

Children's Commissioner for England

Annual Report and Accounts 2016-17

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

Ordered by the House of Commons to be printed 20 July 2017

Children's Commissioner for England

Annual Report and Accounts 2016-17

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

Ordered by the House of Commons to be printed 20 July 2017



© Crown copyright 2017

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at Info.request@childrenscommissioner.gsi.gov.uk

Print ISBN 9781474147774

Web ISBN 9781474147781

ID P002889058 07/17

Printed on paper containing 75% recycled fibre content minimum

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

Contents

1. Introduction from the Children’s Commissioner	1
2. What Children and Young People have told us	3
3. The Performance Report.....	5
3.1. Overview.....	5
3.2. Performance Analysis.....	15
4. The Accountability Report.....	19
4.1. Corporate Governance Report.....	19
4.1.1. The Director’s Report.....	19
4.1.2. Statement of Accounting Officers Responsibilities.....	20
4.1.3. Governance Statement.....	21
4.2. Remuneration and Staff Report	29
4.3. Parliamentary Accountability and Audit Report.....	39
4.4. The Certificate and Report of the Comptroller and Auditor General	40
5. The Financial Statements	43
6. Notes to the Accounts	47

1. Introduction by Anne Longfield, Children's Commissioner for England



When I was appointed Children's Commissioner in 2015, I published "Ambitious for Children" which set out my priorities for my term in office - building the aspirations of children, particularly those who have a difficult start in life, and shining a light on the hidden issues affecting the vulnerable in order to change their lives for the better.

In the past year, my office has continued that mission. We have examined how services are supporting vulnerable children through a series of data-gathering 'lightning reviews' which have revealed gaps in child mental health provision and school nurses, and the identification of young carers by local councils. A strengthened focus on data and evidence has enabled us to create a new measure of stability of children in care – the very thing that they say is most important to them. We have made bold challenges to policy-makers and social media companies to put resilience, power and information at the heart of the digital world in which children now live, and we launched a new landmark **Growing up North** project, which examines opportunities and gaps for children growing up in the north of England and challenges the new northern mayors and City regions to put children at the heart of plans for devolution and regeneration.

I am extremely proud of this work. It has shone a light on children's aspirations, resilience and shortfalls in provision at every level. We have also been able to provide in depth advice and representation for hundreds of children in care through our newly extended Help at Hand service. For many of these children, it was the call to Help at Hand that meant that they were able to stay in the foster home they loved, get help to overcome the anxiety and depression that troubled them or apply for a place on the course they hoped for. Our visits to children who are behind the closed doors of youth custody, secure children's homes or secure hospital accommodation have revealed much about their experiences - and the changes that are needed if they are to develop and flourish as the children and adults of their potential.

Our ambition and aspiration for children is at the heart of all that we do and is driven itself by the experiences and priorities that children tell us about. From children's hopes and dreams for their lives now and in the future, to their concerns about friends and family and the challenges of children who need help but are struggling to get it. Growing up can be a complicated business, and in 2017 it can often feel more complicated than ever.

I am grateful to the fine team that has been built to deliver this work, now with a strengthened focus on enacting my unique powers for data gathering and on digital

engagement. We will continue to deliver our ambitions for improving the lives of children within an operational budget of £2.562m in 2017-18, a 7.3 percent reduction on our 2016-17 budget of £2.764m.

I will build on these achievements as I move into my third year in office with a new focus on children who are 'invisible' or overlooked by policy makers, planners or providers. Children's mental health and children who fall between the cracks in education are just two of the groups of vulnerable children I will be focusing on, alongside gangs, vulnerable babies and those children who have come to this country alone for refuge.

I want all children to have the brightest future possible. I am determined to bring about real change for those that need help to get there.

Anne Longfield OBE
Children's Commissioner for England

2. What Children and Young people have told us

“I think some children feel really worried about their lives, you know, if their parents are shouting at each other or if they feel no one loves them. They can be worried or blame themselves. They can feel lost or sad if their parents are shouting at each other. They might need help as they don't know who to tell their problems to.”

10-year-old

“If we are not with our mums and dads etc. then we need someone to look after us and support us as we are quite vulnerable and it's easy to go off the rails.”

Teenage in care

“Kids can be teased if they can't really read or find it hard to do work. Sometimes, they act silly as if they are feeling bad about it. They need extra help as it is not fair for them.”

10-year-old

“Help in finding work for young people who are either leaving care or who have a criminal record is important because many will have a mental health issue and work prevents isolation and helps them to succeed.”

18-year-old

“Children are pulled into gangs by older boys because they are getting into trouble and think there is no way out and that they don't have a future.”

Teenage boy

“Something in their life might be very wrong and they just need someone to talk to and take them down the right path.”

12-year-old

“The Children's Commissioner is like having an army of people into one. We can't go out there and give evidence but she can.”

Our Time, All Ability Youth Forum

“I can't name a person who doesn't have a mental health problem. Only half are getting help from CAMHS and youth workers.”

Teenage schoolgirl

“If you move places constantly you will never feel safe in a secure home. If you move about a lot, you can lose trust in people.”

Young person in care

3. The Performance Report

3.1 Statement by the Children's Commissioner on the performance of her Office 2016-17

- 3.1.1 This reports presents work undertaken during 2016 and 2017 and its impact on children in England, especially the most vulnerable.
- 3.1.2 Independent from Government and answerable to Parliament, I have been given a number of unique powers to deliver the role, namely the power to gather data from public sources and the power to enter any premises where children are away from home to learn more about their welfare. This year has seen a strengthened focus on data gathering with the appointment of Professor Leon Feinstein to lead a new evidence team. This is complemented by a greater emphasis on strategic policy and communications under a new strategy team now led by Alice Miles. The combined team of 28 covers a wide range of experience from policy analysts and researchers to practitioners, communication specialists and administrative support. I am also supported by an advisory group; an audit and risk committee and children's groups, stakeholders and specialists, convened throughout the year.
- 3.1.3 Like any organisation, performance and effectiveness comes as a result of clarity of purpose and activity with the right people and factors in place to deliver it. I am pleased to report that performance and impact have been a priority over the period with an enhanced focus on planning and management.

Key Risks and Issues, 2016-17

3.1.4. The key strategic risks during 2016-17 were: -

- a) Failure to recruit staff with skills to deliver the ambitious plan;
- b) Failure to deliver the business plan; and
- c) Operational failure.

3.1.5. Implications of these risks were as follows:

- a) This could result in being unable to deliver the remit;
- b) This could reduce the impact of our work and result in reputational risk;
- c) This could result in being unable to effectively support the work of the office

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

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

- 3.1.9 A number of steps were taken to mitigate risks including:
- reviews of the Communications Team and crisis communications. As a result, the communication team and function strengthened;
 - recruitment of outstanding senior staff and a highly skilled wider team – creating new evidence and strategic capacity;
 - introduction of a new project management system and performance framework; and
 - a review of our support functions, strengthening our capacity.

Going Concern

3.1.10 Grant-in-aid, unlike other income, is treated as financing and is taken straight into taxpayers' equity. Cash grant-in-aid for the period to 31 March 2018, taking into account the amounts required to meet the Commissioner's liabilities falling due in that period, has already been included in the sponsor department's estimates for the year. There is no reason to believe that the department's future sponsorship will not be forthcoming. It has accordingly been considered appropriate to adopt a going-concern basis for the preparation of these accounts.

The year in summary

- 3.1.10 My 2016-17 Business Plan set out an ambitious programme of work ranging from individual advice for children in care and living away from home to strategic investigations using my data gathering powers in policy areas or service areas where children or specialists had raised concerns. Visits to children who are living away from home enabled me to identify the issues that are important to children and, where required, to challenge providers to improve their practice.
- 3.1.11 My findings have been reported to Government departments and Ministers and to wider Parliament. They have been discussed and reported to regulatory bodies who have responsibility to measure the quality of children's services including Ofsted, Care Quality Commission, and Her Majesty's Inspectorate of Prisons. My findings have also been reported regularly by the media.
- 3.1.12 I have liaised with the Victims' Commissioner, the Information Commissioner and the Independent Police Complaints Commissioner to identify areas of common concern. My office also chairs the children's group of the National Preventive Mechanism, which brings together regulators of secure provision to discuss how the welfare of children who are detained can be improved.
- 3.1.13 Regular liaison with associations, professional bodies and charities has helped to identify issues of common concern, to raise awareness of the concerns of children, and to secure improvements on children's behalf. These include the Association of Directors of Children's Services, the Local Government Association, the police, the National Crime Agency CEOP, Local Safeguarding Children Boards and national children's charities. Where appropriate, I have also challenged industry – particularly digital companies who I have asked to

be more transparent and open and take additional steps to inform and support children online.

