

# **Children's Workforce Development Council**

A company limited by guarantee

## Annual report and accounts

### Year ended 31 March 2011

# **Children's Workforce Development Council**

## **Annual report and accounts 2010 - 11**

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

**Ordered by the House of Commons to be printed on 14 July 2011**

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Any enquiries regarding this publication should be sent to us at:

CWDC, 2nd Floor, City Exchange

11 Albion Street, Leeds LS1 5ES

Email: [info@cwdcouncil.org.uk](mailto:info@cwdcouncil.org.uk)

Tel: 0300 123 1033 or fax: 0113 390 7744

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ISBN: 9780102973167

Printed in the UK by The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office

ID P002436446 07/11

Printed on paper containing 75% recycled fibre content minimum

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# Chair's introduction and statement

## **I am proud to introduce the fifth annual report of the Children's Workforce Development Council (CWDC).**

We have delivered a great deal in the last year and, despite uncertainty and significant change, we are proud of the role we have played in supporting people who work and volunteer with children, young people and families.

Over the last 12 months, a new government has been formed and new policy has emerged, focusing on empowering local areas and reducing state control. The sector has also faced reduced budgets and job losses, as the reality of the fiscal climate became clearer.

We are disappointed the government decided to cease funding CWDC from April 2012. We will work to ensure that the new arrangements for workforce support after April 2012 are as effective as possible in taking forward our mission.

During the past few turbulent months we have still kept a clear focus on our employers and the frontline, while making sure our activities reinforce the new government's priorities.

Our programmes are successful because of the relationships we build with the people working directly with children, young people and families. Listening and responding to their needs allows us to provide flexible solutions that help them improve young lives.

This report sets out our significant achievements in early years, social

work, parenting, youth, play, social care, integrated working, leadership and workforce planning, and in strengthening the qualifications frameworks across the whole workforce. Our support for capacity building in the voluntary and community sector has also made a real difference to frontline staff.

We remain the only national body responsible for supporting the entire children's workforce to be better qualified *and* better trained to work together, and the need continues beyond April 2012. With a major delivery programme for 2011-12 and the transition of much of our work to new arrangements, we expect additional challenges over the next year.

Our delivery programme in 2011-12 prepares us for our future, as we continue to adapt to the new challenges that emerge, and remain focused on achieving our vision.



**Sir Paul Ennals**

# Chief Executive's statement

**The Children's Workforce Development Council (CWDC) has continued to deliver a challenging programme of work throughout 2010-11.**

We have remained committed to our employers and workforce, responded effectively to the government, and supported the Department for Education in the new political and financial climate.

We have focused on delivering high quality services in a cost effective way. Our online payment systems have allowed small employers to access training funding. In addition, our new portal for local authority payments systems has reduced bureaucracy and made it easier for local areas to improve their social work provision.

We have supported thousands of frontline workers and volunteers to increase their skills, qualifications and confidence in early years, social work and social care, youth and parenting. Many more workers and volunteers have benefited from our support and guidance around working better together and solving local issues.

Thanks to our encouragement, thousands of people have undertaken training in safer recruitment practice – allowing them to make an even greater difference to the children and families they work with.

I am proud to say we have accomplished all these achievements as one of the most cost effective arms length bodies around<sup>1</sup>.

This next year will not be easy for us. As the government withdraws funding, we will need to look at how our work will be delivered in the future. Our successful track record of delivery comes from the support and engagement of our employers and their employees. Throughout this challenging time, we will continue delivering high quality, flexible solutions that meet the needs of the workforce.

We are proud of CWDC and all that we have achieved. We will continue to provide leadership when the workforce wants it, listen and respond to employers' needs, and deliver in ways that resonate, and motivate people who work and volunteer with children, young people and families.

Our focus on supporting the workforce to do their best for the people they work with remains as strong as ever.



**Jane Haywood MBE**

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<sup>1</sup> HM Treasury Benchmarking 2009-10

# Annual report

The directors present their Annual report and accounts for the year ended 31 March 2011.

## Directors' report

### Brief history and statutory background

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

### Registered Office:

2<sup>nd</sup> Floor  
City Exchange  
11 Albion Street  
Leeds  
LS1 5ES

**Company Registration Number:**  
5409076

### Objectives and strategies to achieve them

CWDC exists to:

- Improve the lives of children and young people, their families and carers by ensuring that all people working with them have the best possible training, qualifications, support and advice.
- Help the children and young people's workforce to work together better so that the child is at the centre of all services.
- Be the influential voice of employers and the workforce which is recognised by national and local government and key partners.

The Company's key programmes in 2010-11 were:

- Social work
- Early years
- Sector investment
- Young people's workforce
- Parents and families
- Children's workforce

The sponsor - Department for Children, Schools and Families - changed its name after the election in May 2010 to the Department for Education. For clarity we have used the Department throughout the rest of this report.

## Statement of Corporate Governance

### Overview

The Statement of Corporate Governance explains CWDC's commitment to the principles of good governance and how it is applied, as well as a summary of the role of the Membership and the Board of the Company.

### CWDC Members Group

CWDC is an employer-led organisation; its Members comprise representatives of the Nominating Bodies appointed pursuant to Articles 2 and 3 of CWDC's Articles of Association and the Bye-laws. CWDC Members play an active role in shaping and influencing the business and direction of CWDC. Whilst CWDC's directors are responsible for the development of strategy and oversight of day-to-day operations, the Members are responsible for approving the business plan. The directors are answerable to the Members for ensuring that CWDC meets its objectives and will provide members with regular written updates in this regard. Members of CWDC are able to provide fundamental safeguards which are embodied in the Articles of Association of CWDC and in English law. Decisions which impact on Members' rights require approval by at least three quarters of the Members, at a general meeting.

### The Board

The Board ensures that the corporate and business plan agreed by the Members is delivered by the Executive

Management Team. The Board of eight non-executive directors are drawn from the public, private and voluntary sectors, plus the Chief Executive Officer.

### The role of the Board

Directors have responsibility for ensuring that CWDC complies with any statutory or administrative requirements for the use of public funds. The Board is CWDC's senior body, having a strategic, cross cutting corporate focus and providing corporate leadership, within the statutory and delegated authority agreed with the Department.

### The Audit Committee

CWDC's Audit Committee provides support and advice to the Board and, through the Board, to the Company as a whole on issues of risks, control, governance and other related matters. More details relating to the composition of the Audit Committee and the scope of its activities are set out in the Statement on Internal Control.

### The role of the Chair

The Chair has particular responsibility for providing effective leadership in:

- Formulating the Board's strategy.
- Ensuring that CWDC delivers against its business objectives and targets.
- Encouraging high standards of propriety and promoting the efficient and effective use of staff and other resources throughout CWDC.
- Ensuring that the Board, in reaching decisions, takes proper account of

guidance provided by the Department.

- Providing support, challenge and advice to the Chief Executive.
- Representing the views of the Board to the general public.
- Providing an assessment of the performance of individual directors, on request, on a regular basis or when they are being considered for re-appointment to the Board.

### **The role of the Chief Executive**

The Chief Executive has responsibility for the overall organisation, management and staffing of CWDC, and for its procedures in financial and other matters, including conduct and discipline. This involves the promotion of, by leadership and example, the values embodied in the Seven Principles of Public Life. In addition, the Chief Executive is designated by the Secretary of State for Education as the Accounting Officer, and as such is personally responsible for safeguarding the public funds provided to CWDC; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the Company.

### **The role of the Executive Management Team**

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

strategic objectives and for ensuring that the Company achieves the targets set out in its business plan.

### **Public Service Values**

As a public body, CWDC must at all times:

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

CWDC follows best practice in making available information to the public, particularly through the internet at [www.cwdcouncil.org.uk](http://www.cwdcouncil.org.uk).

The Company consults its users on a wide range of issues by means of online questionnaires, meetings, or other forms of cost-effective consultation. CWDC is committed to the Government's published seven principles of public life, and is prepared to respond should these be revised in the coming year.

