

Children's Commissioner for England
Annual Report and Accounts 2017-18

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Contents

1. Introduction from the Children’s Commissioner	1
2. What Children and Young People have told us	4
3. The Performance Report	4
3.1. Overview:	
Statement by the Children’s Commissioner	4
Key Risks and Issues	5
The Year in Review	8
The Year in Summary	10
3.2. Performance Analysis	19
4. The Accountability Report	26
4.1. Corporate Governance Report	26
4.1.1. The Director’s Report	26
4.1.2. Statement of the Accounting Officer and Children’s Commissioner’s Responsibilities	27
4.1.3. Governance Statement	28
4.2. Remuneration and Staff Report	36
4.3. Parliamentary Accountability and Audit Report	47
4.4. The Certificate and Report of the Comptroller and Auditor General	48
5. The Financial Statements	52
6. Notes to the Accounts	56

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



Half way through my term as Children's Commissioner, I am as ambitious and aspirational for children as I ever was. This role is a constant reminder that a childhood that is happy and full of love is the best springboard to adult life that any of us could have; that children are resourceful, and achieve great things, even in adversity; and, sadly, that many children live in such difficult conditions that the state has to step in to help.

The United Nations Convention on the Rights of the Child (UNCRC) is bound into our laws and in many ways this annual report is an assessment of this country's delivery of the fundamental right of every child to a healthy, stable and safe childhood. Most children in England are doing well, yet sadly, millions of children in England are living vulnerable lives. That is why the core of our work remains focused on four particular groups: children living behind closed doors, children invisible to the system, children in care and digital children.

Over the last year, we have continued to shine a light on the experiences of the most vulnerable children. Our series of '**Children's Voices**' reports gave first-hand experiences of children who are rarely heard, living in a number of different vulnerable settings. Our **vulnerability study** published last year showed how many children are living with multiple risks in their lives. This year's study will build on that work, seeking to identify those children falling through the cracks in the system because one problem on its own not deemed sufficiently serious to warrant help: children living with parents with mental health and substance abuse problems, for instance, or young carers in overcrowded accommodation. By producing estimates by local authority, we will seek to develop the framework into a live interactive map, so that childhood vulnerabilities can be tracked, compared with other areas and we can identify where children are falling through the gaps and need help.

Last year our briefing for Parliamentarians highlighting the lack of available care and treatment for **children suffering from mental health illnesses** prompted much debate about the failings of the present system and we contributed to the joint select committee's report into the issue. We will continue to campaign for a properly-funded, joined-up mental health care system which provides treatment for children when they need it, not just when they reach a crisis point.

Our briefing on children **falling through the gaps in the schools system** has also contributed to the discussion around the 'off-rolling' of vulnerable children from school rolls, and this is an issue we will be working on in more detail.

In March, we published our '**Growing Up North**' report, sparking a debate about the unacceptable gap between the educational outcomes of the poorest children in the north of England and those in London and the need to put children at the heart of the Northern Powerhouse. Our study of the experiences of children **growing up in service families** showed the unique issues facing young people whose parents are serving in the Armed Forces.

The special responsibility we have to speak up for children within the care system remains a key part of our work. The number of cases coming to us through our **Help at Hand advice and assistance service** for children in care continues to grow. Our team of advisors responded to over 1,500 enquiries last year - double the number of the previous year. Our second annual **Stability Index** highlighted how many children are 'pinged' around the care system between social workers, placements and schools, leading to the beginning of a change in the way that stability is managed in the care system. The launch of our '**IMO**' **digital hub**, linking children in care councils together and offering a space for children in care and care leavers to share their experiences and access special offers, is an exciting initiative that we want to continue to thrive over the coming years.

Technology can help children to learn and connect, but it is clear that social media is exposing children to significant emotional risks and that more needs to be done to make sure the time they do spend online is healthy. Our '**Life in Likes**' report shone a light on the experiences of children aged 8-12 growing up amidst the whirlwind of social media - chasing 'likes' and trying to emulate the lives of the famous and glamorous. To help build children's digital resilience we created **simplified terms and conditions** for apps they sign up to and a **Digital 5 a Day** guide to help parents talk to their kids about using their time online healthily and responsibly. The pressure is now on the social media companies to change their behaviour and to take more responsibility and provide more transparency. We have also successfully campaigned for a **new clause covering the digital rights of children** to be added to the UNCRC, a huge achievement. We will continue to push for more to be done to address the imbalances in power that exist between the internet giants and children.

I am proud of the excellent team we have built to deliver this work. We work in many different ways to bring these important issues to the attention of the Government, Parliament, local authorities and agencies, the public and the media. Where something needs changing, we will continue to fight for it. Where it needs to be seen and understood, we will shine a light on it. This year we will campaign for a better deal for children in government spending and we want to build a national consensus for fair funding for services for children and for families with children. The enormous financial challenges facing local children's services risk many more children falling through the gaps. We will continue to argue for early intervention in the lives of the most vulnerable children, before major issues arise.

Every day I am struck by the resilience and creativity of the vulnerable children I meet: the self-harming teenagers campaigning for better mental health services, children in care building support networks for younger children, children looking after sick parents but not telling anyone for fear they will be taken into care. It remains an enormous privilege to represent these children in Parliament and Whitehall. As I enter my fourth year as Children's Commissioner, we will continue to be their independent voice and to do all we can to make sure their views and interests are at the heart of policy-making and shape the world around them.

Anne Longfield.

Anne Longfield OBE
Children's Commissioner for England

2. What Children and Young People Have Told Us

“Sometimes the people who need to be heard the most are the people who are never asked or included – we have a lot to say.” – Older child with a disability

“Vulnerable children, like they went through some problems like with let’s say abuse... they might try to [talk to someone] but they might hide it in because they are still upset, scarred from it.” – Secondary school child

“If you grow up in a council estate yeah, all you get is ‘good luck’, you get thrown in the deep end and you’ve got to work your way out yeah, crawl yourself out.” - Older child attending a Pupil Referral Unit (PRU)

“Mental health: it’s important because it is becoming a big issue with children, due to social media; they get low self-esteem causing mental health issues.” – Secondary school child

“At my old school... they permanently excluded me for having autism ... that’s a bit out of order.” – Younger child attending a PRU

“The best thing about being in foster care is that we do things as a family. Could be going to the park, a restaurant, parties and stuff or holidays.” – Child in foster care

“When you get 50 likes it makes you feel good because you know people think you look good in that photo. I know that people like the look of me, it makes you feel that you are kind of popular because you got a high amount of likes.” – Primary school child

“My dad went away to the Falklands and he went away for a year. And I missed him like every second because I knew how long he was going away for.” – Child growing up in a military family

“If we are not with our Mums and Dads 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 girl in the care system

3. The Performance Report

This section details the Children’s Commissioner’s Office (CCO) organisational structure and performance and it’s key issues and risks.