3.1.14 Engagement with children is at the heart of our work and this year has seen the beginnings of a new way of working, to reach out to vulnerable children around the country who are less likely to have the confidence or opportunity to take part in my work. This will be continued over the coming year, through the involvement of care leavers, disabled children, digital groups and others around our projects. Children's voice will also be the focus of reports on girls in custody, child refugees, children of service families and children growing up in the North of England.

3.1.15 Strategic objective: improving aspirations and resilience in childhood

3.1.16 The internet was not designed for children but they are one of its biggest users. With teenagers spending over a third of their leisure time and children as young as 3 spending over 6 hours a day online, Growing Up Digital set out to make the case for a new digital settlement for children to give them the information and resilience they need to flourish in this fast moving new environment.

3.1.17 Following a yearlong taskforce of digital experts, I published '**Growing Up Digital**' in January 2017. The report moved away from a protectionist approach calling on the digital industry to be more transparent and proactive in informing and supporting children online.

3.1.18 To achieve this, I proposed the creation of a digital citizenship programme, to be compulsory in every school from 4-14; the introduction of simplified Terms and Conditions for digital services offered to children; and a new Children's Digital Ombudsman to mediate between under 18s and social media companies. The taskforce also recommended that my power of data collection from public organisations be extended to aggregated data relating to complaints, reports, or requests for removal by children under 18, from social media companies and search engines. The work also included a survey conducted in partnership with Mumsnet and advice to parents on parenting in a digital age developed by a Parenting Expert Group.

3.1.19 The report received extensive national and international coverage as well as cross-party endorsements, most notably through the replication of recommendations in the House of Lords Communications Committee report. Its proposals are being discussed with Government and industry and are part of a wider discussion developing about the responsibilities of social media companies towards their users, including children.

3.1.20 Children's mental health and levels of anxiety continue to be a top concern for children and their parents. In May, I used my data gathering powers to undertake a lightning review of access to mental health support for children and young people (CAMHS) to understand why so many children said that they do not get the help they need.

- 3.1.21 The **Mental Health Lightning Review** improved our understanding of the barriers faced by children in getting treatment, and found that on average, 28% of children and young people referred to CAMHS in 2015 were not allocated a service. The report also found that of the 3000 children referred to CAMHS with a life threatening condition, 14% were not allocated any service. The report received significant media attention and has informed our proposals to Government, local health boards and local health services.
- 3.1.22 Our work on mental health will continue in 2017/18, informing the Government's reforms to services for child mental health and shaping local approaches to meeting the needs of children.
- 3.1.23 We all know that the economy is growing in London and the South East; this brings with it a range of opportunities for children as they grow up and progress into higher education and work. However, the gap between London and the rest of the country – even for pupils from the poorest backgrounds – starts long before young people enter the workforce. This gap is noticeable at age 4, and generally grows throughout school so by the time children in London take their GCSEs they are far ahead of their peers in the North and Midlands, regardless of family background.**
- 3.1.24 In December 2016 I launched '**Growing Up North**' to improve our understanding of regional discrepancies in children's outcomes and, crucially, identify what local areas can do to address them. Devolution and regeneration are bringing about significant changes in the political and economic governance of large parts of Northern England - but to date too little attention has been paid to the interests of children. Growing up North seeks to fundamentally change the focus of this agenda and challenge political, industrial and civic leaders to put children at the heart of their regeneration and devolution plans.
- 3.1.25 To do this we have undertaken research on regional trends in children's progression and met with children right across the North to hear what they think about their local area and how this shapes their plans for the future. The first stage of this is close to completion and will be followed-up with work on children's well-being, aspiration and post-16 outcomes – and how these interrelate.
- 3.1.26 Regional summits bringing together civic leaders with senior practitioners and businesses have examined plans in place locally to improve opportunities for children. To date summits have been held in Hull, Manchester, Liverpool, Leeds and Newcastle upon Tyne.
- 3.1.27 Giving children an insight behind the scenes in the workplace and decision making helps them get a taste of the world of work and see how decisions are made. They also get a chance to bring their ideas and solutions to life as they takeover jobs for the day. Companies benefit from fresh thinking and learn more about children's views with some going on to involve children in decision making on a regular basis.**
- 3.1.28 During 2016 over 1,000 organisations took part in the annual *Takeover Challenge*, involving around 50,000 children and teenagers throughout England. A central focus across Government and Parliament was the **Whitehall Takeover**. Some 100 teenagers with care experience worked with

22 Government Ministers and Senior Civil Servants across the Government departments and parliamentarians. Takeovers of a number of high profile organisations such as the BBC, Sky, Manchester City Football Club, Channel 4 and the Science Museum also put children in the driving seat of these top jobs.

3.1.29 Understanding what it is like to grow up today helps us all appreciate children's views and experiences about the world around them. That's why we brought together a striking array of cultural partners to put the spotlight on children's lives and what's important to them. The work we convened will continue to be available on partners' platforms.

3.1.30 Our Lives: Growing Up Today sought to capture and celebrate the real, diverse nature of childhood. Working through digital channels and film the project worked with First News, the leading children's newspaper, PopJam, (an app for children used by around 3million young people); V&A Museum of Childhood, British Film Institute, British Library and Turner Contemporary; and film education specialists: IntoFilm and A Tale Unfolds. Additional promotional support was also provided by TES and Arts Council England.

3.1.31 A specially commissioned film presented a snapshot of children's lives across the country. The film premiered at BFI Southbank in November 2016. I then asked children to take the 'Our Lives 10 Question Challenge' and record a video selfie about how they feel about where they live, the most important people in their lives, how they spend their time, treasured possessions, and what they would do if they were in charge of the world or their school.

3.1.32 There were over 5,000 visits to the Our Lives library on First News and over 3000 responses to the Our Lives challenges on PopJam. V&A Museum curated and launched a brand new 'Our Lives' online collection exploring the history of childhood and put today's experience in context (www.vam.ac.uk/moc/collections/) The Our Lives library and challenges will continue to be available in 17/18 <http://live.firstnews.co.uk/ourlives>.

3.1.33 Strategic objective: Being ambitious for every child in care

3.1.34 Understanding the views, experiences and outcomes of children in care is an important first step in informing decision making and policies that affect their lives.

3.1.35 We have analysed research and gathered new data to publish an annual Children's Commissioner's report of children in care reviewing existing sources of evidence on the views and experiences of children in care and care leavers. Our report in 2015 provided a national survey of the views and experiences of children in care, to increase understanding of the challenges these children face and indicate practical solutions to policy-makers and practitioner's. The new work is seeking to add to the survey data information from evidence collated by local authorities, OFSTED, charities and academics, to provide a rounded view of what is known.

3.1.36 Despite recent improvement, the instability of placements, a high turnover of social workers and a requirement to move schools, remain the

experience for many children in care. Children in care have told us that being stable and being able to build consistent relationships with carers, friends and teachers is what makes the biggest difference to their lives. That's why we have developed a Stability Index this year, an annual measurement of stability for children in the care of local authorities to be published each year.

3.1.37 The Stability Index is intended to shine a light on the issue of stability, to monitor trends, and, working with local authorities and others, to support improvements to stability. In its first iteration, the Index measures three aspects of children's experiences of care - placement moves, school moves, and changes in social worker. To measure placement moves and school moves, we analysed data from the Children Looked after Census and School Census on children who were looked after on 31 March 2016. To measure social worker changes, we carried out a pilot data collection involving 22 Local Authorities across nine regions.

3.1.38 The current findings are exploratory, intended as a first step in its long-term development. We will now work with a handful of authorities, virtual school heads, fostering agencies and children to test the underlying drivers of instability, and to determine how the Index should develop over time. Our ambition is to develop the Index so that it provides data not just on what is easy to measure, but also gets closer to assessing the lived experiences of looked after children.

3.1.39 Children in care and those living away from home will sometimes need help to understand and influence the decisions that are being made about them. Help at Hand provides the advice and representation to ensure that their views are taken into account.

3.1.40 The redeveloped and relaunched advice service, Help at Hand has seen an 80% increase in enquires this year, with 50% of enquiries leading to representations to Directors of Children's Services and professionals on behalf of children. The service has achieved many positive outcomes for children including stopping unwanted placement moves, helping them obtain entitlements, ensuring their safety and making sure that professionals put their views, wishes and feelings at the heart of decisions being made about their lives.

3.1.41 In June 2016, I published the results of an investigation into advocacy services in England. The report found that, although children in the care system, custody or secure mental health facilities have a right to an advocate to speak on their behalf, there are wide inconsistencies in children's access to advocacy support across the country.

3.1.42 We were pleased to undertake a survey of the views of children living in residential care to inform Sir Martin Narey's independent review of Residential Care in England. The survey found that children valued living in residential homes that had a family style approach and had good managers that were supportive yet fair. They also valued good relationships that they were able to

build with workers

3.1.43 Many felt that the move from residential home to independence came too early and was too much of a cliff edge and wanted a longer period of transitional support such as that available to children living with foster carers through a 'Staying Put' scheme. A new 'Staying Close' scheme was proposed by Sir Martin Narey and announced by the Minister Edward Timpson in July 2016.

