment in which individual differences and the contributions of all staff are recognised and valued; every employee is entitled to a working environment that promotes dignity and respect to all; no form of intimidation, bullying or harassment will be tolerated; training, development and progression opportunities are available to all staff; equality in the workplace is good management practice and makes sound business sense; and to review all employment practices and procedures as appropriate to ensure fairness.

4.2.10. The Children's Commissioner will abide by its Equality policy, ensuring that applicants are not unlawfully discriminated against on the basis of a protected characteristic including disability.

4.2.11. All applicants who have been shortlisted and are invited for interview will be asked if they require any adjustments to be made to enable them to participate. The Children's Commissioner will make every effort to provide reasonable adjustments.

4.2.12. Where an individual with a disability is offered a job, the Children's Commissioner's will immediately discuss with the applicant what reasonable adjustments, if any, need to be put in place to enable them to carry out the job. The Children's Commissioner's may need to seek professional advice to assist it.

4.2.13. The provision of training and development is consistent with the Children's Commissioner's Equality policy.

## **Off Payroll Engagements**

4.2.14. A total of £18,197.76 was paid under a contract, including expenses and termination costs to Susan Berelowitz for chairing an inquiry into child sexual abuse; the contract was terminated early after 9 days of working.

## Consultancy Spend

4.2.15. Consultants are hired to work on strategic priorities in a number of specific situations: where the Office does not have the skills set required; where the particular requirement falls outside the core business of its staff, or where an external, independent perspective is required. When used appropriately, consultancy can be a cost effective and efficient way of getting the temporary and skilled external input that the organisation needs.

4.2.16. The Commissioner spent £8,000 on consultancy in 2015-16 (£121,000 in 2014-15).

## People Management

4.2.17. My Office has fully implemented a revised staff structure during 2015-16 and has carefully managed staff resourcing throughout the year. A reclassification request was submitted to HMT at the end of the year to correctly allocate those staff delivering front line services to programme expenditure. This has now been formally accepted for most posts with a few requiring further information before a decision will be made. Should any or all of the outstanding posts not be accepted, the adjustment to the management accounts will need to be amended but this would have no implications to the financial statements in this report.



**Part 2: Audited Information****Directors' Remuneration**

Officials	Salary £000		Pension benefits £000		Total £000	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Children's Commissioner</b> Ms Anne Longfield From 1 March 2014	125-130	10-15 (120-125)	49	4	175-180	10-15
<b>Director of Communications and External Events</b> Mr Oliver Berman	60-65	60-65	25	24	85-90	85-90
<b>Director of Child Rights</b> Ms Anna Henry From 27 September 2014	60-65	30-35	25	13	85-90	45-50
<b>Director of Strategy</b> Mr Alex Burghart From 1 March 2016	5-10 (85-90)	-	-	-	5-10	-
<b>Director of Corporate Services</b> Mr David Ryan to 26 October 2015	75-80 (60-65)	60-65	16	24	90-95	85-90
<b>Children's Commissioner</b> Dr Maggie Atkinson to 28 February 2015	-	125-130	-	80	-	205-210
<b>Deputy Children's Commissioner/Chief Executive</b> Ms Susan Berelowitz to 30 April 2015	45-50 (95-100)	95-100	7	43	55-60	135-140

**Notes:**

- i. For senior managers who served part of the year the full year equivalent is presented in italicised brackets below the actual cost.
- ii. No staff received benefits in kind or bonus payments in either 2015-16 or 2014-15.
- iii. A number of job titles have changed over the year as a result of the organisational staffing review. The new post of Director of Strategy has also been established.
- iv. Salary for the Director of Corporate Services and the Deputy Children's Commissioner includes payment in lieu of notice

## 2015–16 Salaries

4.2.18. Members of the Audit and Risk Committee receive no remuneration and are permitted to claim reasonable travel expenses only.

### Salary

4.2.19. 'Salary' includes 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. This report is based on accrued payments made by the Children's Commissioner and thus recorded in these accounts. This total remuneration, as well as the allowances to which they are entitled, is paid by the Office of the Children's Commissioner and is therefore shown in full in the figures above.