3.1 Statement by the Children’s Commissioner on the performance of her Office 2017-18

3.1.1 This reports presents work undertaken during 2017 and 2018 and its impact on children in England, especially the most vulnerable.

3.1.2 Independent from Government and answerable to Parliament, the Children’s Commissioner has 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. The Children's Commissioner's Office (CCO) has a staff of 30, including two care leaver apprenticeships.

3.1.3 Over the last year, we have strengthened our data gathering, evidence and engagement teams, with a particular emphasis on strengthening our qualitative research capabilities. We have recruited experienced communications specialists and the created a new public affairs team. Together, the work of the Children's Commissioner's Office continues to have an impact on politicians and policy and decision makers to bring about change and to influence and shape the many debates around improving children's lives.

Key Risks and Issues 2017-18

3.1.4. The key strategic risks during 2017-18 were:

- a) Failure to achieve positive change for vulnerable children;
- b) Failure to effectively deliver our business plan; and
- c) Operational failure.

3.1.5. Implications of these risks were as follows:

- a) Children's risks are not reduced;
- b) There is little impact from our work; and
- c) This could result in OCC being unable to effectively deliver our work.

3.1.6. The senior management team implement an assurance framework to provide audit evidence and assurance on risk mitigation controls. The assurance framework affords the senior management team, Audit and Risk Committee members and 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.

3.1.8 We have consulted widely to produce qualitative and quantitative research data that both informs policy and shapes the direction of our work programme; and undertaken a comprehensive review of strategic risk to strengthen internal controls; incorporating safeguarding, communications, data protection, governance, finance systems and business support operations. Assurances from audits have been favourable and indicative of the enhancements that have been made over the last year.

A number of steps were taken to mitigate risk including:

- consulting widely to inform development of our annual programme of activity and ongoing consultation with stakeholders;
- recruitment of a highly skilled wider team to further develop our evidence

- and strategic capacity;
- a review of key policies around data and information to support implementation of the General Data Protection Act 2018.

Going Concern

3.1.9 The Office of the Children's Commissioner, as a NDPB of the Department for Education, is funded by grant-in-aid. The Department's Estimates and forward plans include provision for OCC's continuation and it is therefore appropriate to prepare these accounts on a going concern basis.

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The year in review

2017 - 2018



Strategic objective

Key activities

Digital Children

Our **'Life in Likes'** report shone a light on the experiences of children aged 8-12 growing up amidst the whirlwind of social media - chasing 'likes' and trying to emulate the lives of the famous. The report highlighted the step-change in digital use between primary and secondary school and the need for a comprehensive digital curriculum which recognises this 'cliff edge'.

We published a **"Digital 5 a Day"** guide to help parents and their children ensure time spent online is productive. It is being used widely by schools and parents and has been referenced as good practice in the DCMS Green Paper and the Government's Green Paper on Mental Health.

We worked with privacy law experts Schillings to produce the main **terms and conditions of major social media companies** in straightforward, child-friendly language. With Tes, we turned these into accessible teaching materials which have proved popular with schools, parents and children. The Commissioner continues to challenge all the social media giants to behave responsibly in designing products for children.

We successfully campaigned for **children's digital rights** to be incorporated into the UN Convention on the Rights of the Child.



Children in Care

Stability - or the lack of it - is the top issue raised with us by looked after children. Our **annual stability index** tracks whether children in care change home, school or social worker - and how often. The first report found that 2,000 children experienced all 3 changes in a single year. Local areas can use this research to monitor their own performance and we are working with Ofsted to embed stability as part of inspections.

We conducted research with children in care to inform Sir Martin Narey's review of foster care for the DfE. We are now working with local and national government, advocacy providers and children in care to ensure that the report's recommendations lead to a step-change in the way children are listened to during their time in care.

This year we have developed the **first national peer-led digital platform for children in care and care leavers**. Called **IMO**, this platform will enable children in care to share stories, experiences and achievements, get and give advice, and gain access to tickets and gifts donated by Google, the BBC, the V&A and NYO, among others. The platform was developed in collaboration with children in care, and it links Children in Care Councils across England together around common campaigns. The site is being piloted and we will launch it nationally later in 2018.



"Sometimes the people who need to be heard the most are the people who are never asked or included - we have a lot to say."

Older child with a disability



Children behind closed

There are about 30 girls in custody in England and little attention is given to them or how they ended up there. The Commissioner and Dame Louise Casey spoke to these girls. **'Voices from the Inside'** told a tale of chaotic family backgrounds including substance abuse and domestic violence, time in care, and school exclusions. Many of the girls said going into custody had been a welcome time of safety and stability.

A programme of visits to youth justice settings in England has uncovered a dire lack of specialist mental health and educational support for children within the institutions. The Commissioner continues to put pressure on NHS England to publish research into **children in the secure estate** and the provision in place for them. It is now due to be published at the end of July 2018.

Last summer we used our statutory data-gathering powers to ask NHS England how many children are referred for sectioning, how many get a bed and how long they wait. Worryingly, NHS England did not know and have been unable to find out. We are now working with NHS England to **improve the process of tracking and monitoring of these very vulnerable children**, and reporting progress to the Health select committee.



Invisible Children

Last July we launched the Commissioner's report on **child vulnerability**, the first attempt ever to assess the scale of childhood vulnerability in England. It found at least 670,000 children to be living in high-risk family situations. This work and bespoke analysis drawn from it has been presented across Government and will be updated in July 2018. We are working in partnership with ONS to fill gaps in the framework.

It is widely recognised that there is a crisis in **children's social care funding**. Ahead of the next spending review, we worked with IPSOS-Mori to understand what the public expect the state to provide in terms of support for children in difficulty. This research found a clear consensus that the state should be providing services in cases currently below the threshold for help.

Child refugees and children in gangs are some of the most marginalised in society, so we commissioned research to **understand their experiences**. The Commissioner is using this work, along with the vulnerability framework and some bespoke analysis on the links between exclusions and knife crime, to inform the Government's Serious Violence Taskforce.