3.1.44 Improving communication and the quality of contact between children in care and social care staff through the co-creation with children of a Children's Pledge to establish standards of courtesy and professionalism for professionals working with children in care.

3.1.45 Children and young people from across the country have highlighted the difficulties and concerns around communication with professionals and what best practice would look like. The 'top-tips' children and young people suggested to help in building trust and working together were: Respect me, Understand me, Talk to me, Get back to me. They also covered how best these 'top-tips' for good communication could be shared and used with social workers, children in care or care leavers and other people or organisations.

3.1.46 Children in Care Councils so often do a great job representing the experiences and views of children in care and a lot can be gained when Councils meet up regionally to compare notes and share their success stories. This year I am attending an event in every region to offer my support.

3.1.47 **Strategic objective: See a reduction in children being harmed and neglected**

3.1.48 My 2015 report on child sexual abuse showed that only one in eight children suffering abuse came to the attention of the authorities. As a result, many children suffering abuse do not receive the help they need. Our follow on work this year sought to examine how children suffering abuse can be helped and how abuse can be prevented.

3.1.49 This year we have examined the role of schools in preventing children from experiencing harm, and shed new light on the length of criminal investigations. The research found that the provision of education programmes to prevent sexual abuse varies considerably, and that the investigative process in CSA cases is considerably longer than any other type of offence, including adult sexual offences. This work informed our case for PHSE in school and will be used to inform discussion around the content of Relationships and Sex Education lessons, and will support measures being taken by criminal justice agencies to accelerate and improve investigations of child sexual abuse.

3.1.50 We have also published, in partnership with the NSPCC, research showing the impact on children of viewing pornography, providing a unique insight into young people's experiences to inform future policy and practice. This research found that by the age of 15, children are more likely than not to have seen online pornography. Since publication, it has played a central role in demonstrating

the negative impact of pornography on young people, strengthening the rationale for the Government's recent decision to make Sex and Relationship Education statutory and for tighter age verification by the industry.

- 3.1.51 I led a delegation of Government officials to Iceland this year to see how the Children's House for children who have been abused – the **Barnahus**, worked in practice. The Barnahus has delivered an impressive increase in conviction rates and improved outcomes for children by bringing together services under one roof. This includes professionals who gather evidence and those who provide support to children who may have been abused. The Barnahus reduces the risk of additional trauma through the process and dramatically improves therapeutic and criminal justice outcomes. I am delighted that the Home Office and Mayor of London are trialling a similar approach in London and I have met with Police and Crime Commissioners and their partners around the country to encourage others to consider the approach.
- 3.1.52 An evaluation of the **See Me Hear Me** model of child-centred prevention and protection, which has been piloted in three local authorities has been published. The evaluation demonstrated that the underlying principles of the approach are useful for shaping and driving child-centred multi-agency safeguarding practice.
- 3.1.53 A roundtable of specialist and practitioners tackling **Female Genital Mutilation** was held to explore how education can support prevention. This will inform our submission to Government on plans for Sex and Relationship Education in all schools.

3.1.54 Strategic Objective: Tackling disadvantage and vulnerability

- 3.1.55 The drive to increase the odds for vulnerable children is behind all our work to tackle disadvantage. This year, our focus ranged from support for young carers to shine the light on the experiences of children of prisoners.**
- 3.1.56 A Lightning Review gathered data to find out how many disadvantaged children are able to access health support in schools through **school nurses**. Our research, published in September 2016, found that school nurses are often required to spend their time on bureaucratic processes relating to child protection, rather than direct preventative work with children. Shedding light on this issue will help shape the role of the school nurse within local public health strategies.
- 3.1.57 A Lightning Review published in December examined the support **young carers** received from their local authority. This work found that local authorities do not identify 4 out of 5 young carers, and that a quarter of young carers have care needs of their own. This research will inform the forthcoming Government strategy on young carers.
- 3.1.58 We have visited prisons and held a high-level seminar with government partners, providers and supporters to learn more about how **children of prisoners** can keep in touch with their parent and maintain positive relationships. I have joined with partners to give this area of policy greater priority and will be following up with discussions with the Ministry of Justice.

- 3.1.59 We have continued our programme of visits to talk with children at risk and **in trouble with the law**, including those in custody. This year we focused our attention on those detained in Secure Children's Homes, visiting six institutions in 2016-17. We also conducted research into the experiences of children held in police custody, to follow up on concerns about the lack of provision of an 'appropriate adult' including the delays in accessing such support.
- 3.1.60 We have focused on the treatment of disabled children in residential settings, by conducting visits to the six medium secure and forensic CAMHs wards in England. We spoke to children, advocates and carers in these settings, viewed education, sports and leisure provision, and assessed data about their treatment in order to make a series of recommendations to the network of secure settings and the relevant inspectorates. We are particularly concerned about mental health support and variances in the quality of support across settings. We intend to work in partnership with inspectorates to take this forward.
- 3.1.61 In 2016-17, the power of entry was used to make 17 visits to meet with children in custody, children's homes and asylum centres. Half the visits were unannounced and included visits to police custody, asylum processing centres, secure CAMHs and secure children's homes.
- 3.1.61 This has been a turbulent year for the children and families who have fled the conflict of North Africa and the Middle East to seek **refuge in the UK**. This year I accepted an invitation from UNICEF to visit camps in Jordan to get a better understanding of the experience of Syrian children and families as they prepare to move to the UK assisted through the Vulnerable Families Scheme. I have also worked with my French counterpart, visiting the refugee camp in Calais and challenging respective officials and authorities to improve the process to legally transfer children eligible to come to the UK under Dublin III arrangements and improve transfer arrangements in the UK– activity that accelerated as the camp closure approached in October.
- 3.1.62 A series of visits to meet children and families resettled in the UK has informed my understanding of gaps in support and assistance and informed my advice to Government and agencies. We have also developed Help at Hand to better meet their needs, including incorporating an interpreting service.

3.1.63 Strategic objective: Children at the heart of everyday life

3.1.64 Children's lives do not always fit the rigid structures of Government however well-intentioned those structures may be. As a result, policies often struggle to make the impact they should have. Governments – national and local – and their partners often struggle to meet the needs of children in a connected way and decision makers often overlook children's needs and views. To help ensure that children's views and experiences drive national and local agendas I undertook a number of activities throughout the year.

3.1.65 We worked jointly with our fellow UK Children's Commissioners to compile a

report, informed by children, assessing **progress against the rights in the UN Convention of the Rights of the Child**, which we submitted to the UN Committee in 2016 to inform their periodic review of the UK. We met and briefed the Committee in advance of their meeting with the UK Government delegation, and since they published their recommendations ('Concluding Observations') to the UK, we have worked with Government to challenge and support them to implement important steps to take these recommendations forward.

3.1.66 Additionally, we compiled a second report – again incorporating the views of children, to assess the UK's compliance with a second treaty, the **Convention on the Rights of Disabled People**, which we submitted in early 2017. The Committee will publish recommendations for the UK later in 2017, which we hope will inform our future work with disabled children. The report, which gathered data from across all our work over the last two years, highlighted the treatment of disabled children in secure and residential settings and the infrequency of disabled children being involved in policy making. The UN Committee will publish recommendations for the UK later in 2017, which we will inform our future work with disabled children.

3.1.67 In May 2016, I wrote to all Directors of Children's Services asking them to volunteer information about any examples of innovative projects aimed at **improving the lives of children** in their area. We received 45 responses from across England with examples of projects including those addressing local mental health need, introducing the participation of young people in local decision making, and improving the offer for children in care and care leavers. These projects have informed our regional visits and continue to inform the Office's wider work and understanding.

3.1.68 In October 2016, I published a discussion paper exploring the potential of a 'Family Hub' model as a development of existing Children's Centres. This paper discussed how Family Hubs could fill the existing gap for local and coordinated support for children in need and their families by offering all family services – from ante-natal classes through to support for parents – in one place.

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

3.1.70 More than 40 organisations were involved in advisory groups over the year and we increased our contact with children and young people. We also worked with schools to develop and promote a model that enables young people to engage with national and local policy makers and service providers including local authorities and health and voluntary sectors organisations - Children Create

3.1.71 Two-day immersion visits to Bradford and Manchester gave us the opportunity to listen to and learn from children where they live, learn and play, informing our understanding of the importance of the place you grow up and informing our work on Growing Up North. We are grateful to the local councils,

schools and charities that opened up their doors to us. Children have taken part in interview panels and public events throughout the year.