### Benefits in kind

4.2.20. The monetary value of benefits in kind covers any benefits provided by the Children's Commissioner and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were paid in either 2015-16 or 2014-15.

### Bonuses

4.2.21. Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. No bonuses were paid in either 2015-16 or 2014-15.

### Pension Benefits

4.2.22. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

### Pensions

4.2.23. Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

- 4.2.24. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).
- 4.2.25. Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus**, **nuvos** and all other members of **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is updated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.
- 4.2.26. The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1

October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

4.2.27. The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

4.2.28. Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

### Cash Equivalent Transfer Values

4.2.29. A Cash Equivalent Transfer Value (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 benefits 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.

	Real increase in pension and related lump sum (bands of £2,500)	Accrued pension and related lump sum as at 31 March 2016 (bands of £5,000)	CETV as at 1 April 2015 £000	Real increase in CETV £000	CETV as at 31 March 2016 £000
<b>Anne Longfield OBE</b> Children's Commissioner	2.5 - 5.0 and nil	0 - 5	3	32	45
<b>Susan Berelowitz</b> Deputy Children's Commissioner (to 30 April 2015)	0 - 2.5 and nil	50 - 55	787	6	819
<b>Anna Henry</b> Director of Child Rights	0 - 2.5 and nil	5 - 10	79	8	103
<b>Oliver Berman</b> Director of Communications & External Events	0 - 2.5 and nil	0 - 5	20	11	38
<b>David Ryan</b> Director of Corporate Services (to 26 October 2015)	0 - 2.5 and nil	5 - 10	70	4	82

Note: Alex Burghart chose not to become a member of the Civil Service Pension Scheme.

4.2.30. The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due.

### Real increase in CETV

4.2.31. This reflects the increase in accrued pension. It excludes increases 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.

### Payments to Past Directors

4.2.32. A total of £18,197.76 was paid under a contract to Susan Berelowitz for chairing an inquiry into child sexual abuse after she received her compulsory redundancy payment. This is also disclosed in the Governance Statement (pages 23 – 32).

### Compensation on early retirement or for loss of office

4.2.33. Two members of senior management received compensation for loss of office in addition to the remuneration disclosed above:

Susan Berelowitz left under Compulsory Redundancy terms on 30 April 2015. She received a compensation payment of £92,595.00. These costs were accrued for in 2014-15 and reported in the 2014-15 accounts;

David Ryan left under Compulsory Redundancy terms on 26 October 2015. He received a compensation payment of £24,619.56.

### Fair Pay Disclosure

4.2.34. 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. Details are summarised in the table below:

	2015-16	2014-15
Band of the highest-paid director's total remuneration (£000)	125-130	120-125
Median total remuneration	50,826	39,843
Ratio	2.51	3.07

4.2.35. The Children's Commissioner has implemented a new staff structure in 2015-16 following the recommendations of an Internal Audit Governance review to remove layers of management in the structure of the organisation. The banded remuneration of the highest paid director in 2015-16 was £125,000 to £130,000 (2014-15, £120,000 to £125,000). This was 2.51 (2014-15, 3.07) times the median remuneration of the workforce, which was £50,826 (2014-15, £39,843). The increase in median remuneration and subsequent reduction in ratio is attributable to the revised staff structure which consists of a greater number of higher grade posts than the previous structure.

4.2.36. In 2015-16 and 2014-15, no employees received remuneration in excess of the highest paid director. Remuneration ranged from £25,000 to £126,000 in 2015-16 (2014-15, £25,000 to £125,000).

4.2.37. Total remuneration includes salary, non-consolidated performance related pay and Benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer of pensions.