More and more children are being 'off-rolled' from mainstream schools, sometimes just before exams, or because of challenging behaviour. Often these are children most at risk of criminal exploitation. In November we produced a briefing that confirmed there are tens of thousands of children outside mainstream education in alternative provision, home education or unregistered schools, where the level of inspection and quality is a real concern, and presented it at the Education Select Committee.



Putting children at the heart and start of policy making

The hundreds of thousands of children in England who are EU nationals face a set of unique issues securing their future **post-Brexit**. Children were not mentioned in the Government's white paper on EU Nationals rights, but after our research, conducted with Lisa Giovannetti QC, was taken up by the Chair of the Brexit Select Committee, the Government promised that children will be able to apply for settled status in their own right after Brexit.

We commissioned the Institute for Fiscal Studies to assess the impact of the £7,400 threshold for free school meal eligibility under Universal Credit. This analysis confirmed that about 210,000 children will gain entitlement under UC while about 160,000 will miss out. But it also showed that the Government's decision to freeze the threshold until 2021 (rather than let it rise with inflation) will mean 100,000 fewer children gaining entitlement by 2021.

Our **'Growing Up North'** report laid out the nature and scale of attainment gaps within England. Building on good practice across the North, the report gave a blueprint as to how local areas could break the link between poverty and attainment. The report was well received by MPs and leaders across the North.

In October we published a briefing for MPs on **children's mental health**. The report, which exposed shocking gaps in children's mental health provision and NHS England's lack of action to address them, led to a special session of the Health Select Committee ahead of the Government's Green Paper.

We also commissioned the Institute for Fiscal Studies to map out all Government spending on children. This research identifies how much is spent, how it is spent and on which children, and how this has changed over time.

The Year in Summary

- 3.1.10 My 2017-18 Business Plan set out our ambitions for the year ahead. Our work priorities for the last year included: using our data collection powers to highlight the level of need among children for mental health services; establishing better links with participation networks for children with disabilities and ensuring that their voices are represented in our work; conducting research into the relationship between social media use and children's mental health, aspiration and wellbeing; campaigning for digital resilience to be included in the curriculum and prepare teaching aids based on social media companies' terms and conditions; working with partners and care leavers to try to create a digital platform for children in the care system; assessing the extent of child vulnerability in England, including assessing areas where children are falling through the gaps in services; producing a series of reports 'Children's Voices', to directly represent the voices of groups of children whose views might otherwise go unheard; starting a debate about our priorities for spending on vulnerable children and look at how resources are allocated to different groups of vulnerable children; using the Commissioner's powers to gather data and visit children accommodated in health, criminal justice and welfare settings; recounting the childhood experiences of girls who are locked up in secure units; expanding the Help at Hand service so more children and young people can get help and support; launching a Stability Index to shine a light on the children 'pinged' between social workers, placements and schools; and reporting on the views, experiences and perspectives of looked after children and children leaving care. This report sets out how we have delivered those aims over the last twelve months.
- 3.1.11 Our 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. I have provided oral and written evidence to the House of Commons Education and Health Select Committees. Our report findings have been reported extensively by both national and local media.
- 3.1.12 We have liaised with the Victims' Commissioner, the Information Commissioner, Modern Slavery Commission and the Independent Police Complaints Commissioner to identify areas of common concern. We also chair the children's group of the National Preventive Mechanism, which brings together regulators and observers of secure provision to discuss how the welfare of children who are detained can be improved.
- 3.1.13 We liaise regularly with a wide range of associations, professional bodies and charities over issues of common concern to raise awareness of the issues affecting children and to campaign for and to secure improvements on children's behalf. We continue to challenge those who are not always acting in the best interests of children, including urging the digital companies to be more transparent and responsible in their relationships with young people.

3.1.14 Our engagement with children is at the heart of our work and all of our major reports include the views and opinions of children we have spoken to. Our strengthened qualitative research team has enabled us to develop new and productive ways of working to reach out to the most vulnerable children around the country whose voices are rarely heard. Our 'Children's Voices' series of reports reveal first-hand accounts of the experiences of vulnerable children. We will continue to engage with children over the next year through a variety of projects.

3.1.15 Strategic objective: Building children's digital resilience

3.1.16 The internet and social media are a permanent part of modern childhood and for most children they offer opportunities to learn and connect. Our 2017 report 'Growing Up Digital' set out the need for give children the power, information and resilience skills they need to make safe and informed choices. A year on, we are pleased that some of our proposals are being introduced by the Government, though we remain frustrated by the social media companies' unwillingness at times to be more accountable, responsive and transparent.

3.1.17 Our report 'Life in Likes' published in January 2018 highlights the challenges facing children as they grow up in today's digital world. The report shows the way children use social media and its effects on their wellbeing hits a 'cliff edge' when they start secondary school. 'Life in Likes' filled a gap in research by showing how younger children use platforms which even the social media companies admit are not designed for them. It reveals that while 8 to 10 year olds use social media in a playful and creative way, this changes significantly as children's social circles expand in Year 7. It also shows how many Year 7 children are finding social media hard to manage and becoming over-dependent on likes and comments for social validation. They are also adapting their offline behaviour to fit an online image. Children are becoming increasingly anxious about their online image and 'keeping up with appearances' as they get older and their use of platforms like Instagram and Snapchat can also undermine children's view of themselves by making them feel inferior to the people they follow. 'Life in Likes' reiterates the need for schools and parents to prepare children for the 'cliff edge' at the end of primary school and shows the need for compulsory digital literacy and online resilience lessons for Years 6 and 7 so that they learn about the emotional side of social media and not just messages about safety.

3.1.18 In 'Growing Up Digital' we called for the creation of a digital citizenship programme, to be compulsory in every school from 4-14 and with a 'peer-to-peer' element. Our focus on 'digital resilience' rather than 'online safety' is becoming a far more common concept than it was, used widely by Ministers, Departments and other organisations. The Department for Digital, Culture, Media and Sport (DCMS) 'Internet Safety Strategy' Green Paper, published last year, made a commitment to improving children's digital education, including consulting on a school curricula that would meet some of the challenges the internet and social media brings. The Government is also looking at developing online content and materials on digital citizenship and resources to support children's digital resilience. There is recognition too that peer-to-peer support

should be integrated into teaching around digital citizenship, with a teacher in every school responsible for this area alongside a group of student mentors.