3.2 Performance Analysis

- 3.2.1 The Children's Commissioner is a unique statutory role with huge breadth and many demands. This report demonstrates impact for children across all areas of statutory responsibility.
- 3.2.2 The views, perspectives and experiences of children have driven our priorities throughout the year and informed our analysis and interpretation of all that we do. The views and priorities of children are highly visible in the work plan. It was children's concerns about the difficulty they have experienced in getting help with mental health and anxieties that led to the Lightning Reviews on CAMHS and school nurses. Similarly, discussions with young carers led to the Lightning Review on local authority support for carers.
- 3.2.3 The lack of support, long delays and the traumatic experiences of the court system that children who have been sexually abused have told us about have driven our investigation into how statutory agencies are supporting children. We have challenged the police, courts and local authorities and explored, and promoted new models of delivery such as the Icelandic Barnahus, which redesigns evidence gathering, therapeutic support and legal proceedings around the child.
- 3.2.4 I have particular regard to the views of children in care and living away from home. I regularly meet with children in care and care leavers and we are also able to identify emerging problems, and trends through our helpline Help at Hand. I also convene meetings between children in care and the Minister on a regular basis.
- 3.2.5 Children in care have consistently stressed the importance of stability and security in their lives, which led directly to the development of the Stability Index. To be reported on each year, the intention is to provide a powerful mechanism to drive improvements in the experience and subsequent wellbeing of children in care on their behalf. This is a first step of a national measure of wellbeing and outcomes for children in care, which will build year on year. Whilst many aspects of the care experience have improved over recent years, children still report a system which lacks the responsiveness, flexibility and aspiration to help them thrive as individuals and as they leave care. New arrangements for children to 'stay close' to their children's homes as they move towards independence will be tested this year and this will improve the transition into interdependence for many.
- 3.2.6 I remain concerned about the number of care leavers who fail to achieve their potential however. Too many just don't have the support, resilience or opportunities to step out into the world with confidence. Over the next year, I will be involving more care leavers in my office. Giving advice, as apprentices and to explore more about what mentoring programmes can offer care leavers. I want all care leavers to be offered an apprenticeship, training or a job – a theme I will be building on over years to come. They will also be at the centre

of next year's Takeover Challenge – both in the central Whitehall Takeover and throughout the country.

- 3.2.7 A review of our participation work has convinced us of the need to strengthen the evidence base of our children's engagement work and we will be moving to a new approach, led by our evidence team over coming weeks. We will continue to seek children's views and involve them in all of our projects and will be building our digital engagement to reach more children who are less confident and less likely to step forwards themselves.
- 3.2.8 Our extensive consultation with children to inform the 2017/18 business plan has identified a gap in contributions from disabled children and we have created a partnership with the Council for Disabled Children to ensure we hear from disabled children in the future.
- 3.2.9 My unique data gathering powers provide a powerful tool to examine evidence of systemic issues affecting children's lives. Any person exercising functions of a public nature must supply me with information relating to children in their possession I might reasonably request. In some cases, this will be existing data from across Government or public bodies that has not been joined up before. In others, it will be new data, which will be systematically collected for the first time.
- 3.2.10 In addition to data gathering, my powers of entry remain vital to understanding the experience of children, especially those who are in the care of the state.
- 3.2.11 The Lightning Reviews introduced this year are a new model of rapid and focused investigation, which are already proving effective. Gathering data on services and support where problems appear to be emerging, Lightning Reviews enable us to test out a proposition swiftly, or gain a national picture of trends. The information gained informs our input to policy and helps us argue for change for children where needed – this year looking at mental health, school nurses and young carers as already reported.
- 3.2.12 These issues will continue to be monitored and examined in more depth over the next year as we take on a major focus on vulnerable or 'hidden' children. This is informed by a ground breaking collation of published data on vulnerable children which we have begun to compile and which was published in its first stage. We have reviewed academic and government literature and statistics to identify numbers of children who are vulnerable by group and their outcomes. This has enabled us to start to build robust data on the nature and levels of vulnerability of groups of children who are often overlooked by policy makers – children in gangs, children who are falling between the gaps in education and vulnerable babies. We will focus on these groups over the next year to hear their experiences, deepen our understanding and act as a catalyst for improvements of policy and practice. Our intention is to create a nationally recognised framework to understand and respond to the needs of these 'invisible' children, which is recognised by government, charities and academics. The Stability Index is an important aspect of this work, focusing on a specific issue of concern to children in care.

3.2.13 This month we have launched a major report on children who are vulnerable and overlooked. Over the coming year's these will be a priority for my office, as we systematically examine evidence, uncover need and argue for the changes needed to enable them to flourish.

3.2.14 Digital

Our research last year into children's digital rights, 'Growing up Digital', highlighted how resilience needs to be embedded in children's education, to enable them to engage creatively, positively and fearlessly with digital life, and to level the playing field of power between children and the companies which form such an important part of children's social interaction. As part of our continued work into children's experiences of the digital world, we will conduct research into the relationship between social media use and children's mental health, aspiration and wellbeing. We will also continue to campaign to include digital resilience in the new Life Skills curriculum, so that children learn digital citizenship and online resilience - from how to recognise when they are being manipulated, to identifying fake news, protecting their information, or knowing how to disengage from social media.

We will continue to maintain pressure on social media companies to be more transparent about the ways they collect children's data, and the complaints they receive. At the request of teachers, we will prepare a pack of teaching aids based on social media companies' bewildering terms and conditions, to guide children in their understanding and decisions about use of their data online. We will also continue to campaign for the introduction of a children's digital ombudsman.

"Growing up Digital in Care" will explore whether the access of children in care and adopted children to digital networks is restricted by their care status or safeguarding concerns of the adults caring for them, and what can be done to broaden access. We will work with partners and care leavers to try to create a safe digital platform for children in the care system.

3.2.15 Behind Closed Doors

In addition to data gathering, my powers of entry remain vital to understanding the experience of children, especially those who are in the care of the state. Children are accommodated in a variety of centres, from secure welfare units to Tier 4 mental health beds and young offender institutions. Improving the outcomes for children locked out of sight is a vital part of the Children's Commissioner's work, and we will use the full range of available powers to gather data and to visit children accommodated in health, criminal justice and welfare settings. We will assess where these children are, how far from home they are, and what we know about their welfare. We will also investigate their mental health provision, working in collaboration with the Care Quality Commission.

The number of girls under 18 in custody has fallen dramatically over recent years. There are now in the region of 30 girls in prison in England. The

Commissioner and Dame Louise Casey have visited these girls to learn about their lives before entering custody and to understand the factors that led to them being imprisoned and what, if anything, could have been done to change their trajectory. 'Voices from the Inside' will reflect on the experiences of the girls as they grew up and recount their story.

3.2.16 All our work is referenced to the United Nations Convention on the Rights of the child and this year the UN's periodic examination of the UK government on the implementation of the UNCRC has provided a particular focus. The concluding observations further inform our activity in next year's business plan.

Financial review

3.2.17 The Children's Commissioner operates within the budget resource allocated by the sponsor department. As Accounting Officer, the Commissioner is responsible for the efficient and effective delivery of the budget within the budgetary controls as delegated by the Department. She can confirm that expenditure during 2016-17 was delivered within these controls.

3.2.18 The financial statements for the period to 31 March 2017 are set out on page 43 onwards. The notes contained within these accounts also form an integral part of the accounts. In 2016-17, the budget for the year was £2.764m (£2.904m in 2015-16). In 2016-17 the net expenditure was £2.607m (£2.949m in 2015-16). The reduction in expenditure was across all of our activities including staff and project.

3.2.19 Throughout the year the Commissioner actively managed her budget in order to achieve effective operation and value for money.

Auditing of Accounts

3.2.20 The external audit is carried out by the Comptroller and Auditor General, who is required to examine, certify and report on the annual financial statements in readiness for their laying before the Houses of Parliament. The external auditor's remuneration for the audit of the 2016-17 financial statements was £32,000 (an additional £6,000 is reflected in the 2016-17 accounts owing to additional charges from the 2015-16 audit).

Anne Longfield OBE
Children's Commissioner for England
17th July 2017

4. The Accountability Report

4.1 Corporate Governance Report

4.1.1 Director's Report

Introduction

4.1.1.1 Governance is through a number of groups who advise, scrutinise and challenge the Commissioner:

- **Advisory Board**

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

- **Specialist advisory groups**

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

- **Audit and Risk**

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

- **Internal Audit**

The Internal Auditors assist the organisation to achieve effective and efficient governance, risk and control processes. These are linked to strategic objectives and financial and management reporting objectives to support the delivery of the Business Plan;

- **Senior Management Team**

The Senior Management Team support the Commissioner with both strategic and operational duties. They assist with the identification, development and implementation of strategic priorities in the form of a five-year strategic plan and an annual business plan.

4.1.1.2 There are a wide range of stakeholders with whom the Children's Commissioner works in order to further children's outcomes. This includes children's groups and professionals, parliamentarians, government officials, charities, parents and community groups and, of course, children and young people themselves.

4.1.1.3 Further information about the Office's governance arrangements can be found in the Accounting Officer's governance statement on pages 21 to 28.