## Principal activities and review of the business

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

### Review of 2010-11

For the year ended 31 March 2011, CWDC received Grant-in-Aid funding in respect of all its activities. All Grant-in-Aid from the Department is treated as financing rather than income as it is a contribution from controlling parties giving rise to a financial interest in the Company. It is recorded as financing in the cash flow statement and credited to reserves. Of the available Grant-in-Aid funding for the year, £19.5m was not drawn down before 31 March due to the required compliance with HM Treasury policy which requires NDPBs to maintain minimal cash balances. Grant-in-Aid funding of £19.5m was added to available funding for 2011-12 and paid to CWDC on 1 April 2011.

The statement of financial position at 31 March 2011 shows net liabilities of £16.2m (£7.6m in 2009-10). In addition note 11 shows payables of £20.1m (£13.7m in 2009-10) arising for expenditure already committed. This reflects the inclusion of liabilities falling due in future years, which, to the extent that they are not to be met from CWDC's future alternative sources of income, may not be met by future

Grant-in-Aid from the Department. This is because, under normal conventions applying to parliamentary control over income and expenditure, Grant-in-Aid may not be issued in advance of need.

Grant-in-Aid for 2011-12, taking into account the amounts required to meet CWDC's liabilities falling due in that year, has already been included in the Department's Estimates for that year which have been approved by HM Treasury. A letter of comfort has been issued by the Department assuring the Directors that it is willing to provide the funding required to cover the net liability position at the year-end.

The Department will cease funding CWDC from April 2012 and remove its eNDPB status. The programme and delivery of CWDC's workforce reform role will transfer to the Department or an Executive Agency. Residual assets will also be transferred to other external agencies. All liabilities on closure will be met by the Department. There are no material risks to CWDC's suppliers as a result of the change of status. However, the going concern basis is not appropriate for the production of CWDC's accounts and the accounts have therefore not been prepared on that basis, although the financial position will be unchanged.

There has been an increase in CWDC's activities during the year ended 31 March 2011, primarily due to the continued growth in funding to support social work through the Social Work Improvement Fund.

On 20 March 2010 CWDC took over responsibility for the delivery of the

Parenting Practitioners Programme from the National Academy of Parenting Practitioners limited (NAPP) at the end of the organisation's three year funding arrangement with the Department. This transfer of activity involved a TUPE undertaking and CWDC was pleased to welcome a small number of NAPP staff as permanent CWDC employees. By changing delivery agent the Department were able through efficiency savings to reduce the funding requirement of this activity by £2m (20%).

CWDC has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

### **Key achievements**

We launched new initiatives that empower employers to support their local workforce.

- Responding to the needs of local authorities, we developed the Portal - a single payment processing point which distributed £30m in its first six months.
- We delivered over 22,000 accredited training places to build capacity in the voluntary and community sector young people's workforce.
- 200 middle managers in local areas are taking part in social work peer support programmes to tackle issues and share learning.
- 29 experienced senior social workers now support local areas to improve social work practices by implementing local change strategies.

We've supported employers to improve results by joining up services.

- 97% of local authorities signed up to the Voluntary Sector Engagement fund to support workforce reform activities with a voluntary sector partner.
- 90% of local areas have completed an integrated working self assessment, to help them (and us) understand better what works and what doesn't.
- We trained 1,625 young people's workforce managers to work in an atmosphere of radical change and to work better with other leaders and managers across the sector. This is the culmination of a three-year programme that has successfully trained over 5,900 existing leaders and managers and aspiring leaders.
- 44% of local authorities have training plans for roll out of the common core.
- 100% of local authorities access one or more help and advice sessions.

We've invested in the workforce to raise standards and encourage continuous professional development.

- 15,300 people have registered on our online safer recruitment training and 4,866 have completed the training course.
- Over 4,000 playworkers are supported by our playwork programme.
- More than 7,000 practitioners working in children's residential and foster care have accessed the Increasing Skills in Social Care Fund for NVQ and Diploma training.

We have successfully responded to employers' need to improve skills and provide development for both early and

later intervention staff and volunteers and will continue to do so.

- In the young people's workforce we funded training for 53 graduates, 165 foundation degree students and 181 advanced apprentices, through nine statutory and voluntary consortia across England.
- Our Leadership programme was fully subscribed.
- We've launched a set of standards and induction materials for short break carers.

We improved the workforce's skills and qualifications.

- We launched the Level 2 Certificate and the Level 3 Diploma for the Children and Young People's Workforce.
- We published a new Foundation Degree Framework for Working Together with Young People, which gives learners training in specialist skills as well as broader placement experience and an understanding of integrated working.
- We published the Skills Development Framework, which employers, training providers, sector skills councils and workforce development managers are now using to inform workforce training and qualifications. It describes the skills and competences needed by everyone working within integrated settings at different levels in the young people's workforce.
- We refreshed our common and sector-specific induction training materials at the start of this year. In total over 2010-11 we have

issued 2,632 induction training certificates to 1,645 individuals.

... and in Early Intervention.

- 6,944 people have gained Early Years Professional Status with a further 3,638 in training.
- We launched the New Leaders in Early Years project.
- 1,059 family intervention key workers and practitioners working in Sure Start children's centres and extended services received training on evidence based parenting programmes.
- 1,116 outreach practitioners have started training or are registered on Families Going Forward training programmes.
- There was such high demand for the 600 places on Working with Parents qualifications - we had to start a waiting list in the first week of launch.

We improved professional standards in social work.

- Over 5,000 newly qualified social workers have now joined our Newly Qualified Social Worker (NQSW) programme, with over 1,400 progressing onto our Early Professional Development (EPD) programme to support their second or third year of employment.
- Around 320 candidates have been supported to take their masters degree in social work through our Graduate Recruitment Scheme. (GRS).
- Over 2,000 potential candidates applied for the Step Up to Social Work programme, which has led to eight regional partnerships participating and has resulted in nearly 200 trainees on their way

to qualifying for a Masters in Social Work.

- We supported over 400 qualified social workers to return to the profession on our Return to Social Work project.

We've increased our understanding of the workforce and the needs of employers.

- Last year 691,771 unique visitors visited our website.
- We launched an information line service and handled over 12,200 calls or emails from employers in the first nine months of operation.
- We published research to inform the development of professional pathways for the children's workforce.
- 80% of practitioners felt having Early Years Professional Status (EYPS) increased their confidence and confirmed the programme had an impact on their ability to make positive change in their settings.
- 130 local authorities, over 6,800 employers and 45,965 members of the workforce are now using the Early Years Workforce Qualifications Audit Tool.
- We asked early years employers to help us revise the apprenticeship framework.
- We updated and published research which provides the most comprehensive picture of the Young People's workforce.
- We approached 800 employers from the private, voluntary and community sectors for their views on their workforce, which provided significant information in a National Survey.

We delivered extensive efficiency savings without compromising on the quality of our work.

- Our HM Treasury benchmarking report showed our corporate services are among the most efficient in the Department's family.
- We adapted to a budget reduction of £15m. Then, by focusing on in-house delivery, streamlining process and working closely with partners, we reduced our budget by a further £6.5m. We also saved £515k as a result of an internal review.
- We successfully managed the transition of work from the National Academy of Parenting Practitioners in April 2010.

### **Environmental, social and community issues**

CWDC has developed and implemented a sustainable action plan to support its commitment to the environment. The CWDC office is entirely equipped with energy efficient lighting, heating and insulation systems. Where possible, CWDC sources its materials locally to support the local economy whilst minimising its environmental impact.

### **Employee policy and achievements**

CWDC's recruitment policy is to ensure that CWDC attracts and retains high quality staff to build a diverse, highly skilled and highly motivated workforce which is capable of delivering the organisation's complex agenda now and in the foreseeable future. CWDC recognises and values people's individual contribution to the organisation. Directors and managers

lead, manage and develop their staff, and all staff are encouraged to actively seek better ways to develop personally and to deliver CWDC's outputs. CWDC has developed a flexible resourcing model which enables staff resource to be moved to priority delivery areas as well as providing opportunities for staff to broaden and develop their skills.