- 3.1.19 DCMS is also developing online safety materials to support foster carers and local authorities for looked after children, and the DfE relationships and sex education consultation makes clear that any resulting guidance to schools will incorporate the digital elements of children's friendships and relationships, including their interactions on social media.
- 3.1.20 The Digital 5 a Day guide we produced last year sets out five ways in which parents and their children can make sure time spent online is productive. It has attracted much interest from schools, parents and children, and has been referenced as good practice in the DCMS Green Paper and the Government's Green Paper on Mental Health.
- 3.1.21 My office has also led the way in campaigning for the introduction of simplified terms and conditions for the digital platforms children use most often. Working in partnership with Times Educational Supplement (tes) and the privacy law firm Schillings, we produced teaching resources that explain, in a way young people can understand the terms and conditions of the biggest social media platforms used by children: YouTube, Facebook, Instagram, Snapchat and WhatsApp. These resources are popular with schools, parents and children. Under the new Data Protection Bill, social media companies and other internet service providers have to simplify their privacy policies in a way that users (including children) can understand.
- 3.1.22 We will continue to argue for the internet giants to do more to empower children. We are pleased the Government are now considering how they can work with industry to produce an annual transparency report that highlights how many reports social media companies receive and how they are dealt with. Google have committed to producing the first of these transparency reports this year. At the last election, both main parties included manifesto commitments to do more to hold the internet giants to account.
- 3.1.23 The UN Convention on the Rights of the Child is the most widely ratified human rights treaty in the UN's history. Developing a General Comment to the UNCRC is no easy feat and can often take years to achieve. We are proud that we have successfully campaigned for a new clause covering the digital rights of children to be added to the UNCRC. Their decision to do so is a good one for children and a real success for our campaign to develop an international mechanism for enabling countries across the world to safeguard children's digital provision, protection and participation rights.
- 3.1.24 We believe that by working together, countries will have a real chance of producing a new framework that allows children using the internet to make the most of its benefits, while minimising online harms and risks. We would like to see a General Comment that includes measures such as ensuring digital literacy education and child-centred design are a key part of digital policy initiatives and which makes sure children's voices are embedded in the development of new digital resources.

3.1.25 Developing a General Comment will be a complex task, but it is achievable. We are hopeful that this process, and the eventual final General Comment, will help to set the agenda and inspire better action to make sure that the opportunities for all children in today's digital age are taken, while the risks are minimised.

3.1.26 Strategic objective: Improving the lives of children in care

3.1.27 Our Help at Hand advice and assistance service for children in care and the very vulnerable continues to grow. We responded to over 1,500 enquiries last year – the number of cases coming to us is roughly doubling year on year. Among the typical cases we resolved were helping a care leaver whose local authority had failed to get her immigration status established/recorded to remain at university; getting proper education for a young disabled boy at home; and keeping two teenage sisters with the foster family they loved.

3.1.28 Children in the care system are still too often threatened with financially-driven moves, or made the victims of poor planning and decision-making. We are here to help put it right. We have helped homeless teenagers, excluded children, and young offenders leaving secure units with nowhere to go. Both children and the professionals trying to help them contact us for help, and we intervene with local authorities or other services to get them the support they need.

3.1.29 The experiences of children in the care system underpins our work on stability for looked after children. Many calls to Help at Hand relate to unwanted home moves and school changes and the disruption that these bring. This is why we created the Stability Index to encourage councils to hold themselves to account for children being 'pinged' around the system. It measures placement moves, school moves and changes in social worker. This year the Index shows that while most children in care are receiving the support of stable foster families and schools, a significant minority are changing home and school too often, putting them at greater risk of school exclusion, gang membership and grooming. Almost 2,400 children changed home, school or social worker over the last twelve months. The findings also show teenagers, children with behavioural or emotional needs and children in Pupil Referral Units or attending schools rated "inadequate" or "requires improvement" are more likely to experience instability

We will also start work on building sibling relationships into the Index. We are asking Ofsted to place enhanced priority on the importance of stability for children in care.

3.1.30 In order to join up the voices of children in the care system and give them a more effective national network, we are funding the creation of a digital hub linking children in care councils across the country. This year the CCO's office will run the hub, steered by an advisory group of 21 young people in care. We want to explore what children want from the hub, which services could be provided via it, and the possibility of developing a mentoring scheme for children with care experience to help one another. We will be encouraging sports and entertainment businesses to donate tickets and memberships to the hub, to give children in the care system the social opportunities enjoyed by their peers. We

will continue to attend regional children in care council meet-ups around the country in order to meet and learn from looked after children and give them a louder voice in Whitehall.

3.1.31 Every child growing up needs and deserves the love, care and support of a family. For the thousands of children in foster care, it is no different, if not even more acute. My office contributed an introduction and provided views of children in care to the fostering system review by Sir Martin Narey and Mark Owers. Our ambitions for foster children should be high. Children in foster care tell me that they want to live in a family that has the same expectations for them as they would have for their own children, with foster carers who do all they can to help their foster children succeed and thrive as they grow up. We support many of the report's recommendations, including giving clearer guidance to help foster carers so they know they are allowed to give their foster children physical affection like hugs and kisses, if a child wants them. We support too plans to give foster carers more freedom to make day-to-day parenting decisions. However, the Children's Commissioner opposes the recommendations to remove Independent Reviewing Officers and we hope the Government will protect their role when it responds formally to the fostering stocktake.

3.1.32 Strategic objective: Shining a light on the lives of 'invisible' children

3.1.33 The Children's Commissioner's childhood vulnerability framework published last year is the first attempt to measure the number of vulnerable children in England, mapping the full range of difficulties a child might be living with, from physical or mental illness, to going hungry; being homeless or excluded from school; being at risk of neglect; or living with parents with health problems. Our ongoing childhood vulnerability work will update the figures, show trends, and for the first time include breakdowns by age and location. Where possible we aim to produce estimates by local authority, updated annually, and we will seek to develop the framework into a live interactive map updated in real time. This will enable MPs and councillors to track the childhood vulnerabilities in their local area, see movements over time, and compare with similar areas, and allow those responsible for delivering services to better understand need and target their help and measure their impact.