Registration of Interests

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

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

Corporate governance

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

Personal Data Incidents

- 4.1.1.6 In 2016-17 there were no personal data related incidents that occurred within the Office of the Children’s Commissioner

Complaints

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

- 4.1.1.8 Information regarding the Children’s Commissioner’s complaints policy and process is available upon request from info.request@childrenscommissioner.gsi.gov.uk

Human Resources

- 4.1.1.9 An internal audit review of human resources took place in 2016-17 and was presented as having substantial control. The main recommendations were taken forward by the second quarter of the year.

Donations

- 4.1.1.11 In 2016-17 there were no charitable or political donations made to or from the Office of the Children’s Commissioner.

4.1.2 Statement of the Accounting Officer and Children’s Commissioner’s Responsibilities

- 4.1.2.1 Under the Children Act 2004, schedule 1, clause 8, HM Treasury has directed the Office of the Children’s Commissioner to prepare for each financial year, a statement of accounts and on the basis set out in in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Office of the Children’s Commissioner and of its net resource outturn, application of

resources, changes in taxpayers' equity and cash flows for the financial year.

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

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

4.1.2.3 The Permanent Secretary as Principle Accounting Officer of the Department for Education has designated the Children's Commissioner as Accounting Officer of the Office of the Children's Commissioner. The responsibilities of an Accounting Officer, including responsibility for the propriety and regulatory of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Office of the Children's Commissioner's assets, are set out in Managing Public Money published by HM Treasury.

4.1.2.4 As far as the Commissioner is aware, there is no relevant audit information of which the auditor is unaware, and she has taken all the steps that ought to have been taken to make him aware of any relevant information and to establish that the auditor is aware of that information. She has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. The annual report and accounts as a whole is fair, balanced and understandable and the Commissioner takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

4.1.3 Governance Statement

Scope of Responsibility

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

Governance Framework

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

Governance

- 4.1.3.3 I confirm that I have reviewed the governance, internal control and risk management arrangements in operation within my area of responsibility. My review of the effectiveness of the system of internal control has been informed by senior managers within my office who have responsibility for the development and maintenance of the internal control framework and supported by internal and external audits. The quality of data throughout the Governance structure is robust and regularly fed through appropriate channels assisting informed decision making and strategic planning, more detail is available in the following pages. I also confirm that governance arrangements are compliant with DfE and Cabinet Office requirements placed on NDPBs and are compliant with the UK Corporate Governance Code for Central Government.

Advisory Board

- 4.1.3.4 Membership is by the formal invitation of the Children's Commissioner; members being recruited through open competition. In 2016-17 new Advisory Board members were recruited.
- 4.1.3.5 The Advisory Board met 4 times during 2016-17, chaired by the Children's Commissioner and the attendance listed below relates solely to this period.

Name	Dates of appointment	Meeting attendance
Javed Khan	April 2015	3 / 4
Natasha Finlayson	April 2015	3 / 4
Professor Marian Brandon	April 2015	4 / 4
Lilly Caprini	April 2015	3 / 4
David Holmes	May 2015	3 / 4
Christine Davies	April 2015	3 / 4
Alice Webb	August 2016	1 / 2
David Halpern	August 2016	2 / 2

Sir Martin Narey	August 2016	2 / 2
Alison O'Sullivan	August 2016	1 / 2

Audit and Risk Committee

- 4.1.3.6 The Audit and Risk Committee (ARC) is responsible for providing scrutiny, challenge, advice, oversight and assurance to myself as Accounting Officer. ARC also oversees internal and external audit arrangements covering financial and non-financial systems.
- 4.1.3.7 The ARC agrees the content of the annual internal audit programme with Senior Managers and myself. They provide an annual assessment of the effectiveness of my Office's internal controls and risk management. The ARC also receive the external auditor's planning report, audit completion report and management letter.
- 4.1.3.8 In 2016-17 the Committee undertook a review of effectiveness at the start of the year which concluded that overall the Committee were considered to be performing well but recognised that there were some areas that could be developed. The areas of development progressed throughout the year and included, but were not limited to, building on relationships through observing senior team meetings, developing a planner to review internal policies and procedures and establishing a performance appraisal arrangements for members.
- 4.1.3.9 All in attendance at ARC are required to declare any potential conflicts of interest on appointment and at the beginning of each meeting they attend. The register of interests is reviewed on an annual basis. During the reporting year 2016-17, no members declared any directorships or other significant interests that may have conflicted with their responsibilities. The ARC met five times in 2016-17; 4 May 2016, 7 July 2016, 7 September 2016, 23 November 2016 and 8 February 2017.

Audit and Risk committee			
Name	Date of appointment	Terms of appointment	Board attendance during 2016-17
David Clarke Chair	October 2015	Three years	5/5
Dr Susan Tranter	October 2015	Three years	4/5
Brian Tytherleigh	April 2016	Three years	4/5
James Norton	April 2016	Three years	4/5
Owen Vallis	April 2016	Three years	4/5

Senior Management Team

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

- strategic and operational policy;
- communications;
- corporate planning and delivery

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

4.1.3.12 The SMT meet once per fortnight, chaired by myself. The SMT was reduced to the Children’s Commissioner, Director of Strategy and Director of Evidence from April 2017.

Senior Management Team			
Name	Position	Date of appointment	Meeting attendance record
Anne Longfield	Children’s Commissioner	March 2015	23/23
Oliver Berman	Director of Communications and External events	October 2012	22/23
Anna Henry	Director for Children’s Rights	September 2014	16/23
Alex Burghart	Director of Strategy	March 2016 to August 2016	6/7
Prof. Leon Feinstein	Director of Evidence	July 2016	16/16
Alice Miles	Director of Strategy & Policy	November 2016	9/11

Internal Control

4.1.3.13 The following section of this statement describes the system of internal control in operation for the year. This has continued up to the date of

approval of the annual report and accounts, and accords with HM Treasury guidance.

- 4.1.3.14 Our internal controls accord with HM Treasury guidance and have been in place for the whole of 2016-17. We assess how the achievement of our policies, aims and objectives might be affected by the risks we face. We design a system of internal controls, which mitigate those risks. The system is not designed to eliminate risk but to strike an appropriate, proportionate balance between control, cost and risk-taking.
- 4.1.3.15 The Senior Management Team and Audit and Risk Committee consider a number of sets of management data at each meeting. This includes monthly management accounts, performance and delivery indicators, risk management and communication and awareness data.

These matters are considered a key aspect of reporting to the Commissioner and the Audit and Risk Committee. This year, the SMT has prioritised the development of a robust risk management and reporting policy, as well as a robust performance and project framework. The production of high quality finance and HR data is a key requirement of the Office of the Children's Commissioner's contract with shared services which is monitored by the Commissioner.

Internal Audit

- 4.1.3.16 An internal audit function is provided by Gateway Assure, who give independent and objective assurance to me on the adequacy and effectiveness of my Office's framework of governance, risk management and control by measuring and evaluating the Office's effectiveness in achieving its agreed objectives. A full audit plan was produced and delivered for 2016-17 and, based upon the reviews performed, other assurances available and significant risks being addressed during the year, the Office of the Children's Commissioner has:

- Complaints Handling – Adequate control
- Business Planning – Substantial control
- Policy Planning – Adequate control
- Budgetary Control – Adequate control
- Human Resources – Substantial control
- Procurement – Adequate control
- Key Financial Controls – Limited control

In response to the key financial controls audit opinion, a review took place. This included an update of the Financial Procedures and Policies and the Procurement Manual and accompanying paperwork. With refreshed manuals and paperwork, we have further clarified the purchasing process with staff and contractors. Other areas of financial control we have been exploring include reviewing our back office costs to ensure value for money

and increased monitoring of monthly management accounts across all directorates.

Other issues that were dealt with during the period 2016-17 included an Information Assets review, an update of the Information Security Policies and a review of the Risk Management strategy.

The overall opinion, based upon the reviews performed during the year, the Office of the Children's Commissioner:

- has adequate and effective risk management;
- has adequate and effective governance; and
- has adequate and effective control processes taking in account the compensating controls introduced by the Children's Commissioner to overcome observed issues in relation to financial administration and the actions being pursued subsequently by management to introduce effective controls in relation to finance during 2017/18.

Programme and Project Management

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

Financial Management

4.1.3.18 We have reviewed and further enhanced a number of systems to ensure adherence to financial processes, controls, risk management and fraud prevention so that propriety, regularity and value for money are achieved. The Senior Management Team, supported by DfE finance business partners under our Shared Services Agreement, meet regularly to receive and discuss monthly financial management reports. I meet monthly with my finance leads to review and agree priorities which will include the development of enhanced skills and additional local support. I am confident that my Office has clear lines of accountability for all programme and administrative expenditure.

Delivery Arrangements and Achievement against Business Plan

4.1.3.19 My Office has continued to develop the strategy for business planning and performance measurement implemented last year. The strategy supports the identification of strategic priorities and the development of annual business planning in response.