## Staff Report

4.2.38. Staff costs comprise:

		2015-16 £000		2014-15 £000	
	Permanently employed staff	Others	Total	Total	Total
Wages and salaries	1,057	178	1,235	1,417	1,417
Social security costs	122	-	122	124	124
Other pension costs	226	-	226	276	276
Restructuring Costs	240	-	240	146	146
<b>Sub Total</b>	<b>1,645</b>	<b>178</b>	<b>1,823</b>	<b>1,963</b>	<b>1,963</b>
Less recoveries in respect of outward secondments	-	-	-	-	-
<b>Total Net Costs</b>	<b>1,645</b>	<b>178</b>	<b>1,823</b>	<b>1,963</b>	<b>1,963</b>

## Pension Schemes

4.2.39. For 2015-16, employers' contributions of £226,469 were payable to the PCSPS (2014-15 £276,000) at one of four rates in the range 20.0 to 24.5 per cent (2014-15 16.7 to 24.3 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

4.2.40. Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employer's contributions were paid to any of the panel of three appointed stakeholder pension providers.

4.2.41. No persons retired early on ill-health grounds.

### Average Number of Persons Employed

4.2.42. The average number of whole-time equivalent persons employed during the year was as follows:

			2015-16	2014-15
	Permanently Employed Staff	Others	Total	Total
Directly Employed	19	-	19	29
Other	-	4	4	1
<b>Total</b>	<b>19</b>	<b>4</b>	<b>23</b>	<b>30</b>

### Reporting of Civil Service and Other Compensation Schemes – Exit Packages

4.2.43. Details regarding exit packages paid in 2015-16 with comparative data for 2014-15 are as follows:

	Number of compulsory redundancies	Number of other departures agreed	Number of compulsory redundancies	Number of other departures agreed
<b>Exit Packages Cost Band</b>	<b>2015-16</b>		<b>2014-15</b>	
< £10,000	-	1	-	-
£10,001 - £25,000	-	4	-	1
£25,001 - £50,000	-	5	-	-
£50,001 - £100,000	1	-	-	-
£100,001 - £150,000	-	-	-	1
<b>Total number of exit packages</b>	<b>1</b>	<b>10</b>	<b>-</b>	<b>2</b>
<b>Total exit package costs £000</b>	<b>56</b>	<b>210</b>	<b>-</b>	<b>146</b>

## **4.3. Parliamentary Accountability & Audit Report**

### **Part 1: Unaudited Information**

#### **Long-Term Expenditure Trends**

4.3.1. The Office of the Children's Commissioner is expecting a 5% budget decrease year on year for three years. Therefore, the Commissioner is placing continued emphasis on staff to change their ways of working to reduce the expenditure of her office. For example, a move from commissioned research to in house provision has generated significant savings in 2015-16.

### **Part 2: Audited Information**

#### **Regularity of Expenditure**

4.3.2. There were no losses in aggregate over £300k in either 2015-16 or 2014-15.

4.3.3. There were no special payments in either 2015-16 or 2014-15.

#### **Contingent and Remote Contingent Liabilities**

4.3.4. There were no contingent or remote contingent liabilities in either 2015-16 or 2014-15.

**Anne Longfield**  
**Children's Commissioner for England**  
**14<sup>th</sup> July 2016**



## **4.4. The Certificate and Report of the Comptroller and Auditor General**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT**

I certify that I have audited the financial statements of the Office of the Children's Commissioner for the year ended 31 March 2016 under the Children Act 2004. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report and the Parliamentary Accountability disclosures that is described in that report as having been audited.

#### **Respective responsibilities of the Children's Commissioner and auditor**

As explained more fully in the Statement of Responsibilities of the Children's Commissioner, the Children's Commissioner is 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 Children Act 2004. 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 Office of the Children's Commissioner's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Office of the Children's Commissioner; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. 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 Office of the Children's Commissioner's affairs as at 31 March 2016 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Children Act 2004 and Secretary of State directions issued thereunder.

### Opinion on other matters

In my opinion:

- the part of the Remuneration Report and Parliamentary Accountability disclosures to be audited has been properly prepared in accordance with Secretary of State directions made under the Children Act 2004; and
- the information given in the Performance Report and the Accountability 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 and Parliamentary Accountability disclosures 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.