3.1.34 We have created a new partnership with the Office for National Statistics and the Economic and Social Research Council's (ESRC) Administrative Data Research Network to make better use of existing data to fill gaps in knowledge we have identified where children have multiple and overlapping vulnerabilities. Using the vulnerability framework, we will produce regular 'data note' briefings on issues affecting children. The framework will also guide the Children's Commissioner's Office decisions about groups of children on which to focus qualitative, survey and policy work.

3.1.35 The second wave of the Vulnerability Study this year seeks to identify the common vulnerabilities, risks and indicators which criss cross children's lives. In isolation, each one might not be a concern, but the interaction between them can be devastating. To highlight the impact on children of combinations of hidden risks, we will produce a report into children living in households

surrounded by risk – where adults have drug or alcohol problems and mental health conditions and where domestic violence is present. These children too often go under the radar, un-noticed by adult services working with their parent(s). We will estimate how many of these children there are, of what ages, and show what life is like for them through one of our ‘Voices of Children’ reports.

- 3.1.36 NHS spending on children, especially in primary care and children’s mental health services remains a cause for concern. Mental health is the issue most frequently raised with us by the children we speak to. This year will see the publication by the Office for National Statistics (ONS) of the first national survey of child mental health needs for 14 years. It is likely to show large increases in children with anxiety-related mental illness and will highlight how much further Government has to go to build a system fit for purpose. The children we have consulted tell a sadly familiar tale of difficulty accessing mental health services – what one teenager described as a “denial industry” – with referrals only made when a child is at ‘crisis point’. They also noted the lack of information available for them online; a sign of a service not designed around user needs. Our briefing for Parliamentarians on NHS treatment for children suffering from mental health illnesses showed many children are not receiving the support or treatment they need. Our analysis also showed that local areas are spending an average of 6% of their mental health budget on children, despite children making up around 20% of the population.
- 3.1.37 This year we will continue our work to drive transparency in terms of NHS spending and provision for children and advocate for children’s mental health to be a priority locally and nationally. Last year our work highlighted significant local differences in mental health services for children and we will continue to monitor (through the NHS Forward View Dashboard and underlying data) what local areas provide. We have called for greater investment in early intervention mental health services, clear benchmarks as to what local areas should be providing, and proper monitoring of the number of children requiring and accessing treatment.
- 3.1.38 A briefing we produced for MPs last year exposed the lack of transparency and clarity over children who fall through the cracks in the education system: not just those receiving fixed period exclusions but those in alternative provision, unofficially or illegally excluded from mainstream schools, ‘offrolled’ or home educated in uncertain home environments. There are tens of thousands of children we cannot be certain are being educated at all, along with anecdotal evidence that more and more children are being excluded from a ‘one size fits all’ mainstream education system. We are pleased that Government is conducting a review of school exclusions led by former Minister Edward Timpson.
- 3.1.39 ‘Off-rolling’ - the removal of a child from a school’s roll without officially excluding them will be the subject of further scrutiny by the Children’s Commissioner’s Office this year. We will investigate the experiences of children with disabilities excluded from mainstream schools. In response to widespread concerns over the quality of education and safeguarding of children in unregistered schools,

we will accompany Ofsted this year on a series of inspections of unregistered and suspected illegal schools. This will go alongside continuing visits to PRUs.

3.1.40 Our 2017 vulnerability study revealed nearly 50,000 children in England are involved in gangs, though actually the number is likely to be even higher. The so-called 'county lines' phenomenon of developing mobile networks of drug runners from big cities into suburban, seaside and rural communities is a highly complex and sophisticated system. In this system, younger children are often taking the biggest risks, and it's often the most vulnerable children – those living in care or with learning disabilities or no parental support – who are targeted by organised criminals. The levels of extreme violence are rocketing and it will require intensive work to disrupt and divert young people away from gang membership and the drugs trade. The Children's Commissioner took part in a Home Office round table to discuss tackling knife crime and gangs and she is also a member of the Government's Serious Violence Taskforce.

3.1.41 Last year we published reports giving the first-hand accounts of groups of vulnerable children whose voices are rarely heard: children saying in their own words what it feels like to be an asylum seeker, or in detention, or in a gang where abuse is rife. The purpose of our 'Voices of Children' series is to allow children from often unheard groups to speak for themselves, unmediated as far as possible by adults. This year we will look closely at the experiences of the hundreds of thousands of children living in poor quality or insecure housing. This will run alongside a major new programme of work to identify and quantify groups of children living in insecure or poor quality housing. We are very concerned at what appears to be a sharp increase in homelessness among households with children. Stability is as important to children outside the care system as it is to those within it. Children in our consultation with experience of homelessness spoke of how it led to bullying; of the tensions and stress it caused among family members; of being unable to do their homework; and of feeling cold, dirty, sad, embarrassed, worried and unsafe.

3.1.42 Strategic objective: Shining a light on the lives of children 'behind closed doors'

3.1.43 Nowhere is it more important to shine a light than on the experiences of children in care or incarcerated by the state. Children locked up by the state – whether in Young Offender Institutions (YOIs), Secure Training Centres (STCs), secure children's homes or in specialist mental hospitals – are both highly protected, 'visible' to service providers if not to the public, and acutely vulnerable. A series of critical inspection reports has exposed the poor state of young offender institutions and secure training centres, with unprecedented levels of violence and poor outcomes. There is far less public scrutiny of other secure institutions for children, those designed to help with mental health, behavioural or emotional problems, but which nonetheless remove a child's liberty.

3.1.44 Over the last year the Children's Commissioner has made regular visits to the children's secure estate, accompanied whenever possible by policymakers and senior politicians. These visits will continue in the year ahead.