4.1.3.20 Before publishing my business plan, I consulted widely in line with the requirements set out in the Children Act 2004. Following consultation, I published my business plan, detailing proposed strategic priorities as part of that process. The business plan was provided to the Department for Education for comment. The business plan was published on my website and made available to staff.

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

I.T. Management and Data Safeguarding

4.1.3.22 General information systems are developed to meet internal and external standards and the needs of the business. Data is securely handled and safeguarded within my Office. Mandatory information assurance training is undertaken by all staff annually. My Office had no protected personal data related incidents which were judged significant enough to be formally reported to the Information Commissioner's Office in 2016-17.

4.1.3.23 In 2016-17 my office conducted a review of Information Assets and an update of the Information Security Policies. My Office has adopted DfE procedures in the name of the Office of the Children's Commissioner and ensured adequate physical security to our premises.

People Management

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

Whistle-Blowing Arrangements

4.1.3.25 Whistle-blowing arrangements offer a framework of protection against victimisation or dismissal for workers who blow the whistle on criminal behaviour or other wrongdoing. Whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place and have been throughout 2016-17. No notifications have been received during 2016/17.

Risk Management Arrangements

4.1.3.26 My Office has an overarching risk management strategy to manage risk. The Audit and Risk Committee support me in reviewing the process for the risk identification and mitigation and the Senior Management Team's responsibility is to ensure risk is effectively reviewed and managed by the design of adequate and effective controls.

4.1.3.27 A further review of our risk management arrangements led to the introduction of enhanced controls. Alongside the overarching risk register, the project management framework now requires all projects leaders to identify risks which are collated on a project risk register. Risk is identified by any member of staff or advisory member and is then logged as an issue and identified as an operational or strategic risk to be assessed and acted on. Project risks given a red rating are automatically taken to the Senior Management Team for management consideration and action. Strategic

risks are monitored fortnightly by the Senior Management Team and each quarter are presented to the Audit and Risk Committee for review. ARC challenge the Senior Management Team members on their delegated risks and any changes to status or the associated action plan.

Assessment of Risk

4.1.3.28 The overarching risk management strategy informs strategic and operational risk is currently under review and being updated to provide reasonable assurance that the controls are adequate in their design with our newly updated project management, financial controls and purchasing procedures.

Key Risks in 2016-17

4.1.3.29 The key strategic risks during 2016-17 were:

- a) Failure to recruit staff with skills to deliver the ambitious plan
- b) Failure to deliver the business plan
- c) Operational failure

Mitigating Controls

4.1.3.30 A number of steps were taken to mitigate risks including reviews of the Communications Team and crisis prevention. A Crisis Communications group has been created as a result and the communication team and function strengthened. We have recruited outstanding senior staff over the last year and a skilled team – creating new evidence and strategic capacity. We have introduced a new project management system and performance framework to ensure the business plan is delivered. We have reviewed our support functions and strengthened our capacity.

Overall Assessment

4.1.3.31 The information outlined above demonstrates that my office has been run in an effective and efficient manner during 2016-17. New corporate support arrangements provide value for money and improve access to specialist skills. A new organisational structure was finalised early in 2016 and has now been further amended in 2017 to complete the structural changes.

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

Anne Longfield OBE
Children's Commissioner for England
17th July 2017

4.2 Remuneration and Staff Report

Part 1: Unaudited Information

Senior Team Members' Remuneration Policy

4.2.1 The Office of the Children's Commissioner has a Remuneration Committee to provide scrutiny and challenge on pay and rewards and ensure good corporate governance as part of the newly developed Performance Management system. The Remuneration Committee is chaired by ARC member James Norton and the Committee includes David Clarke, Dr Susan Tranter, Brian Tytherleigh and Owen Vallis. The Remuneration Committee met on 23 November 2016.

4.2.2 The Children's Commissioner is required to submit a pay remit proposal on an annual basis for approval to DfE. The Office of the Children's Commissioner has formally adopted the DfE pay and rewards policies to ensure that pay and rewards are linked to a rateable performance management system that are transparent, open and fair.

Service Contracts

4.2.3 The Children's Commissioner staff are not civil servants however appointments are made in line with the Constitutional Reform and Governance Act 2010 which requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

4.2.4 Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

4.2.5 Further information about the work of the Civil Service Commission can be found at <http://civilservicecommission.independent.gov.uk/>

Staff Composition

4.2.6 At 31 March 2017 our staff headcount figures, for permanent staff, was as follows:

Grade	Male	Female	Total
Senior Civil Servant	1	2	3
Grade 6	1	1	2
Grade 7	2	3	5
Senior Executive Officer	0	3	3
Higher Executive Officer	2	10	12
Executive Officer	0	2	2
	6	21	27

Sickness Absence

- 4.2.7.1 Figures at 31 March 2017 showed that 134 days in total were lost through sickness absence in 2016-17 (57 days in total 2015-16). The increase has been attributed to three staff members having long term sick leave during the year.
- 4.2.7.2 The average number of working days lost per FTE was 6 days in 2016-17 (3 days per FTE in 2015-16).

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

- 4.2.8 The Children's Commissioner is committed to eliminating discrimination, promoting equality and respecting diversity. Her aim is that her workforce will be truly representative of all sections of society and that each employee feels respected and able to give their best.
- 4.2.9 The diversity policy is detailed in the staff handbook. This sets out the Children's Commissioner's commitment to create an environment in which individual differences and the contributions of all staff are recognised and valued. Every employee is entitled to a working environment that promotes dignity and respect to all; no form of intimidation, bullying or harassment will be tolerated. Training, development and progression opportunities are available to all staff and equality in the workplace is good. Management practice makes sound business sense; and to review all employment practices and procedures as appropriate to ensure fairness.
- 4.2.10 The Children's Commissioner abides by her Equality Policy, ensuring that applicants are not unlawfully discriminated against on the basis of a protected characteristic including disability.
- 4.2.11 All applicants who have been shortlisted and are invited for interview will be asked if they require any adjustments to be made to enable them to participate. The Children's Commissioner will make every effort to provide reasonable adjustments.
- 4.2.12 Where an individual with a disability is offered a job, the Children's Commissioner's will immediately discuss with the applicant what reasonable adjustments, if any, need to be put in place to enable them to carry out the job. The Children's Commissioner's may need to seek professional advice to assist with this.
- 4.2.13 The provision of training and development is consistent with the Children's Commissioner's Equality policy.

Off Payroll Engagements

4.2.14 In order to provide additional support at short notice in key strategic areas in 2016/17, a total of £26,000 was paid under a contract for an interim Business Lead for immediate resource to cover unexpected long term sickness absence, and £11,750 for a Strategic Communications Officer to provide ad hoc comms support for additional work, amounting to a couple of days per month. Both of these engagements were agreed to be less than 6 months in durations.

Consultancy Spend

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

4.2.16 The Commissioner spent £3,000 on consultancy in 2016-17 (£8,000 in 2015-16).

People Management

4.2.17 My Office has carefully managed staff resourcing throughout the year and has further revised the staff structure during 2016-17 which will be fully implemented in the first half of 2017-18. A reclassification request will be submitted to HMT shortly due to the structure changes for 2017-18 to correctly allocate those posts delivering front line services to programme expenditure.

Part 2: Audited Information

Directors' Remuneration

Officials	Salary £000		Pension benefits £000		Total £000	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Children's Commissioner Anne Longfield	125-130	125-130	49	49	175-180	175-180
Director of Communications and External Events Oliver Berman	60-65	60-65	25	23	85-90	85-90
Director of Child Rights Anna Henry	60-65	60-65	25	25	85-90	85-90
Director of Strategy Alex Burghart From 1 March 2016 to 19 August 2016	35-40 <i>(85-90)</i>	5-10 <i>(85-90)</i>	13	-	50-55	5-10
Director of Strategy and Policy Alice Miles From 7 November 2016	30-35 <i>(85-90)</i>	-	-	-	30-35	-
Director of Evidence Prof. Leon Feinstein From 13 July 2016	50-55 <i>(75-80)</i>	-	21	-	70-75	-
Director of Corporate Services Mr David Ryan To 26 October 2015	-	75-80 <i>(60-65)</i>	-	16	-	90-95
Deputy Children's Commissioner/Chief Executive Ms Susan Berelowitz To 30 April 2015	-	45-50 <i>(95-100)</i>	-	7	-	55-60

Notes:

- i. For senior managers who served part of the year the full year equivalent is presented in italicised brackets below the actual cost.
- ii. No staff received benefits in kind or bonus payments in either 2016-17 or 2015-16.
- iii. A new post of Director of Evidence was established in August 2016.
- iv. The post of Director of Child Rights ended on 31 March 2017.
- v. Pension benefits are calculated as the real increase in pensions multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual.
- vi. Alice Miles joined the Civil Service Pension Scheme in April 2017 and her contributions were backdated to 7 November 2016.
- vii. Oliver Berman's pension benefits for 2015-16 have been restated following a recalculation from MYCSP.