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

### **Equality and diversity**

CWDC actively promotes a culture which embraces diversity and promotes equality of opportunity. As an employer, CWDC seeks to recruit a diverse and talented workforce that reflects the society it serves. Its goal is to ensure that these commitments, reinforced by its values, are embedded in its day-to-day working practices with all its customers, colleagues and partners.

CWDC aims to ensure that there is no discrimination on the grounds of disability, as stated in the Disability Discrimination Act and that access to employment and career advancement within CWDC is based solely on ability, qualifications and suitability for the work.

### **Health and safety**

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

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

The average number of sick days per full-time equivalent employee during the year ended 31 March 2011 was six (eight in 2009-10).

### **Payment of creditors**

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

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

From 1 April 2008 CWDC has supported the Better Payment Practice Code which sets a target payment within 30 days and monitors performance against this target. 86% of creditors were paid within 30 days of receipt of invoice in the year ended 31 March 2011 (86% in 2009-10).

There were no interest charges arising and payable by CWDC during the year (£nil in 2009-10).

The aggregate amount owed to trade creditors at 31 March 2011 compared with the aggregate amount invoiced by suppliers during the year, expressed as number of days in the same proportion to the total number of days in the financial year is equal to 2.4 days (2.5 days in 2009-10).

#### **Data incidents**

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

#### **Directors**

The directors who served during the year were as follows:

Sir P Ennals, CBE (Chair)  
Dr D Braun, OBE  
Mr H Cooper, CBE  
Mrs J Haywood, MBE (Chief Executive)  
Ms J Held  
Mr J Khan (appointed 8 July 2010)  
Mr N Pursey  
Mr J Richards  
Mr J Vickers

The register of interest is available upon request from the Director of Finance.

#### **Pension liabilities**

The accounts incorporate pension liabilities and the basis of the treatment of these liabilities is set out in the Remuneration report and in note 1.7 to the accounts.

#### **Disclosure of information to the auditor**

At the date of approval of this report:

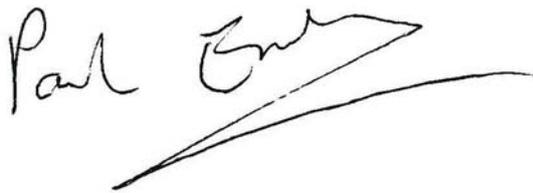
- There is no relevant audit information of which the Company's auditor is unaware.
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## Auditor

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

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

This report was approved by the Board on 29 June 2011.

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

**Sir Paul Ennals**  
Chair and Director  
29 June 2011

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

**Mrs Jane Haywood MBE**  
Chief Executive and Accounting  
Officer  
29 June 2011

## Remuneration report

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

### Part 1 – Unaudited

#### Remuneration Committee

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

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

#### Service contracts of Executive Directors

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

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

Early termination for directors and the Executive Directors, other than for misconduct or inefficiency, would result in compensation in line with the Civil Service Compensation Scheme. There have been no compensation payments in 2010–11 (£nil 2009-10).

Details of the service contract for directors and executive directors who have served during the year:

	<b>Date of the contract</b>	<b>Term of the Contract</b>
<b>Directors</b>		
Sir Paul Ennals	01 August 2009	3 years
Dr D Braun	18 March 2008	4 years
Mr H Cooper	18 March 2008	4 years
Ms J Held	18 March 2008	4 years
Mr J Khan	13 May 2010	3 years
Mr N Pursey	18 March 2008	4 years
Mr J Richards	18 March 2008	4 years
Mr J Vickers	18 March 2008	4 years
Mrs J Haywood	01 July 2005	No fixed term
<b>Executive Directors</b>		
Mr S Crisp	04 November 2005	No fixed term
Mr B Tytherleigh	01 June 2008	No fixed term
Ms D Quill	01 December 2005	No fixed term
Mr K Brumfitt	02 January 2006	No fixed term
Mr D Poulson	12 June 2006	No fixed term

## Remuneration of executive directors

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

The executive directors' salaries are determined following annual performance based reviews by the Chief Executive and the Chair, and with reference to pay movements in the wider economy, the public sector and the senior civil service, (in particular the annual Treasury pay guidance), the pay levels and pay system for all other CWDC staff, and the affordability of the proposals, taking account of the CWDC's annual administration budget. No payments were made to third parties for services of an executive director.

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

The pay system for executive directors is analogous to that of all other CWDC staff, where there is pay progression based on individual performance. Individual performance is assessed against key objectives which are agreed at the beginning of the financial year taking account the relevant objectives in the CWDC's corporate plan. The remuneration package includes basic pay only. Increases in basic pay are dependent on satisfactory levels of performance.

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

## Part 2 – Audited

### Salary and pension entitlements

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

The salary and pension entitlements of the members of the Board and Executive Directors for the year ended 31 March 2011 are as follows (this table has been subject to audit):

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Remuneration report

	Salary as defined below (note 1) £'000	Prior year salary as defined below (note 1) £'000	Real increase at pension age £'000	Total accrued at pension age as at 31 March 2010 £'000	CETV at 31 March 2010 (note 4) £'000	CETV at 31 March 2009 (note 4) £'000	Real increase in CETV £'000
Dr D Braun (note 2) <i>Director</i>	5-10	15-20	-	-	-	-	-
Mr K Brumfitt (note 3) <i>Director of Children's Trust Delivery</i>	95-100	95-100	0-2.5	45-50	776	713	-
Mr S Crisp <i>Director Sector Delivery</i>	85-90	85-90	0-2.5	10-15	174	138	27
Mrs J Haywood <i>Chief Executive</i>	105-110	105-110	0-2.5	50-55	968	892	-
Ms J Held <i>Director</i>	5-10	5-10	-	-	-	-	-
Mr D Poulson <i>Director of Finance and Company Secretary</i>	85-90	85-90	0-2.5	15-20	193	165	16
Mr N Pursey <i>Director &amp; Chair of Audit Committee</i>	10-15	10-15	-	-	-	-	-
Ms D Quill <i>Director of Early Intervention and Prevention</i>	85-90	85-90	0-2.5	15-20	313	277	18
Mr B Tytherleigh <i>Director of Business Development and Performance</i>	85-90	80-85	0-2.5	30-35	475	424	5
Mr J Vickers <i>Director</i>	5-10	5-10	-	-	-	-	-

Notes to the table above:

- (1) Salary comprises gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. Salary does not include amounts which are a reimbursement of expenses directly incurred in the performance of an individual's duties. This report is based on accrued payments made by CWDC and thus recorded in these accounts.
- (2) From April 2009 to August 2009, Dr D Braun undertook the role of acting Chair for CWDC.
- (3) The salary shown above for Mr K Brumfitt includes reserved rights to a London weighting of £12,567 in both this year and the prior year.
- (4) The actuarial factors used to calculate were changed in 2010-11. The CETVs at 31 March 2010 and 31 March 2011 have both been calculated using new factors for consistency. The CETV as at 31 March 2010 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

The amounts payable to external parties were as follows:

- £51,891 was made payable to National Children's Bureau for the services of Sir P Ennals (part year payment from 1 August 2009 £33,950 in 2009-10).
- £7,650 was made payable to Wirral MBC for the services of Mr H Cooper (£7,650 in 2009-10).
- £7,650 was made payable to UNISON for the services of Mr J Richards (£7,650 in 2009-10).
- £7,013 was made payable to Jay Kay Associates for the services of Mr J Khan who was appointed as a Director on 13 May 2010 (£nil in 2009-10) and who was formally appointed to the Board on 08 July 2010.

The monetary value of benefits in kind covers the benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. During the year Mr B Tytherleigh received relocation costs of £3,298 chargeable to tax under s163 of the Income and Corporation Taxes Act 1988 (£nil in 2009-10).

There was no performance related remuneration or bonuses paid to employees or directors during the year ended 31 March 2011 (£nil in 2009-10).