- 3.1.45 There are very few girls under the age of 18 held in custody. Yet every girl who is in a Secure Training Centre is a child, living a life that has somehow gone wrong. The Children's Commissioner invited Dame Louise Casey, who has done so much work on troubled families, to join us on a series of visits to the secure unit in Rainsbrook. The stories we heard from the young girls we met were told in our report 'Voices from the Inside', published earlier this year. It is striking how similar those stories were. Most of the girls were born into complex and chaotic families, had suffered bereavements and were under the supervision of social services. Often they had grown up outside the family home or were in care. Drink, drugs and sexual exploitation were often a part of their lives and most had dropped out of mainstream schools. Yet compared to the chaos of their normal lives, they were relieved to be in a place where their basic needs were met and where there was structure and support. For some, the unit was the only time in their whole life that they had felt secure, cared for and not scared.
- 3.1.46 'Voices from the Inside' shines a light into the kind of experiences which have shaped young lives and help to shape the work of the Children's Commissioner. All of us should be worried that there are children who say they welcome being jailed because it is the first time in their lives they have felt safe.
- 3.1.47 For children locked away, the step down from institutionalised care back into the community is very steep. All the risks and vulnerabilities that drove them behind the closed doors of the state await them when they step outside. After hearing repeated concerns over failures in resettlement planning for young people leaving YOIs and STC, this year we will track the pathways of children leaving secure custody, to identify the barriers to effective reintegration into the community – housing, mental health and educational support – and report to the Government.
- 3.1.48 Earlier this year the Children's Commissioner chaired a youth justice round table event in Downing Street, where we made the case for proactive strategies to reduce the number of children going into the secure estate and to do more to focus on the outcomes of those who leave custody, so they do not reoffend.
- 3.1.49 Our investigation last year into mental health inpatient provision for children – how far children had to travel to access specialist beds – exposed the lack of accountability in the system. These are some of the most vulnerable children in England, yet we know very little about how many require in-patient care, where they receive it, for how long, or how often such care is refused because of lack of capacity. When we looked at the data held centrally by the NHS which ought to answer these questions, we found huge gaps in the data with different hospitals and regions collecting and reporting information in very different ways, leaving us unable to answer basic questions about the provision and accessibility of NHS care to children with very acute needs.
- 3.1.50 We are concerned that the wider system around inpatient hospital placements for children is opaque. In order to increase confidence that children at high risk are getting the services they need, we will continue to work with NHS Digital and NHS England to improve data collection and transparency and will publish

a comprehensive list of the in-patient mental health units treating England's most vulnerable children.

3.1.51 As part of our vulnerability work, we will repeat a survey last conducted in 2016 by NHS England to map the location of all beds in the health, welfare and criminal justice secure estate for children, who is in them, and why.

3.1.52 Strategic objective: Putting children at the heart and the start of policy-making

3.1.53 In March, we published 'Growing Up North', a year-long report looking at the issues and experiences of children growing up in the North today. 'Growing Up North' was the culmination of twelve months of research, analysis and conversations with children, schools, business, councils, health professionals and charities. It makes a clear case for putting children at the 'heart and the start' of the Northern Powerhouse regeneration policy-making process. 'Growing Up North' is an optimistic report which praises the ambitions of the Powerhouse project but also warns that many of the most disadvantaged children in the North are falling far behind their Southern equivalents, particularly those growing up in London.

3.1.54 'Growing Up North' reveals how children raised in the North are less likely to do well in secondary school, more likely to go to a poor school and more likely to leave education early. While some parts of the North have some of the best primary schools, many secondaries are struggling. The report calls on the Northern Powerhouse project to give children the same attention as economic regeneration, otherwise the promise of the Powerhouse will not be realised. Our recommendations include: improving the North's secondary schools in the most deprived areas as a priority; a renewed focus on teaching recruitment and leadership; local areas to have plans to ensure children are in apprenticeships, training or education until 18; and the creation of forums to bring together all bodies working with children.

3.1.55 Children growing up in the North love and are proud of the place they live. They want a future where they live near their family and community and they want jobs and opportunities to rival anywhere else in the country. The Northern Powerhouse and devolved mayors must put children at the heart and the start of policy-making to drive that ambition.

3.1.56 There has been much debate about the roll-out of Universal Credit (UC), in particular the delays and access to receiving financial support and the hardship it has caused for some families. While the Children's Commissioner has supported the principle of UC, we have warned the Government that introducing it at a time of austerity, at a lower level than originally planned and against a backdrop of cuts to family benefits would leave many families in a vulnerable position.

3.1.57 Universal Credit was never tested on families with children and children are often the unseen victims at the end of a line of insecurity and hunger. That is why we called for a pause in Universal Credit when the Commissioner appeared

before the Education Select Committee in November and why we joined with the other Children's Commissioners in Wales, Scotland and Northern Ireland in a direct plea to the Chancellor to take steps to reverse the projected rise in child poverty predicted to occur following changes to the benefits and tax credits system. We have called on the Government to reconsider the decision to restrict entitlements to UC to only two children per family and also repeated the call for a pause in the roll-out of UC to families with children, pending a review into the impact of the gap in income when moving into UC.

3.1.58 Earlier this year we commissioned the Institute for Fiscal Studies to assess how the eligibility for free school meals (FSMs) under Universal Credit would be impacted by the Government's £7,400 threshold. The analysis confirmed the Government's estimate that approximately 50,000 additional children will gain entitlement to FSMs under the new system, yet this overall gain hides many more winners and losers. About 210,000 children who would not have qualified for FSMs under the legacy system will gain entitlement under UC while about 160,000 of the 1.3m children who would have qualified under the legacy system will find themselves ineligible under UC.

3.1.59 The Government's decision whether to uprate the threshold in future will affect the numbers of children eligible. If, instead of freezing the threshold to 2021-22, it increased this threshold with earnings, the IFS estimates that around 100,000 additional children would be entitled to FSMs. This highlights the significance of the decision of how to uprate (or not uprate) this threshold beyond 2021-22, a decision which has not yet been made.

3.1.60 There are hundreds of thousands of EU National children living in England whose future status in the UK is brought into doubt by Brexit. A legal opinion we commissioned last year showed that these children face a range of unique issues with regularising their immigration status yet children were initially absent from both the Government's Green Paper and the Brexit Select Committee report into EU nationals future status. The legal opinion made it clear that in most cases children will be able to apply for settled status with their parents but that for a variety of reasons this will not be possible for all children and these children faced substantial obstacles in obtaining permission to settle in the UK permanently. We are pleased that after pressure from our office and others, the Government subsequently committed to enabling children to apply for settled status either with their parents or in their own right.

3.2 Performance Analysis

3.2.1 The Children's Commissioner is a unique statutory role with huge breadth and many demands. This report sets out the impact we are having on children across all areas of statutory responsibility. Reducing risk, early intervention and working with Parliamentarians to bring about change have been at the heart of our work.

3.2.2 The views, perspectives and interests of children in England influence all the work that we undertake. In the last year, we have recruited a new qualitative research team to ensure that the views of children continue to be at the heart

of what we do. In particular, the narratives and recommendations contained in our reports 'Life in Likes', 'Growing Up North', children living in service families, 'Voices from the Inside' and 'Growing Up Digital in Care' were shaped significantly by the contributions of the children we spoke with.