2016–17 Salaries

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

Salary

4.2.19 ‘Salary’ includes gross salary; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Children’s Commissioner and thus recorded in these accounts. This total remuneration, as well as the allowances to which they are entitled, is paid by the Office of the Children’s Commissioner and is therefore shown in full in the figures above.

Benefits in kind

4.2.20 The monetary value of benefits in kind covers any benefits provided by the Children’s Commissioner and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were paid in either 2016-17 or 2015-16.

Performance Bonuses

4.2.21 Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. 2016-17 is the first year of the new Performance Management system which rewards staff assessed as having exceeded their objectives.

Pension Benefits

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

Pensions

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

with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

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

salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

4.2.28 Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

4.2.29. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

	Real increase in pension and related lump sum (bands of £2,500)	Accrued pension and related lump sum as at 31 March 2017 (bands of £5,000)	CETV as at 1 April 2016 (£000)	Real increase in CETV (£000)	CETV as at 31 March 2017 (£000)
Anne Longfield OBE Children's Commissioner	2.5 - 5.0 and nil	5 - 10	42	30	83
Anna Henry Director of Child Rights	0 - 2.5 and nil	10 - 15	103	10	120
Oliver Berman Director of Communications & External Events	0 - 2.5 and nil	0 - 5	37	12	54
Alex Burghart Director of Strategy (to 19 August 2016)	0 - 2.5 and nil	0 - 5	1	3	8
Leon Feinstein Director of Evidence (from 13 July 2016)	0 - 2.5 and nil	0 - 5	0	10	14

Note: Alice Miles joined the Civil Service Pension Scheme in April 2017 and her contributions were backdated to 7 November 2016.

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

Real increase in CETV

4.2.31 This reflects the increase in accrued pension. It excludes increases due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Payments to Past Directors

4.2.32 There were no payments made to past directors in 2016-17

Compensation on early retirement or for loss of office

4.2.33 No members of Senior Management received compensation for loss of office or early retirement in 2016-17. However, Anna Henry was awarded a voluntary redundancy and a notice was issued on 31 March 2017, this accounts for the voluntary redundancy costs estimated by MyCSP at £30,360.52 in 2016-17. A provision has been recognised in relation to Oliver Berman of £18,074 relating to redundancy costs expecting to be paid in 2017-18. Neither of these figures are included within director's remuneration set out in page 22.

Fair Pay Disclosure

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

	2016-17	2015-16
Band of the highest-paid director's total remuneration (£000)	125-130	125-130
Median total remuneration (£000)	38	51
Range (£000)	25-127.5	25-127.5
Ratio	3.38	2.51

4.2.35 The banded remuneration of the highest paid director in 2016-17 was £125,000 to £130,000 (2015-16, £125,000 to £130,000). This was 3.38 (2015-16, 2.51) times the median remuneration of the workforce, which was £37,703 (2015-16, £50,826). The reduction in median remuneration and subsequent increase in ratio is attributable to a greater number of filled HEO posts than previous.

4.2.36 In 2016-17 and 2015-16, no employees received remuneration in excess of the highest paid director. Remuneration ranged from £25,000 to £127,500 in 2016-17 (2015-16, £25,000 to £127,500).

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

Staff Report

4.2.38. Staff costs comprise:

	£000	£000	2016-17 £000	2015-16 Restated £000
	Permanently employed staff	Others	Total	Total
Wages and salaries	1,099	153	1,252	1,235
Social security costs	124		124	122
Other pension costs	227	0	227	226
Restructuring costs	80	0	80	273
	<u>1,530</u>	<u>153</u>	<u>1,683</u>	<u>1,856</u>
Less recoveries in respect of outward secondments	0	0	0	0
	<u>1,530</u>	<u>153</u>	<u>1,683</u>	<u>1,856</u>

Pension Schemes

4.2.39 For 2016-17, employers' contributions of £227,090 were payable to the PCSPS (2015-16 £226,469) at one of four rates in the range 20.0 to 24.5 per cent (2015-16 20.0 to 24.5 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

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

4.2.41 No persons retired early on ill-health grounds.

Average Number of Persons Employed

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

	Permanently employed staff	Others	2016-17 Total	2015-16 Total
Directly employed	25	-	25	19
Other	-	2	2	4
Total	<u>25</u>	<u>2</u>	<u>27</u>	<u>23</u>

Reporting of Civil Service and Other Compensation Schemes – Exit Packages

4.2.43 Details regarding exit packages paid in 2016-17 with comparative data for 2015-16 are as follows:

	Number of compulsory redundancies	Number of other departures agreed	Number of compulsory redundancies	Number of other departures agreed
Exit Packages Cost Band	2016-17		2015-16 restated	
<£10,000	1	-	-	1
£10,001 - £25,000	-	3	-	4
£25,001 –£50,000	-	1	-	6
£50,001 - £100,000	-	-	1	-
£100,001 - £150,000	-	-	-	-
Total number of exit packages	1	4	1	11
Total exit package costs £000	0	80	56	238

4.3. Parliamentary Accountability & Audit Report

Part 1: Unaudited Information

Long-Term Expenditure Trends

4.3.1. The Office of the Children's Commissioner budget was reduced by 4.82% in 2016-17. She is expecting a 5% budget decrease year on year for two further years. Therefore, the Commissioner is placing continued emphasis on cost effective ways of working and value for money.

Part 2: Audited Information

Regularity of Expenditure

4.3.2. There were no losses in aggregate over £300k in either 2016-17 or 2015-16.

4.3.3. There were no special payments in either 2016-17 or 2015-16.

4.3.4. A cash-loss of £2,916 was incurred in 2016-17 owing to historical errors in relation to the handling of childcare vouchers which, due to the age of the debt, we were unlikely to be able to successfully recover.

Contingent and Remote Contingent Liabilities

4.3.5. There were no contingent or remote contingent liabilities in either 2016-17 or 2015-16.

Anne Longfield OBE
Children's Commissioner for England
17th July 2017

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

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

I certify that I have audited the financial statements of the Office of the Children's Commissioner for the year ended 31 March 2017 under the Children Act 2004. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability disclosures that is described in that report as having been audited.

Respective responsibilities of the Children's Commissioner and auditor

As explained more fully in the Statement of Accounting Officer and Children's Commissioner Responsibilities, the Children's Commissioner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Children Act 2004. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Office of the Children's Commissioner's affairs as at 31 March 2017 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Children Act 2004 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited have been properly prepared in accordance with Secretary of State directions made under the Children Act 2004; and
- the information given in Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

July 2017

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

5. Financial Statements

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2017

		2016-17	2015-16
		£000	Restated £000
Income	Note	(3)	0
Total operating income		<u>(3)</u>	<u>0</u>
Staff costs	3	1,683	1,856
Purchases of goods and services	4	807	952
Depreciation and impairment charges	5	26	33
Other operating expenditure	5	94	108
Total operating expenditure		<u>2,610</u>	<u>2,949</u>
Net expenditure for the year		<u>2,607</u>	<u>2,949</u>

The notes on pages 47 to 54 form part of these accounts

Statement of Financial Position

As at 31 March 2017

	Note	2016-17 £000	2015-16 restated £000
Non current assets:			
Property, plant and equipment		0	3
Intangible assets	6	<u>126</u>	<u>81</u>
Total non-current assets		126	84
Current Assets (amounts falling due within one year)			
Trade and other receivables	7	24	36
Cash and cash equivalents	8	<u>6</u>	<u>505</u>
Total current assets		30	541
Total assets		156	625
Current Liabilities (amounts falling due within one year)			
Trade and other payables	9	(526)	(807)
Provisions		<u>(18)</u>	<u>(0)</u>
Total current liabilities		(544)	(807)
Total assets less liabilities		(388)	(182)
Taxpayer's Equity			
General Fund		(388)	(182)
Total Taxpayers Equity		(388)	(182)

Anne Longfield OBE
Children's Commissioner for England
17th July 2017

The notes on pages 47 to 54 form part of these accounts

Statement of Cash Flows

For the year ended 31 March 2017

		2016-17	2015-16
		£000	Restated £000
Cash flows from operating activities	Note		
Net operating cost		(2,607)	(2,949)
Adjustments for non-cash transactions	5	26	33
(Increase)/Decrease in trade and other receivables	7	12	152
Increase/(Decrease) in trade and other payables	9	(281)	414
Increase in provisions		18	0
Net cash outflow from operating activities		<u>(2,832)</u>	<u>(2,350)</u>
Cash flows from investing activities			
Purchase of intangible assets		(68)	(36)
Net cash outflow from investing activities		<u>(68)</u>	<u>(36)</u>
Cash flows from financing activities			
Grants from Sponsoring Department		2,401	2,596
Net financing		<u>2,401</u>	<u>2,596</u>
Net increase/(decrease) in cash and cash equivalents		(499)	210
Cash and cash equivalents at the beginning of the period	8	505	295
Cash and cash equivalents at the end of the period	8	6	505