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

### **Cash Equivalent Transfer Values (CETV)**

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

The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

Regarding the Board and the Executive Directors, the CETV figures

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

### **Real Increase in CETV**

For the Board and the Executive Directors, this reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



**Mrs J Haywood MBE**  
Chief Executive  
Accounting Officer of CWDC  
29 June 2011

## Statement of the Directors' and Accounting Officer's responsibilities

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

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

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

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

prevention and detection of fraud and other irregularities.

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

## Statement on Internal Control

### Scope of responsibility

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of CWDC's policies, aims and objectives, whilst safeguarding the public funds and CWDC's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

CWDC's management statement and financial memorandum define the respective roles of the Accounting Officer, the Chair and the non-executive Board; it also defines the reporting requirements placed on CWDC. CWDC engages regularly with the Department through monthly performance meetings and formal reports following Board meetings to ensure that relevant information is shared, and risks identified and managed appropriately. The CWDC Board consists of eight non-executives and I, as the single executive member. The Board are appointed by the Members rather than the Secretary of State. On 8 July 2010, an additional Board member was appointed, in order to complement the existing Board perspective and skill set.

The Board meets regularly with me and my Executive Management Team to provide strategic guidance to us. The Board acts as the Risk Management Committee and is informed of the risks facing CWDC and the response for dealing with risks. The Audit Committee has, as part of its responsibilities, a role in challenging

the effective identification and management of risks, including personal and other sensitive information risk.

### The purpose of the system of internal control

The system of internal control is designed to promote high standards of corporate governance and manage risk to a reasonable level rather than to eliminate risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The CWDC system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of its policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been operating effectively at CWDC for the year ended 31 March 2011 and up to the date of the annual report and accounts, and accords with HM Treasury guidance.

### Change of Status

As part of the wider review of Arms Length Bodies a decision was taken on 15 November 2010 to cease the Department's funding of the children's workforce reform activities through CWDC by 2012. The consequences of this decision are to trigger a stepped reduction in income during 2011-12 as funded programmes of work and associated staff transfers into the Department and its workforce Executive Agencies.

This changes the underlying risk profile of CWDC and, to mitigate against risk failure or any unacceptable risks, the internal audit plan has been changed, and the focus of the Audit Committee amended. Key controls have been re-assessed and a planned standard agenda item on the Audit Committee focuses on the impact of staff leaving the organisation in the control environment. Through a detailed PRINCE2 based project planning approach and a Joint CWDC and Department transition programme, appropriate control has, and will be maintained until the change process is complete.

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

### **Internal control assurance**

The CWDC Audit Committee is required to give the Board an opinion of the adequacy and effectiveness of the CWDC internal control systems, and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness. Based upon matters reported to and considered by the Committee, the Committee has concluded that the internal control mechanisms, its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness are adequate and effective and can be relied upon by the Board. The Committee is also of the view that the Board responsibilities, as described in the annual financial

statements, have been satisfactorily discharged.

### **The system of internal control**

CWDC's system of internal control comprises a number of elements. The Company has defined management structures with clear roles and responsibilities and an established system of supervision and appraisal. The management structure was reviewed during 2009-10 and a new more flexible and responsive structure was implemented on 1 April 2010. The new structure has allowed the executive directors to focus on strategic and delivery issues across the organisation's programme of work.

Separation of duties is in place where it is important for the purposes of internal control and there is clearly set out delegations of authority which are reviewed regularly by the management team. The Company's Board and Audit Committee scrutinise the performance of the Executive Management Team. CWDC also has implemented Information Assurance Policies in accordance with Cabinet Office Guidance and has a detailed operational and strategic risk management strategy.

### **Information assurance**

In my role as Accounting Officer and in accordance with Cabinet Office guidance, I have a Senior Information Risk Owner and Information Asset Owners. Appropriate Information Assurance policies are in place which enable me to ensure that information risk is minimised by identifying all Information Assets and ensuring that they are appropriately secured and handled. I am also promoting a culture

that values, protects and uses information for the public good.

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

During the year accreditation for all new ICT systems processing protectively marked information has taken place. In addition, reviews of the physical and logical security of CWDC's ICT infrastructure has been undertaken with the objective of accrediting the infrastructure for Impact Level 3 information. Delivery chain confidence has also been improved as a result of assurance reviews of the security controls in place at a number of commercial organisations who supply services to CWDC on a permanent/semi-permanent basis.

I have continued to ensure that Information Assurance (encompassing data security) is a priority area in CWDC. All new CWDC staff completed the Level 1 e-learning training on protecting information during 2010-11 while existing staff successfully re-took the Level 1 assessment during the same period. Level 2 was completed by 133 staff with an average score rate

of 87% and Level 3 was completed by 9 staff with an average score rate of 88%.

I have obtained written confirmation from my Senior Information Risk Owner that an Annual Assessment of Information Risk has been completed satisfactorily with no significant risks being identified and that during the course of the year no reportable weaknesses in access controls have been identified. My Senior Information Risk Owner has similarly confirmed that, to his knowledge, there has not been any instance where the best use of these assets within the law has not been made.

### **Capacity to handle risk**

The Board and the Executive Management Team recognise the importance of leadership to create an environment where risk management is effective, with programme and project managers reviewing risks to improve their situation. The Audit Committee reviews and reports annually on CWDC's risk management policy and practice, in order to assess the progress made over the year regarding the improvement of CWDC risk management capacity and capability. These reviews found that CWDC continues to make sound progress regarding the way in which risk is managed.

### **The risk and control framework**

Risk management continues to be embedded into CWDC's finance and project management training. Guidance on the identification, assessment and active management of risk in CWDC is available to all staff through a number of workshops and

training sessions. The Director of Finance has continued to work with colleagues to ensure that risk management is further embedded into CWDC's corporate governance, finance management, business planning and assurance and performance management arrangements and improvement activities. Through a series of workshops designed to identify and implement ways of improving risk management and activities as a result of these workshops, toolkit style guides have been introduced to support the existing policy and procedural documentation. The Board and the Executive Management Team regularly reviews and monitors strategic-level risk to meet the Company's strategic outcomes and maintain its reputation.

The Risk Management Policy of CWDC is to adopt best practice in the identification, evaluation and cost-effective control of risks to ensure that they are either eliminated or reduced to an acceptable level. Risk is a factor of every day life and can never be eliminated completely. All employees must understand the nature of risk and accept responsibility for risks associated with their area of authority. The necessary support, assistance and commitment of senior management will be provided.

The processes in place for reporting risks to Ministers are through correspondence from me as Accounting Officer with the Sponsor Department's Accounting Officer made thorough the Department's Sponsor team. A protocol is also in place for the Chair of the CWDC Audit Committee to refer risks to the Departmental risk register through the

Department Head of Internal Audit. No risks have been referred during the year.

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

As the major element of CWDC's expenditure is on specific projects, the main risk management arrangement focus is on the delivery of this work and the risks associated with changing the way services are delivered. These are managed through a strong programme and project management framework. There is clear accountability and ownership of risk to ensure that risk is managed at the appropriate level and there are frameworks in place to escalate risks to ensure that significant risks are reported to the Executive Management Team and, if required, the Board.

During the year CWDC was subject to constraints on its operation as a consequence of the general election in May 2010 and the resulting change of government. Additional controls were put in place to ensure that the new Cabinet Office restrictions were implemented through the establishment of a Corporate Services

Contact Team (CSCT). The CSCT led the effective implementation of the new efficiency culture in CWDC by reviewing all programme expenditure which fell within the scope of the restrictions.

CWDC's preparedness for dealing effectively with emergencies is based on our Business Continuity Plan. The plan provides a robust, up to date, fit for purpose and flexible business continuity management arrangements that allow us to maintain or, as soon as possible, resume provision of key business services in the event of disruption. CWDC's Business Continuity Management arrangements are tested and reviewed regularly.

In December 2010, following a Crisis Management and Business Continuity exercise for the wider Senior Management Team, a review by an independent consultant reported that CWDC has a sound approach to business continuity, particularly for its corporate services functions, that is proportionate and effective.