**Sir Amyas C E Morse**  
**Comptroller and Auditor General**

July 2016

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

## 5. Financial Statements

### Statement of Comprehensive Net Expenditure

for the year ended 31 March 2016

		2015-16 £000	2014-15 £000
	Note		
Other operating income		0	(6)
<b>Total operating income</b>		<b>0</b>	<b>(6)</b>
Staff costs	<b>3</b>	1,823	1,963
Purchases of goods and services	<b>4</b>	924	808
Depreciation and amortisation		33	15
Other operating expenditure	<b>5</b>	108	155
<b>Total operating expenditure</b>		<b>2,888</b>	<b>2,941</b>
<b>Net expenditure for the year</b>		<b>2,888</b>	<b>2,935</b>

Note: Prior year costs have been re-presented following changes to the FReM but no restatement of net expenditure or net assets has been made.

The notes on pages 50 to 55 form part of these accounts

## Statement of Financial Position

As at 31 March 2016

	Note	2015-16 £000	2014-15 £000
<b>Non-current assets:</b>			
Property, plant and equipment		3	6
Intangible assets	6	81	75
<b>Total non current assets</b>		<b>84</b>	<b>81</b>
<b>Current Assets</b>			
Trade and other receivables	7	36	188
Cash and cash equivalents	8	505	295
<b>Total current assets</b>		<b>541</b>	<b>483</b>
<b>Total assets</b>		<b>625</b>	<b>564</b>
<b>Current Liabilities</b>			
Trade and other payables	9	(746)	(393)
<b>Total current liabilities</b>		<b>(746)</b>	<b>(393)</b>
<b>Non-current Liabilities</b>			
Other payables		0	0
<b>Total non-current liabilities</b>		<b>0</b>	<b>0</b>
<b>Total Assets less Liabilities</b>		<b>(121)</b>	<b>171</b>
<b>Taxpayer's Equity:</b>			
General Fund		(121)	171
<b>Total Taxpayers Equity</b>		<b>(121)</b>	<b>171</b>

Note: Prior year costs have been re-presented following changes to the FReM but no restatement of net expenditure or net assets has been made.

**Anne Longfield**  
**Children's Commissioner for England**  
**14<sup>th</sup> July 2016**

The notes on pages 50 to 55 form part of these accounts

## Statement of Cash Flows

for the year ended 31 March 2016

		2015-16 £000	2014-15 £000
<b>Cash flows from operating activities</b>	<b>Note</b>		
Net operating cost		(2,888)	(2,935)
Adjustments for non-cash transactions	<b>5</b>	33	15
(Increase)/Decrease in trade and other receivables	<b>7</b>	152	(117)
Increase/(Decrease) in trade and other payables	<b>9</b>	353	225
<b>Net cash outflow from operating activities</b>		<u>(2,350)</u>	<u>(2,812)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		<u>(36)</u>	<u>(43)</u>
<b>Net cash outflow from investing activities</b>		<u>(36)</u>	<u>(43)</u>
<b>Cash flows from financing activities</b>			
Grants from sponsoring department		<u>2,596</u>	<u>2,924</u>
<b>Net financing</b>		<u>2,596</u>	<u>2,924</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>210</u>	<u>69</u>
Cash and cash equivalents at the beginning of the period	<b>8</b>	295	226
Cash and cash equivalents at the end of the period	<b>8</b>	505	295

The notes on pages 50 to 55 form part of these accounts

## Statement of Changes in Taxpayer's Equity

For the year ended 31 March 2016

	Note	Taxpayers' Equity £000
<b>Balance at 31 March 2014</b>		<u>182</u>
Comprehensive Expenditure for the Year		(2,935)
Grants from Sponsoring Department		2,924
<b>Balance at 31 March 2015</b>		<u>171</u>
Comprehensive expenditure for the year		(2,888)
Grants from Sponsoring Department		2,596
<b>Balance at 31 March 2016</b>		<u>(121)</u>

Note: taxpayers' equity comprises the general fund

The notes on pages 50 to 55 form part of these accounts

## Notes to the Accounts

### 1. Statement of accounting policies

These accounts were drawn up in accordance with HM Treasury Guidance, Annual Reports and Accounts Guidance, the Children's Act 2004, and the Accounts Direction and the financial memorandum between the Secretary of State for Children, Schools and Families and the Commissioner dated 12 September 2005, copies of which can be obtained from the Children's Commissioner. They have been prepared in accordance with the 2015-16 Government Financial Reporting Manual (FReM) issued by HM Treasury and NDPB Green (Simplifying and Streamlining Accounts project). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Children's Commissioner for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Children's Commissioner are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1. Accounting Convention

These financial statements have been prepared under the historical cost convention.