The notes on pages 47 to 54 form part of these accounts

Statement of Changes in Taxpayer's Equity

For the year ended 31 March 2017

	Taxpayers' Equity £000
Balance at 31 March 2015	<u>171</u>
Comprehensive Expenditure for the Year (restated)	(2,949)
Grants from Sponsoring Department	<u>2,596</u>
Balance at 31 March 2016 (Restated)	<u>(182)</u>
Comprehensive expenditure for the year	(2,607)
Grants from Sponsoring Department	<u>2,401</u>
Balance at 31 March 2017	<u>(388)</u>

Note: taxpayers' equity comprises the general fund

The notes on pages 47 to 54 form part of these accounts

Notes to the Accounts

1. Statement of accounting policies

These accounts were drawn up in accordance with HM Treasury Guidance, Annual Reports and Accounts Guidance, the Children's Act 2004, and the Accounts Direction and the financial memorandum between the Secretary of State for Children, Schools and Families (now the Secretary of State for Education) and the Commissioner dated 12 September 2005, copies of which can be obtained from the Children's Commissioner. They have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FReM) issued by HM Treasury and NDPB Green (Simplifying and Streamlining Accounts project). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Children's Commissioner for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Children's Commissioner are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1. Accounting Convention

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

1.2. Areas of Judgement

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

1.3. Grant in Aid

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

1.4. Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The Children's Commissioner recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. The share of liabilities for the defined benefit schemes cannot

be identified and this drives the accounting treatment. Liability for payment for future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Children's Commissioner recognises the contributions payable for the year. PCSPS also permits employees to opt for a partnership pension account, a stakeholder pension with an employer contribution. The defined benefit schemes are treated for accounting purposes as a defined contribution scheme as required by IAS 19. The defined benefit scheme prepares its own financial statements.

1.5. Intangible Assets

Assets with a useful economic life in excess of one year and where expenditure of £2,500 or more is incurred are initially valued at cost price and then amortised over their estimated useful economic lives. Assets under construction are amortised from the date they come into use.

Asset lives are in the following ranges:

- Website 4 years;
- Equipment 4 years; and
- Software licences 4 years.

1.6. Leases

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

1.7. Provisions

Provisions are recognised when it is probable that it will be required to settle a present obligation resulting from a past event and can make a reliable estimate of that obligation. The obligation is normally the sum that the Children's Commissioner would pay to settle the obligation at the year-end or to transfer it to a third party at that time.

2. Restatement

Two transactions relating to 2015-16 were paid in 2016-17 and not accrued at 31 March 2016. These transactions are deemed material and under IAS 8, the Children's Commissioner is required to retrospectively restate 2015-16 accounts.

	2015-16 Previously stated	Adj. 1	Adj. 2	2015-16 Restated
	£000	£000	£000	£000
Statement of Comprehensive Net Expenditure				
Staff costs	1,823	33	-	1,856
Purchases of goods and services	924	-	28	952
Depreciation and impairment charges	33	-	-	33
Other operating expenditure	108	-	-	108
Total operating expenditure	2,888	33	28	2,949
Net expenditure for the year	2,888	33	28	2,949

	2015-16 Previously stated	Adj. 1	Adj. 2	2015-16 Restated
	£000	£000	£000	£000
Statement of Financial Position				
Total assets	625	0	0	625
Current Liabilities (amounts falling due within one year)				
Trade and other payables	(746)	(33)	(28)	(807)
Total current Liabilities	(746)	(33)	(28)	(807)
Total Liabilities	(746)	(33)	(28)	(807)
Assets less Liabilities	(121)	(33)	(28)	(182)
Total Taxpayers Equity	(121)	(33)	(28)	(182)

Adjustment 1

Redundancy costs for two staff totalling £33,354 that were paid in 2016-17 should have been accrued for in 2015-16.

Adjustment 2

Research costs incurred in 2015-16 totalling £27,500 should have been accrued for in 2015-16.

3. Staff Costs

Staff costs consist of:

	£000	£000	2016-17 £000	2015-16 Restated £000
	Permanently employed staff	Others	Total	Total
Wages and salaries	1,099	153	1,252	1,235
Social security costs	124		124	122
Other pension costs	227	0	227	226
Restructuring costs	80	0	80	273
	<u>1,530</u>	<u>153</u>	<u>1,683</u>	<u>1,856</u>
Less recoveries in respect of outward secondments	0	0	0	0
	<u>1,530</u>	<u>153</u>	<u>1,683</u>	<u>1,856</u>

Further details on staff costs can be found in the Remuneration and Staff Report (pages 29 to 39).

4. Purchases of Goods and Services

	2016-17 £000	2015-16 Restated £000
Programmes	418	466
IT Support Costs	66	202
Telephone Costs	4	4
Travel & Subsistence	5	23
Training	7	19
Recruitment	44	26
Professional Fees	160	127
Auditor's remuneration		
- External auditors	38	28
- Internal auditors	15	13
Miscellaneous Expenditure	50	44
	<u>807</u>	<u>952</u>

Programmes costs consists of a range of projects delivering against the business plan. The most notable ones in 2016-17 were: Vulnerability (£88k) for the initial stage of a major programme of work to assess the extent of child vulnerability in England. The report, on definitions and numbers of different types of vulnerable children, as well as their outcomes and well-being, will help to identify groups of missing or 'hidden' children, and assess what is known about them; Help at Hand (£46k) saw the rebranding of the Children's Commissioner's National advice line. Subsequently, enquiries to Help at Hand have increased by more than half over the past year; Children's Engagement (£38k) an ongoing contribution and consultation with our work; Growing up

North (29k) began as a landmark project to challenge the new City regions to put the highest aspiration and ambitions for children at the heart of plans for devolution. The balance was spent on a variety of smaller projects.

£6,000 of the 2016-17 External Auditors' remuneration figure relates to the additional cost of the 2015-16 audit, due to additional work required. The auditors' remuneration for 2016-17 is £32,000. There were no non-audit fees paid to NAO.

5. Other Operating Costs

	2016-17 £000	2015-16 £000
Other operating expenditure:		
Rentals under operating leases:		
- Land and buildings	94	108
Non-cash items:		
Depreciation	3	3
Amortisation	23	30
	<u>120</u>	<u>141</u>

6. Intangible Assets

2016-17	Software Licenses £000	Assets under Construction £000	Total £000
Cost or Valuation			
At 1 April 2016	118	36	154
Purchased Additions	0	68	68
At 31 March 2017	118	104	222
Amortisation			
At 1 April 2016	(73)	0	(73)
Charged in year	(23)	0	(23)
At 31 March 2017	(96)	0	(96)
Carrying value as at:			
31 March 2017	22	104	126
31 March 2016	45	36	81

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

Note: Asset base is owned.

Assets under Construction include website, due for completion 28th June 2017 and Customer Relationship Management system due for completion 17th July 2017.

7. Trade and Other Receivables

	2016-17 £000	2015-16 £000
Analysis by type		
Amounts falling due within one year:		
Prepayments and accrued income	24	36
	<u>24</u>	<u>36</u>

8. Cash and Cash Equivalents

	2016-17 £000	2015-16 £000
Balance at 1 April 2016	505	295
Net Change In Cash	(499)	210
Balance at 31 March 2017	<u>6</u>	<u>505</u>
The Following Balances At 31 March Are Held At:		
Office of HM Paymaster General and Government Banking Service	6	505
Balance at 31 March 2017	<u>6</u>	<u>505</u>

9. Trade and Other payables

	2016-17 £000	2015-16 Restated £000
Amounts falling due within one year:		
Other taxation and social security	(36)	(111)
Trade payables	(8)	(43)
Other payables	(38)	(29)
Accruals and deferred income	(444)	(624)
	<u>(526)</u>	<u>(807)</u>

10. Commitments under Leases

The Children's Commissioner has entered into an operating lease contract for office accommodation, which expires 31 July 2017, a new lease is currently being negotiated. At 31 March 2017, the total future minimum lease payments under operating leases are detailed below for each of the following periods:

	2016-17 £000	2015-16 £000
Obligations under operating leases for the following periods comprise:		
Buildings:		
Not later than one year	27	80
Later than one year and not later than five years		27
	<u>27</u>	<u>107</u>

11. Related Party Transactions

The Office of the Children's Commissioner (OCC) is sponsored by the Department for Education (DfE) and for the purposes of these accounts is regarded as a related party. There were material transactions with the DfE in respect of Grant in Aid, office accommodation and the provision of IT, Finance, Commercial and HR services via a Shared Service Agreement. These shared services transactions are conducted at arms length. The operating lease disclosed in note 10 is with the Department.

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

No senior manager or related party has undertaken any material transactions with the Office in the period to 31 March 2017. Compensation to senior managers is disclosed in the remuneration report section of this report.

12. Events after the Reporting Period Date

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