### **Review of effectiveness**

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the Executive Directors within CWDC, who have responsibility for the development and maintenance of the internal control framework, and comments made by the auditors in their management letter and other reports. There have been no significant issues identified by internal audit in respect of the internal control

environment of CWDC. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Internal Audit and a plan to address weaknesses and ensure continuous improvement of the system is in place.

CWDC engages in an annual cross government benchmarking exercise to assess VFM of its central resources and as a result of this has demonstrated its ongoing focus regarding efficiency ranking. CWDC is listed in the top quartile in all areas measured by the benchmarking exercise.

### **Matters arising following the end of the Financial Year**

Two matters of concern were brought to my attention following the end of the financial year:

CWDC has identified a potential fraud. This matter is currently being investigated by the police and will be reported to the Audit Committee once investigations have been completed. This case does not indicate a systematic failure in the controls operated by CWDC and the amounts involved are not material.

CWDC detected malicious code on its publications website; following immediate investigation it was assessed and removed. The investigation showed that data had been uploaded by an unidentified third party who could then use the data to serve adverts of a dubious nature. No evidence has been found that CWDC customers received this data, or that personal data held by CWDC was

compromised. The website is being carefully monitored.

### **Audit Committee**

The Company's Audit Committee provides support and challenge on issues of risks, control, governance and other related matters. The Committee also provides advice to the Board on these matters. The Committee supports both the audit (internal and external) and risk management roles. The Audit Committee includes three non-executive members. The Board confirms all appointments for a fixed term, after which the appointment will end or become eligible for renewal up to a maximum of three years. The Audit Committee meets at least three times a year. Meetings are scheduled at key points in the financial reporting and audit cycle. The Chair of the Audit Committee may convene additional meetings when he or she considers it necessary, or at the request of other members.

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

reports to each meeting of the Board and presents an Annual Report of the Committee's activities at the Annual General Meeting.

During the year the Audit Committee has completed a self-assessment of its effectiveness, based on questionnaire responses from Board Members, Committee members, supporting officers and other officers in the Company, with facilitation from the external auditors. An action plan has been agreed by the Committee.

Baker Tilly UK Audit LLP provides an internal audit service, and has conducted an independent appraisal across the full range of CWDC's activities, financial and otherwise. The service is carried out to professional standards promulgated by HM Treasury and complies in all material respects with Government Internal Audit Standards. The service is responsible for giving assurance to the Board through the Audit Committee and CWDC's Accounting Officer on the adequacy of CWDC's risk management, control and governance processes. The Board determine whether or not to accept the audit recommendations and to recognise and accept the risks of inaction.

During the year the following areas were subject to review by internal audit, Corporate Governance, risk management, performance management, project management, key financial controls, human resources, procurement, project delivery, information technology system and key controls.

No significant control weaknesses were identified by internal audit and of these ten audits undertaken during the

year six reported a "good" level of assurance that risks material to the achievement of the system's objectives are adequately managed and four reported a "satisfactory" level of assurance that risks material to the achievement of the system's objectives are adequately managed.

Of the total 42 actions identified by internal audit work undertaken during the year, eight actions were classified as requiring action needing to be implemented within the next six months to avoid exposure to risks; and 36 actions were classified as requiring action which would improve control or to add value to the business. Three recommendations were rejected. The Audit Committee monitors progress in completion of actions identified by the internal audit process. All recommendations have been appropriately addressed.

Head of Internal Audit's opinion on the assessment of internal control for the year ended 31 March 2011 is that CWDC has adequate and effective risk management, control and governance processes in place that provide good assurance regarding the achievement of the organisation's objectives and for securing economy, efficiency and effectiveness.

## Conclusion

As Accounting Officer I am satisfied with CWDC's governance, risk management and internal control arrangements and that the weaknesses identified by internal audit and other assurance processes, which are being acted on, do not in any event represent a material threat to CWDC's operational effectiveness.



**Mrs Jane Haywood MBE**  
Chief Executive and Accounting Officer  
29 June 2011

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

I certify that I have audited the financial statements of the Children's Workforce Development Council for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Comprehensive Net Expenditure and the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the directors, accounting officer and auditor**

As explained more fully in the Statement of the Directors' and Accounting Officer's Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance

with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and

the financial transactions conform to the authorities which govern them.

### **Opinion on Regularity**

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions 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 Children's Workforce Development Council's affairs as at 31 March 2011 and of its net expenditure for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the Companies Act 2006.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters for 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
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

### **Report**

I have no observations to make on these financial statements.

**Amyas C E Morse**  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria,  
London  
SW1W 9SP

30 June 2011

## Statement of Comprehensive Net Expenditure

	Notes	2010-11 £'000	2009-10 £'000 Restated
<b>Income</b>			
Operating Income	3	(1,974)	(4,279)
<b>Expenditure</b>			
Staff costs	4.1	9,377	9,789
Direct programme expenditure	5.1	116,349	100,465
Depreciation and amortisation	7/8	320	343
Other administrative expenses	5.2	2,003	2,396
Loss on disposal of fixed asset		1	-
Total expenditure		128,050	112,993
<b>Net Operating Expenditure</b>		<b>126,076</b>	<b>108,714</b>
Interest receivable		-	(1)
<b>Net Operating Expenditure before Tax</b>		<b>126,076</b>	<b>108,713</b>
Corporation tax refund	6	(57)	-
<b>Net Operating Expenditure after Tax</b>		<b>126,019</b>	<b>108,713</b>
<b>Net Expenditure for the Year</b>		<b>126,019</b>	<b>108,713</b>

### Continuing operations

None of the Company's activities were acquired or discontinued during the above two financial years.

The accounts have been restated following the removal of the requirement to recognise a notional cost of capital charge. See note 1.8 on page 39.

The notes on pages 38 to 58 form part of these accounts.

## Statement of Financial Position

		31 March 2011 £'000	31 March 2010 £'000
	Note		
<b>Non-current assets</b>			
Property, plant & equipment	7	558	712
Intangible assets	8	<u>363</u>	<u>292</u>
<b>Total non-current assets</b>		921	1,004
<b>Current assets</b>			
Trade and other receivables	9	698	3,679
Cash and cash equivalents	10	<u>2,313</u>	<u>1,384</u>
<b>Total current assets</b>		<u>3,011</u>	<u>5,063</u>
<b>Total assets</b>		3,932	6,067
<b>Current liabilities</b>			
Trade payables	11	(729)	(772)
Other payables	11	<u>(18,892)</u>	<u>(12,311)</u>
<b>Total current liabilities</b>		<u>(19,621)</u>	<u>(13,083)</u>
<b>Non-current assets less net current liabilities</b>		(15,689)	(7,016)
<b>Non-current liabilities</b>			
Other payables	11	<u>(516)</u>	<u>(599)</u>
<b>Total non-current liabilities</b>		(516)	(599)
<b>Assets less liabilities</b>		<u><u>(16,205)</u></u>	<u><u>(7,615)</u></u>
<b>Reserves</b>			
General Reserves		(16,205)	(7,615)
<b>Taxpayers' Equity</b>		<u><u>(16,205)</u></u>	<u><u>(7,615)</u></u>

The financial statements on pages 34 to 58 were approved by the Board on 29 June 2011 and were signed on its behalf by:





**Mrs J Haywood MBE**  
 Chief Executive  
 Accounting Officer of CWDC  
 29 June 2011

**Sir Paul Ennals**  
 Chair  
 29 June 2011

The notes on pages 38 to 58 form part of these accounts.