#### 1.2. Areas of Judgement

In accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors, the accounting policies and estimation techniques used are those that are judged to be the most appropriate for the purpose of giving a true and fair view. These policies are reviewed regularly to ensure they remain the most appropriate. These accounts have been prepared on a going concern basis.

#### 1.3. Grant in Aid

Grant in Aid received from DfE in respect of revenue expenditure or relating to general capital expenditure is recognised in the general reserve in the year it is received.

#### 1.4. Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The Children's Commissioner recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits

from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment for future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Children's Commissioner recognises the contributions payable for the year. PCSPS also permits employees to opt for a partnership pension account, a stakeholder pension with an employer contribution. The defined benefit schemes are treated for accounting purposes as a defined contribution scheme as required by IAS 26. The defined benefit scheme prepares its own financial statements.

### 1.5. Property, Plant and Equipment and Intangible Assets

Assets with a useful economic life in excess of one year and where expenditure of £2,500 or more is incurred are initially valued at cost price and then amortised over their estimated useful economic lives.

Asset lives are in the following ranges:

- Furniture and Fittings  
(Improvements to leasehold buildings) the remaining life of the lease;
- Equipment 4 years; and
- Software licences 4 years.

### 1.6. Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating leases are charged to the Statement of Comprehensive Net Expenditure as expenditure is incurred. The Children's Commissioner does not hold any finance leases.

## 2. Statement of Operating Costs by Operating Segment

The Children's Commissioner is not required to show a segmental analysis due to management not reviewing expenditure on the basis of segments.

### 3. Staff Costs

		2015-16 £000		2014-15 £000	
	Permanently employed staff	Others	Total	Total	
Wages and salaries	1,057	178	1,235	1,417	
Social security costs	122	-	122	124	
Other pension costs	226	-	226	276	
Restructuring Costs	240	-	240	146	
<b>Sub Total</b>	<b>1,645</b>	<b>178</b>	<b>1,823</b>	<b>1,963</b>	
Less recoveries in respect of outward secondments	-	-	-	-	
<b>Total Net Costs</b>	<b>1,645</b>	<b>178</b>	<b>1,823</b>	<b>1,963</b>	

Further details around staff costs can be found in the Accountability Report section 4 Remuneration and Staff Report (pages 33 to 42).



#### 4. Purchases of Goods and Services

	2015-16 £000	2014-15 £000
Strategic Priorities	438	609
IT Support Costs	202	60
Telephone Costs	4	7
Travel & Subsistence	23	7
Training	19	9
Recruitment	26	23
Professional Fees	127	9
Auditors Remuneration:		
External Auditors	28	38
Internal Auditors	13	21
Miscellaneous Expenditure	44	25
	<u>924</u>	<u>808</u>

Strategic Priorities consists of a range of projects delivering against key strategic themes. The most notable ones in 2015-16 were: Child Sexual Abuse in the Family Environment (£121k); See Me, Hear Me (£98k); Gender (£75k); Participation (£42k); Isolation in the Youth Justice System (£32k); and Advice and Assistance (£27k).

£3,000 of the 2015-16 External Auditors' remuneration figure relates to the additional cost of the 2014-15 audit, due to delays and additional work required to deliver the 2014-15 audit opinion. The auditors' remuneration for 2015-16 is £25,000. There were no non-audit fees paid to NAO.