- 3.2.3 To inform the CCOs business planning for 2018/19 we consulted children, so that we could understand what matters to them and what they think needs to improve for children growing up in England. We have spoken with children in Primary and Secondary schools, PRUs, various forums for children with disabilities and through a fostering agency that supports disabled children. As part of our Business Plan, we held 11 focus groups and 5 interviews with children in different settings in order to gather their views on what we should focus on in the coming year, the particular groups of children that we should speak and listen to and the engagement methods that we should use when engaging with children.
- 3.2.4 During previous consultations with children, we identified a gap in contributions from disabled children and this year we have created a partnership with the Council for Disabled Children to ensure we hear the views of children with disabilities.

3.2.5 The UN Convention on the Rights of the Child (UNCRC)

- 3.2.6 The performance analysis section of this report highlights how much of our work is shaped with reference to the United Nations Convention on the Rights of the Child. The UNCRC's 2016 concluding observations examining the UK Government's implementation of the UNCRC also remains an important focus for our business plan. The UNCRC's concerns and recommendations touch upon the four main areas of our work: children in care, behind closed doors, invisible children and digital and this report has set out our response to some of the issues where the UNCRC have been critical of the UK's progress.
- 3.2.7 For example, the UNCRC's 2016 concluding observations set out concerns about the effects that recent fiscal policies and allocation of resources have had in contributing to inequality and its affect on disadvantaged children, and raised concerns about children living in deprived families. The findings of my work with the Institute for Fiscal Studies showing a steep reduction in benefits spend per child and a 20% fall in spend on all children's services over the decade to 2020, including a 60% reduction in spending on Sure Start services, supports this view and is extremely worrying. Local authorities are reporting to me that children are coming into care because they are homeless or poor – not neglected or abused, just poor. We want to build a national consensus for fair funding for services for children and for families with children, in the children's interests but also in the country's interests, and we will campaign for a better deal for children in government spending.
- 3.2.8 The UNCRC has called for regulations to ensure that the business sector complies with the right of the child, something we have campaigned for through our digital work. Our work on digital resilience and literacy has also addressed their concerns about bullying in schools.

3.2.9 Other concerns have also influenced the work we are doing. The UNCRC expressed concerns about discrimination against children in certain groups, including Roma, Gypsy and Traveller children, and last year we visited traveller sites in Bedford to inform our work on children who are missing from the education system. We are addressing their observation that many children feel they are not listened to through our Help at Hand service, our contribution to the independent review of foster care, and the work we are doing around 'IMO' and the Stability Index.

3.2.10 The UN's concerns about the impact of domestic violence against women and girls and its impact on children will inform some the vulnerability study work we are carrying out this year, and the need to protect all children from child abuse and neglect is at the heart of our work into childhood vulnerability. Our work visiting and shining a light on the experiences of children in prisons relates to the UNCRC's recommendations around youth justice. With our work on children's mental health we are highlighting the UN's concerns about how and where children are treated and the need for more spending and effective monitoring.

3.2.11 On other areas like our campaigning for better sex and relationship education, our forthcoming work on hunger and malnutrition, analysis of free school meals and Universal Credit and the opportunities for children living in the North of England, we have been addressing many of the UNCRC's 2016 conclusions around adolescent health, standards of living, and education and cultural activities.

3.2.12 An overview of our performance in the four main areas of work follows.

3.2.13 Children in care

3.2.14 The Children's Commissioner for England has a particular responsibility and commitment to children in care and living away from home. We meet frequently with children in care and care leavers and convene meetings between children in care and the Children's Minister on a regular basis.

3.2.15 Our Help at Hand advice service advisors dealt with over 1,500 enquiries last year, double the number of the previous year. Among the cases Help at Hand have resolved are: helping a care leaver whose local authority had failed to get her immigration status established/recorded to remain at university; getting proper education for a young disabled boy at home; and keeping two teenage sisters with the foster family they loved. Help at Hand has helped homeless teenagers, excluded children, and young offenders leaving secure units with nowhere to go. Both children and the professionals trying to help them contact us for help, and we have intervened with local authorities or other services to get them the support they need.

3.2.16 Our work to develop an annual Stability Index is designed to inform local authorities about the nature of the stability challenges facing children in care so that new policies can be developed to bring about a more stable system that reduces risk. Improvement in the care system is an important objective for all

local authorities and an area where there needs to be significant change. By working with individual authorities, virtual school heads, fostering agencies and children, we are testing the under-lying drivers of instability to inform change. We have been heartened by letters we have received from local authorities like St. Helen who have taken the Index measurements and incorporated them into their measurements of success reporting to council meetings. With an estimated 50,000 children in care experiencing a change in placement, school or social worker during the course of a year, the scale of change needed is significant.

3.2.17 In order to join up the voices of children in the care system and give them a more effective national network, we have funded the creation of a digital hub – ‘IMO’ - linking children in care councils across the country. This year the Children’s Commissioner office will run the hub, steered by an advisory group of 21 young people in care. We want to explore what children want from the hub, which services could be provided via it, and the possibility of developing a mentoring scheme for children with care experience to help one another. We will be encouraging sports and entertainment businesses to donate tickets and memberships to the hub, to give children in the care system the social opportunities enjoyed by other children.

3.2.18 For many young people, leaving care is often a tough experience full of uncertainty. Many do not have support from parents and have to navigate the complex transition to independent living on their own. Often they are looking for help as they prepare for independent living. We have contacted every council leader in England that offer children’s services asking them to back the Children’s Society’s campaign to exempt care leavers from council tax. This is a fair, workable and potentially cost neutral policy that would give thousands of care leavers a financial boost. So far 81 councils have signed up and we continue to press for every other English council to join them.

3.2.19 Care leavers need to be given every chance to achieve their potential. Too many leaving care do not receive the support or the opportunities they need to thrive. I want all care leavers to be offered an apprenticeship, training or a job, and with the help of the Drive Forward Foundation, my office has taken on two care-leavers as apprentices – one in our business support team, the other in our communications team. We will continue to raise issues as they occur to give children in care the opportunities in life to be ambitious and aspirational about their future.

3.2.20 **Invisible children**

3.2.21 One of our priorities has been to strengthen the unique data gathering powers available to the Commissioner. We now have a fully staffed evidence and evaluation team and have also set up a new team working on qualitative research. We are committed to speaking with children whose voice has too often gone unheard and our qualitative research team have made progress in making sure the views of all children – including those in care settings, who are living with disabilities and who are in the secure estate – feed into our reports and campaigns.