## Statement of Cash Flows

	2010-11 £'000	2009-10 £'000
<b>Note</b>		
<b>Cash flows from operating activities</b>		
Net expenditure after tax and interest	(126,019)	(108,713)
Adjustment for depreciation and amortisation	7/8 320	343
Adjustment for loss on sale of non-current assets	1	-
Increase/(Decrease) in trade receivables and other current assets	9 2,981	(3,201)
(Decrease)/Increase in trade payables and other liabilities less movements in payables relating to items not passing through the Net Expenditure account	11 6,465	(9,955)
Tax paid	(10)	(46)
<b><i>Net cash outflow from operating activities</i></b>	<b><u>(116,281)</u></b>	<b><u>(121,572)</u></b>
<b>Cash flows from investing activities</b>		
Cash paid for property, plant and equipment	(22)	(108)
Cash paid for intangible assets	<u>(197)</u>	<u>(252)</u>
<b><i>Net cash (outflow) from investing activities</i></b>	<b><u>(219)</u></b>	<b><u>(360)</u></b>
<b>Cash flows from financing activities</b>		
Grants from parent department	15 117,429	99,841
<b><i>Net cash inflow from financing activities</i></b>	<b><u>117,429</u></b>	<b><u>99,841</u></b>
<b>Net decrease in cash and cash equivalents in the period</b>		
	10 929	(22,091)
Cash and cash equivalents at the beginning of the period	10 1,384	23,475
Cash and cash equivalents at the end of the period	10 <b><u>2,313</u></b>	<b><u>1,384</u></b>

The notes on pages 38 to 58 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

	General Reserve 2010-11 £'000	General Reserve 2009-10 £'000
	Note	
<b>Balance at 1 April</b>	<u>(7,615)</u>	<u>1,257</u>
<b>Changes in Taxpayers' Equity</b>		
Net expenditure for the Year	(126,019)	(108,713)
<b>Comprehensive Net Expenditure</b>	<u>(126,019)</u>	<u>(108,713)</u>
Grant-in-Aid funding	15    117,429	99,841
<b>Balance as at 31 March</b>	<u><u>(16,205)</u></u>	<u><u>(7,615)</u></u>

### Note:

During the year, in accordance with Treasury guidance and with full support of the Department, CWDC restricted the claiming of Grant-in-Aid to an amount equivalent to cash paid out during the year. A resulting £19,515,420 reduction in cash holding was achieved at the year end; allowing these funds to be effectively applied elsewhere by HM Treasury. On 1 April 2011 the Department paid these funds to CWDC.

The notes on pages 38 to 58 form part of these accounts

## Notes to the accounts

### 1 Statement of accounting policies

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

#### 1.1 Basis of preparation

These statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), IFRIC Interpretations, the Companies Act 2006 applicable to companies reporting under IFRS and the 2010-11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The FReM is only applied where it does not conflict with the Companies Act 2006. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of CWDC for the purpose of giving a true and fair view has been selected.

#### 1.2 Accounting convention

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

#### 1.3 Grant-in-Aid

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

#### 1.4 Revenue recognition - Grants and other income

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

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

## **1.5 Funding provided to other bodies**

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

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

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

## **1.6 Leases**

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

## **1.7 Pensions**

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

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

## **1.8 Capital charge**

As a result of changes in the FReM 2010-11, the requirement to recognise a notional cost of capital charge has been removed. The comparative figures for 2009-10 have been restated to reflect this change. However, this change has nil impact on either the financial performance or position of CWDC.

## 1.9 Property, plant and equipment and depreciation

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

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

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

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

## 1.10 Intangible assets and amortisation

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

## 1.11 Financial instruments

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

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

## 1.12 Current and deferred corporation tax

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

### **1.13 VAT**

CWDC is registered for VAT. Most of the activities of CWDC are outside the scope of VAT and in general output tax does not apply and input tax is not recoverable, except for a limited amount on printing. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

### **1.14 Significant accounting estimates**

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

The only accounting estimate that has a significant risk of causing a material adjustment to the accounts within the next financial year is considered to be the estimation of the number of students dropping out of their Early Years Professional Status training courses in between census points straddling the financial year end. Training providers are paid according to the number of students at each pre-determined census point. At the end of the financial year, it is necessary to estimate how many students will reach the next census point on each course so that the related expense can be calculated and allocated to the correct period. The estimated drop-out rate used is calculated based on recent recorded drop-out rates for each training provider and course.

### **1.15 New Accounting Standards**

In line with the requirements of IAS 8, CWDC has identified the following IFRS which have not yet been issued, that may have an impact on the accounts, but have not been applied as they are not yet effective.

#### **IFRS 9 Financial Instruments**

The classification of financial assets under IFRS 9 will be on the basis of the entity's business model for the management and contractual cashflow characteristics. The effective date is 1 January 2013. CWDC intends to apply IFRS 9 in the year ending 31 March 2014. The impact of application is uncertain as additional instalments covering financial liabilities and impairment methodology have not yet been published.

#### **IFRS 7 Financial Instruments: Disclosure**

In response to the credit crisis, IFRS 7 has been strengthened to require more disclosure on transfer transactions (e.g. securitisations) involving financial assets, including the extent of any risks which may remain with the entity following the transfer. The effective date is 1 July 2011. CWDC intends to apply the revised IFRS7 in the financial year ending 31 March 2012. The impact is not expected to be significant as CWDC does not currently enter into transfer transactions.

### **1.16 Going Concern**

The balance sheet at 31 March 2011 shows net liabilities of £16,205,000. This reflects the inclusion of liabilities falling due in future years which, to the extent that they are not to be met from CWDC's other sources of income, may only be met by future grants or Grant-in-Aid from CWDC's sponsoring Department. This is because, under normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need.

Grant-in-Aid for 2010-11, taking into account the amounts required to meet CWDC's liabilities falling due in that year, has already been included in the Department's estimates for that year, which have been approved by Parliament, and there is no reason to believe that the Department's future sponsorship and future parliamentary approval will not be forthcoming.

The Department will cease funding CWDC from April 2012 and remove its eNDPB status. The programme and delivery of CWDC's workforce reform role will transfer to the Department or an Executive Agency of the Department. Residual assets will also be transferred to other government bodies. All liabilities arising from the decision to cease funding will be met by the Department. There are no material risks to CWDC's suppliers as a result of the change of status. However, the going concern basis is not appropriate for the production of CWDC's accounts and the accounts have therefore not been prepared on that basis, although the financial position will be unchanged. The Department have committed to fund the planned ongoing activities until April 2012.

### **1.17 Segmental Reporting**

CWDC complies with IFRS 8 which requires disclosure of the Company's operating segments. The segmental reporting information disclosed (see note 2) reflects the programme expenditure which represents CWDC structure in managing the business.

The programme and delivery of CWDC's workforce reform role will transfer to Department or an Executive Agency on or before 31 March 2012. Residual assets will also be transferred to other external agencies. All liabilities on closure will be met by the Department.

## **2 Analysis of Net Expenditure by Segment**

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

CWDC operations fall within the same geographical location and regulatory environment and under the terms of its remit from the Department, the Company has effectively one overall budget for expenditure, as movements between initial outline maximum funding allocations may be made on the basis of value for money and

need and approval from the Department where required by the remit letter. The basic structure is to manage the direct cost of operations by reference to programmes. These programmes are not fixed and can change considerably over time.

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

	<b>2010-11</b>	<b>2009-10</b>
	<b>£'000</b>	<b>£'000</b>
Early Years	31,376	29,783
Integrated Working & Workforce Reform	102	17,031
Play	-	2,174
Research	-	1,523
Social Work	54,977	36,125
Stakeholder Engagement	-	4,268
Standards & Qualifications	-	788
Vulnerable Children	-	7,956
Young People's Workforce	9,751	6,573
Parents & Families	4,152	391
Sector Investment	8,389	-
Children's Workforce	14,334	-
Organisational Development	675	-
<b>Total</b>	<b>123,756</b>	<b>106,612</b>

The total expenditure by programme includes direct programme expenditure of £116,349,000 (£100,465,000 in 2009-10) and direct staff costs attributed to each programme of £7,407,215 (£6,147,000 in 2009-10).