#### 5. Other Operating Costs

	2015-16 £000	2014-15 £000
Other operating expenditure:		
Rentals under operating leases:		
- Land and buildings	108	155
Non-cash items:		
Depreciation	3	3
Amortisation	30	12
	<u>141</u>	<u>170</u>

## 6. Intangible Assets

2015-16	Software Assets Under		Website £000	Total £000
	Licenses £000	Construction £000		
<b>Cost or Valuation</b>				
At 1 April 2015	118	0	0	118
Additions	0	36	0	36
<b>At 31 March 2016</b>	<b>118</b>	<b>36</b>	<b>0</b>	<b>154</b>
<b>Amortisation</b>				
At 1 April 2015	(43)	0	0	(43)
Charged in year	(30)	0	0	(30)
<b>At 31 March 2016</b>	<b>(73)</b>	<b>0</b>	<b>0</b>	<b>(73)</b>
<b>Carrying value as at: 31 March 2016</b>	<b>45</b>	<b>36</b>	<b>0</b>	<b>81</b>
<b>Carrying value as at: 31 March 2015</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>75</b>

2014-15	Software Assets Under		Website £000	Total £000
	Licenses £000	Construction £000		
<b>Cost or Valuation</b>				
At 1 April 2014	75	0	50	125
Additions	43	0	0	43
Disposals	0	0	(50)	(50)
<b>At 31 March 2015</b>	<b>118</b>	<b>0</b>	<b>0</b>	<b>118</b>
<b>Amortisation</b>				
At 1 April 2014	(31)	0	(50)	(81)
Charged in year	(12)	0	0	(12)
Disposals	0	0	50	50
<b>At 31 March 2015</b>	<b>(43)</b>	<b>0</b>	<b>0</b>	<b>(43)</b>
<b>Carrying value as at: At 31 March 2015</b>	<b>75</b>	<b>0</b>	<b>0</b>	<b>75</b>
<b>Carrying value as at: 31 March 2014</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>44</b>

Note: Asset base is owned

## 7. Trade and Other Receivables

	<b>2015-16</b>	<b>2014-15</b>
	£000	£000
<b>Amounts falling due within one year:</b>		
Trade and other receivables	0	11
Prepayments and accrued income	36	177
	<u>36</u>	<u>188</u>

## 8. Cash and Cash Equivalents

	<b>2015-16</b>	<b>2014-15</b>
	£000	£000
<b>Balance at 1 April 2015</b>	295	226
Net Change In Cash	210	69
<b>Balance at 31 March 2016</b>	<u>505</u>	<u>295</u>

### The Following Balances At 31 March Are Held At:

Government Banking Service	505	290
Commercial Bank And Cash In Hand	0	5
<b>Balance at 31 March 2016</b>	<u>505</u>	<u>295</u>

## 9. Trade and Other payables

	<b>2015-16</b>	<b>2014-15</b>
	£000	£000
<b>Amounts falling due within one year:</b>		
Other taxation and social security	(111)	(35)
Trade payables	(43)	(28)
Other payables	(29)	(31)
Accruals and deferred income	(563)	(299)
	<u>(746)</u>	<u>(393)</u>

## 10. Commitments under Leases

The Children's Commissioner has entered into operating lease contracts for office accommodation. At 31 March 2016, the total future minimum lease payments under operating leases are detailed below for each of the following periods:

	2015-16 £000	2014-15 £000
<b>Obligations under operating leases for the following periods comprise:</b>		
<b>Buildings:</b>		
Not later than one year	80	153
Later than one year and not later than five years	27	207
	<b>107</b>	<b>360</b>

The large reduction in commitment is due to negotiating a reduced rent for the current office accommodation and the lease expiring on 31 July 2017 when DfE are due to vacate Sanctuary Buildings at the end of their lease period.

## 11. Related Party Transactions

The Office of the Children's Commissioner (OCC) is sponsored by the Department for Education (DfE) and for the purposes of these accounts is regarded as a related party. There were material transactions with the DfE in respect of Grant in Aid, office accommodation and the provision of IT, Finance, Commercial and HR services via a Shared Service Agreement.

In addition, there have been a number of transactions with other government departments and other central government bodies. The significant transactions in this regard have been with Cabinet Office and PCSPS. There are no further transactions with any other related party.

No senior manager or other related party has undertaken any material transactions with the Office in the period to 31 March 2016.

## 12. Events after the Reporting Period Date

The accounts were authorised for issue on the date of Certification by the Comptroller & Auditor General. There have been no events after the reporting period up to the date the annual report and accounts were authorised for issue impacting on the financial statements.







ISBN 978-1-4741-3209-1



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