### 3 Operating Income

	2010-11	2009-10
	£'000	£'000
Other Income	29	98
Social Work Education Partnership Programme	-	2,072
Qualifications & credit framework - transitional plan	-	257
Qualifications	-	-
Integrated working coherence project	-	87
Release of Deferred Income ( note 11.3)	1,929	1,765
Information and Guidance Work	16	-
<b>Total</b>	<b>1,974</b>	<b>4,279</b>

### 4. Staff costs

#### 4.1 Staff numbers and related costs

	2010-11			2009-10		
	£'000	£'000	£'000	£'000	£'000	£'000
	Permanently Employed Staff	Other	Total	Permanently Employed Staff	Other	Total
Wages and salaries	6,843	744	7,587	6,621	1,357	7,978
Social security costs	584	-	584	577	-	577
Other pension costs	1,261	-	1,261	1,234	-	1,234
Subtotal	8,688	744	9,432	8,432	1,357	9,789
Less recoveries in respect of outward secondments	(55)	-	(55)	-	-	-
<b>Total net costs</b>	<b>8,633</b>	<b>744</b>	<b>9,377</b>	<b>8,432</b>	<b>1,357</b>	<b>9,789</b>

For 2010-11 staff costs totalling £50,136 (£25,945 in 2009-10) have been capitalised in respect of the development of internally generated software.

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

	<b>2010-11 Number</b>	<b>2009-10 Number</b>
Directly Employed	178	182
Other	21	28
Staff engaged on capital projects	1	-
<b>Total</b>	<b>200</b>	<b>210</b>

Pension benefits for seven staff are provided through a defined contribution Friends Provident pension scheme. Employer contributions are set at between 8% and 24% of pensionable earnings and employee contributions are set at a rate between 3% and 6% of pensionable earnings. For 2010-11, employers contributions of £15,626 were payable to Friends Provident (£15,531 in 2009-10).

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

For 2010-11, employers' contributions of £1,232,093 were payable to the PCSPS (£1,179,506 in 2009-10) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £23,116 (£16,959 in 2009-10) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1,722 (£1,639 in 2009-10), 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £nil (£4,902 in 2009-10). Contributions prepaid at that date were £nil (£nil in 2009-10).

#### 4.2 Directors' emoluments

	<b>2010-11</b>	<b>2009-10</b>
	<b>£'000</b>	<b>£'000</b>
Salary	665	652
Company contributions to defined benefit pension schemes	135	134
	<u>800</u>	<u>786</u>
Highest paid director:		
Salary	109	109
Company contributions to defined benefit pension schemes	27	27
	<u>136</u>	<u>136</u>
	<b>2010-11</b>	<b>2009-10</b>
	<b>Number</b>	<b>Number</b>
Number of directors in Company pension schemes:		
Defined benefit pension schemes	<u>6</u>	<u>6</u>

The number of directors whose emoluments (defined as the total of gross salary and Company contributions to defined benefit pension schemes) fell within the following bands:

	<b>2010-11</b>	<b>2009-10</b>
	<b>Number</b>	<b>Number</b>
more than £135,000 but not more than £140,000	1	1
more than £120,000 but not more than £125,000	1	1
more than £105,000 but not more than £110,000	4	3
more than £100,000 but not more than £105,000	-	1
more than £50,000 but not more than £55,000	1	-
more than £30,000 but not more than £35,000	-	1
more than £15,000 but not more than £20,000	-	1
more than £10,000 but not more than £15,000	1	1
more than £5,000 but not more than £10,000	6	4

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

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	9	9
<b>Total number of exit packages by type</b>	-	<b>9</b>	<b>9</b>

Total resource cost £33,079

Redundancy and other departure costs have been paid in accordance with the Civil Service Compensation Scheme. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension. The CWDC exit package has been approved by Cabinet Office. There were no departures under the Civil Service Compensation scheme in 2009-10.

In addition to those disclosed above, 30 staff were made redundant during 2010-11 from National Academy for Parenting Practitioners (NAPP) as a result of TUPE to CWDC (total resource cost £6,460); these staff are not reflected staff numbers or related costs (see note 4.1) as the costs were accrued in 2009-10.

## 5. Analysis of expenditure

### 5.1 Analysis of direct programme expenditure

	2010-11 £'000	2009-10 £'000
<b><i>Project funding:</i></b>		
Training Early Years Professionals	29,645	25,913
Developing Integrated Working Practice	9,866	10,694
Playwork - Level 3 training	2,009	1,868
Social Work Recruitment	12,088	13,754
Social Work - Early Professional Development	11,761	3,335
Social Work Reform	25,584	2,250
Other project funding activities	1,428	279
Social Care minimum Level 3	1,382	4,230
Initial Training of Educational Psychologists	4,260	2,259
Young people's workforce reform	2,239	983
<b><i>Other direct programme expenditure:</i></b>		
Short term resourcing	(117)	781
External Services	4,858	6,166
Interim specialist skills	73	4,881
Independent reviews and support	8,994	6,426
Other	563	758
Media	305	14,594
Consultation events	939	576
Travel and subsistence	472	718
	<b>116,349</b>	<b>100,465</b>

Project funding for training Early Years Professionals is funded by Transformation Fund ring-fenced funding. Total Grant-in-Aid received relating to the ring-fenced funding was £28,283,000 (£24,800,000 in 2009 -10). The balance of expenditure in excess of ring-fenced funding was funded from the main funding Grant-in-Aid.

## 5.2 Analysis of other administrative expenses

	2010-11 £'000	2009-10 £'000
<b>Employee costs:</b>		
Recruitment costs	67	344
Travel and subsistence	47	144
Staff training & welfare	123	204
Health & life insurance	74	69
Restructure Costs	195	-
	<u>506</u>	<u>761</u>
<b>Premises costs:</b>		
Operating lease rentals - land & buildings	457	446
Operating lease rentals - plant and machinery	2	3
Other accommodation costs	483	480
	<u>942</u>	<u>929</u>
<b>General administrative expenses:</b>		
Office administration costs	168	178
Non capital IT costs	211	232
	<u>379</u>	<u>410</u>
<b>Legal and professional costs:</b>		
Advertising and PR	(41)	38
Internal audit services	111	163
Auditors' remuneration - audit services	48	53
Auditors' remuneration - audit services 2009-10	4	-
Other professional services	54	42
	<u>176</u>	<u>296</u>
	<u><u>2,003</u></u>	<u><u>2,396</u></u>

For 2010-11 no services other than audit were provided by the National Audit Office (£nil in 2009-10).

## 6 Corporation Tax

	2010-11 £'000	2009-10 £'000
<b>Analysis of corporation tax expense for the year</b>		
Current tax:		
UK corporation tax on deficit	-	-
Corporation tax refund	(57)	-
	<u>(57)</u>	<u>-</u>
Corporation tax refund	<u>(57)</u>	<u>-</u>
<b>Factors affecting tax charge for year</b>		
The difference between the tax assessed for the year and the standard rate of corporation tax are explained as follows:		
Deficit before corporation tax	<u>(126,076)</u>	<u>(108,713)</u>
Standard rate of corporation tax in the UK	21%	21%
Tax at the standard rate of corporation tax	(26,476)	(22,830)
Effects of:		
Surpluses not subject to corporation tax	26,476	22,830
Corporation tax refund	<u>(57)</u>	<u>-</u>
<b>Current corporation tax refund for the year</b>	<b><u>(57)</u></b>	<b><u>-</u></b>

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

**7 Property, plant and equipment**

<b>2010-11</b>	<b>Leasehold improvements £'000</b>	<b>Information technology £'000</b>	<b>Furniture &amp; fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 April 2010	488	538	373	1,399
Additions	4	17	1	22
Disposals	-	(12)	(10)	(22)
At 31 March 2011	<u>492</u>	<u>543</u>	<u>364</u>	<u>1,399</u>
<b>Depreciation</b>				
At 1 April 2010	90	366	231	687
Charge for the year	46	69	60	175
Disposals	-	(12)	(9)	(21)
At 31 March 2011	<u>136</u>	<u>423</u>	<u>282</u>	<u>841</u>
<b>Net book value</b>				
At 31 March 2011	<u>356</u>	<u>120</u>	<u>82</u>	<u>558</u>
At 31 March 2010	<u>398</u>	<u>172</u>	<u>142</u>	<u>712</u>
<b>2009-10</b>				
	<b>Leasehold improvements £'000</b>	<b>Information technology £'000</b>	<b>Furniture &amp; fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 April 2009	571	646	296	1,513
Additions	22	70	16	108
Disposals	-	(207)	(15)	(222)
Reclassification	(105)	29	76	-
At 31 March 2010	<u>488</u>	<u>538</u>	<u>373</u>	<u>1,399</u>
<b>Depreciation</b>				
At 1 April 2009	53	426	150	629
Charge for the year	46	144	90	280
Disposals	-	(207)	(15)	(222)
Reclassification	(9)	3	6	-
At 31 March 2010	<u>90</u>	<u>366</u>	<u>231</u>	<u>687</u>
<b>Net book value</b>				
At 31 March 2010	<u>398</u>	<u>172</u>	<u>142</u>	<u>712</u>
At 1 April 2009	<u>518</u>	<u>220</u>	<u>146</u>	<u>884</u>

**8 Intangible assets**

<b>2010-11</b>	<b>Software £'000</b>	<b>Software licences £'000</b>	<b>Total £'000</b>
<b>Valuation</b>			
At 1 April 2010	196	185	381
Additions	187	29	216
Disposals	-	(3)	(3)
At 31 March 2011	<u>383</u>	<u>211</u>	<u>594</u>
<b>Amortisation</b>			
At 1 April 2010	40	49	89
Charge for the year	84	61	145
Disposals	-	(3)	(3)
At 31 March 2011	<u>124</u>	<u>107</u>	<u>231</u>
<b>Net book value</b>			
At 31 March 2011	<u>259</u>	<u>104</u>	<u>363</u>
At 31 March 2010	<u>156</u>	<u>136</u>	<u>292</u>
<b>2009-10</b>			
<b>2009-10</b>	<b>Software £'000</b>	<b>Software licences £'000</b>	<b>Total £'000</b>
<b>Valuation</b>			
At 1 April 2009	58	71	129
Additions	138	114	252
At 31 March 2010	<u>196</u>	<u>185</u>	<u>381</u>
<b>Amortisation</b>			
At 1 April 2009	8	18	26
Charge for the year	32	31	63
At 31 March 2010	<u>40</u>	<u>49</u>	<u>89</u>
<b>Net book value</b>			
At 31 March 2010	<u>156</u>	<u>136</u>	<u>292</u>
At 1 April 2009	<u>50</u>	<u>53</u>	<u>103</u>

**9 Trade and other receivables**

	<b>31 March 2011</b>	<b>31 March 2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>9.1 Analysis by type:</b>		
<b>Amounts falling due within one year:</b>		
Trade receivables	235	245
Prepayments	406	3,434
Corporation Tax	57	-
	<u><b>698</b></u>	<u><b>3,679</b></u>
<b>9.2 Intra-government balances:</b>		
Other central government bodies	57	53
Local authorities	493	3,130
Sub-total : intra-government balances	550	3,183
Balances with bodies external to government	148	496
	<u><b>698</b></u>	<u><b>3,679</b></u>

**10 Cash and cash equivalents**

	<b>31 March 2011</b>	<b>31 March 2010</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 1 April	1,384	23,475
Net change in cash and cash equivalent balances	929	(22,091)
Balance at 31 March	<u><b>2,313</b></u>	<u><b>1,384</b></u>
The following balances at 31 March were held at:		
Government Banking Service	2,249	1,226
Commercial banks and cash in hand	64	158
Balance at 31 March	<u><b>2,313</b></u>	<u><b>1,384</b></u>

**11 Trade and other payables**

	<b>31 March 2011</b>	<b>31 March 2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>11.1 Analysis by type:</b>		
<b>Amounts falling due within one year:</b>		
VAT	-	10
Trade payables	729	762
Other payables	18,892	12,311
	<u>19,621</u>	<u>13,083</u>
<b>Amounts falling due after one year:</b>		
Other payables	516	328
Capital Grants	-	271
	<u>516</u>	<u>599</u>
	<u><b>20,137</b></u>	<u><b>13,682</b></u>
<b>11.2 Intra-government balances:</b>		
	<b>31 March 2011</b>	<b>31 March 2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>		
Other central government bodies	225	405
Local authorities	7,536	900
NHS trusts	28	196
Public Corporation	(47)	68
Sub-total : intra-government balances	<u>7,742</u>	<u>1,569</u>
Balances with bodies external to government	11,879	11,514
Sub-total	<u>19,621</u>	<u>13,083</u>
<b>Amounts falling due after one year:</b>		
Local authorities	444	328
Balances with bodies external to government	72	271
Sub-total	<u>516</u>	<u>599</u>
	<u><b>20,137</b></u>	<u><b>13,682</b></u>

### 11.3 Deferred income and capital grants:

	Capital grants £'000	Local authority funding of Education Psychology training £'000	Total 2010-11 £'000	Total 2009-10 £'000
At 1 April	395	2,586	2,981	2,816
2009-10 Local Authority funding	-	177	177	1,721
2010-11 Local Authority funding	-	546	546	209
2011-12 Local Authority funding	-	129	129	-
Credited to net expenditure account	(197)	(1,732)	(1,929)	(1,765)
At 31 March	<b>198</b>	<b>1,706</b>	<b>1,904</b>	<b>2,981</b>

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

### 12 Capital Commitments

There were no contracted capital commitments as at 31 March 2011 (£nil in 2009-10).

### 13 Company limited by guarantee

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

## 14 Commitments under operating leases

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

	Land and buildings	Land and buildings	Other	Other
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	£'000	£'000	£'000	£'000
Not later than one year	519	432	3	3
Later than one year, not later than five years	649	974	-	-
	<b>1,168</b>	<b>1,406</b>	<b>3</b>	<b>3</b>

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

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

## 15 Grant-in-Aid

	2009-10	2010-11
	£'000	£'000
Main funding Grant-in-Aid	88,770	75,041
Transformation funding Grant-in-Aid	28,659	24,800
	<b>117,429</b>	<b>99,841</b>

## 16 Contingent Liabilities

There are no contingent liabilities as at 31 March 2011 (£nil in 2009-10)

## 17 Related Parties

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

		Expenditure Creditors Debtors			Expenditure Debtors	
		2010-11	2010-11	2010-11	2009-10	2009-10
<b>Directors</b>	<b>Third Party</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Dr D Braun	Consultancy work - Open University	0	-	-	38	-
Mr H Cooper	Director of Children's Services - Wirral MBC	1,076	56	-	435	27
	Governor - University of Chester	0	-	-	-	-
	Chair of Workforce Development Policy Committee - Association of Directors of Children's Services Ltd	4	-	-	7	-
Sir P Ennals	Chief Executive - National Children's Bureau	569	75	-	43	-
	Member of Department for Education - Care Matters Programme	0	-	-	16	-
Ms J Held	Vice Chair - National Children's Bureau	569	75	-	43	-
	Trustee - Family Action	34	9	-	104	3
	Chair of Adoption Panel - Suffolk County Council	526	-	-	373	59
	Consultant - Department for Education	0	-	-	16	-
	Jane Held Consulting	1	-	-	1	-
Mr J Khan	Jay Kay Associates	7	-	-	-	-
Mr D Poulson	Member of Audit Committee - National Childminding Association	-	-	-	7	-
Mr J Richards	Senior National Officer -UNISON	8	-	-	15	-

The Children's Workforce Development Council is an NDPB and a company limited by guarantee. The Department is considered to be a related party as it has significant influence over the financial and operating policies of CWDC. For the year ended 31 March 2011, Grant-in-Aid funding receivable from the Department totalled £117,429,000 (Grant-in-Aid funding of £99,841,000 in 2009-10), expenditure relating to rent paid for office space at the Department totalled £71,230 (£15,795 in 2009-10).

CWDC requires staff to declare any potential conflict of interest where they may, or do have a financial interest.

During the year none of the key management staff or other related parties have undertaken any material transactions with CWDC, other than those disclosed above.

**18 Controlling party**

The Department is considered to be a controlling party.

**19 Events after the reporting period**

None

Mrs J Haywood, Chief Executive, authorised the accounts for issue on 30 June 2011

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

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

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



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CWDC36/0711

ISBN 978-0-10-297316-7



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