- 3.2.22 This renewed focus on data will see us producing more frequent ‘data notes’ in future. Our briefings to MPs on children’s mental health, children who are falling through the gaps in the education system, and free school meals and Universal Credit are the beginning of a series we intend to produce this year.
- 3.2.23 Our vulnerability study is the first attempt by anyone to bring together data from a wide-range of organisations and bodies to measure the number of vulnerable children in England. It is designed to start a debate between policy-makers and Parliamentarians about the nature of child vulnerability by mapping the full range of difficulties a child might be living with. This ongoing work is a vital tool for sharing the trends, breakdowns and locations of child vulnerability, enabling MPs, councillors and policy-makers to track childhood vulnerabilities and develop early intervention policies and responses to reduce risk that are based on the most up-to-date evidence. The partnerships we have created with the ONS and the ESRC Administrative Data Research Network is helping to fill gaps in knowledge where children have multiple and overlapping vulnerabilities.
- 3.2.24 Our briefing to Parliamentarians on children’s mental health services raised the profile of problems within the children’s mental health system, including lack of access and long waiting times.

3.2.25 Digital

- 3.2.26 We have campaigned successfully for education on digital citizenship in schools, acknowledged in the Government’s Internet Safety Strategy.
- 3.2.27 The simplified terms and conditions for social media platforms we produced in collaboration with tes and Schillings were published as school teaching aids. Thousands of teachers, parents and children have accessed them.
- 3.2.28 Our Digital 5 A Day campaign to encourage children to adopt easy, healthy online habits has been downloaded thousands of times and received very positive feedback from children, parents and teachers.
- 3.2.29 Our ‘Life in Likes’ research into the impact of social media on the wellbeing of children aged 8 to 12 has generated much debate among politicians, policy-makers, schools and parents about how we can build children’s online resilience.
- 3.2.30 We have successfully campaigned for a new cause covering the digital rights of children to be added to the UNCRC. Their decision to do so is a good one for children and a real success for our campaign to develop an international mechanism for enabling countries across the world to safeguard children’s digital provision, protection and participation rights.

3.2.31 Behind Closed Doors

- 3.2.32 In addition to data gathering, the Children’s Commissioner’s powers of entry remain vital to understanding the experience of children, especially those

who are in the care of the state. Following the annual report of the Chief Inspector of Prisons in July 2017, which raised concerns about the Youth Justice estate, we wrote to all governors calling on them to address concerns about the provision of support for children in custody.

- 3.2.33 We regularly visit secure settings across England, and visits to secure training centres have informed some of our work, for example our report 'Voices from the Inside'. During these visits we try and bring along a senior politician or senior government official to give them an insight into the views and experiences of children who are living in the secure estate. Visits are often conducted in partnership with other organisations, for example the Care Quality Commission, so that we are able to support their work and coordinate activity.
- 3.2.34 Earlier this year the Children's Commissioner chaired a youth justice round table event in Downing Street, where she made the case for proactive strategies to reduce the number of children going into the secure estate and to do more to focus on the outcomes of those who leave custody, so they do not reoffend. The issues raised are now being discussed across Government.
- 3.2.35 In order to inform our work on children who are educated in settings outside mainstream schools, we have visited a number of PRUs over the last year and we will continue to do so as we look in more detail this year at the experiences of children who are 'off-rolled' or educated in alternative provision.
- 3.2.36 The UNCRC's most recent concluding observations on what the Government needs to do better to meet the rights of children focussed on the necessity to improve access to children's mental health services. Our investigation last year into mental health inpatient provision for children – how far children had to travel to access specialist beds – exposed the lack of accountability in the system. When we looked at the data held centrally by the NHS which ought to answer these questions, we found huge gaps, with different hospitals and regions collecting and reporting information in very different ways, leaving us unable to answer basic questions about the provision and accessibility of NHS care to children with very acute needs. The Commissioner sits on a Government group to promote and maintain Government's response to UNCRC obligations.

Financial review

- 3.2.37 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 2017-18 was delivered within these controls.
- 3.2.38 The financial statements for the period to 31 March 2018 are set out on page 52 onwards. The notes contained within these accounts also form an integral

part of the accounts. In 2017-18, the budget for the year was £2.563m (£2.764m in 2016-17). In 2017-18 the net expenditure was £2.471m (£2.607m in 2016-17). The reduction in expenditure was across all of our activities including staff and projects.

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

Auditing of Accounts

3.2.40 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 2017-18 financial statements was £32,000 (£38,000 for 2016-17).

A handwritten signature in black ink, appearing to read 'Anne Longfield', with a horizontal line underneath.

Anne Longfield OBE
Children's Commissioner for England
10th July 2018

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 priorities provide advice to the Children's Commissioner;

- **Specialist advisory groups**

Specialist experts and practitioners support our work and programmes. This includes specialist children'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;

- **Remuneration Committee**

The Remuneration Committee provides a means of independent assurance and objective review of remuneration systems;

- **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 28 to 35.

Registration of Interests

- 4.1.1.4 The OCC keeps 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 2017-18 there were no personal data related incidents that occurred within the OCC.

Complaints

- 4.1.1.7 The OCC 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, absence management took place in 2017-18 and was presented as having substantial control. The main recommendations were taken forward by the second quarter of the year.

Donations

- 4.1.1.10 In 2017-18 there were no charitable or political donations made to or from the OCC.

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 OCC 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 OCC 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 OCC. 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 the Children's Commissioner, I can confirm that:

- There is no relevant audit information of which the auditor is unaware;
- I have taken all the steps that I ought to in order to ensure that I am aware of relevant audit information;
- I have taken all the steps that I ought to in order to establish that the OCC's auditor is aware of the information; and
- The ARA as a whole is fair, balanced and understandable and I take personal responsibility for the ARA and the judgements required for doing so.

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 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 at the formal invitation of the Children’s Commissioner; with members being recruited through open competition.

4.1.3.5 The Advisory Board met four times during 2017-18, chaired by the Children’s Commissioner, the attendance list below relates solely to this period. Some members of the Advisory Board ended their terms during this period and two new members were recruited.

Advisory Board			
Name	Date of appointment	Step down Date	Board attendance 2017-18
Jacqui Smith	April 2018		
Edward Timpson	September 2017		*2/2
Josh MacAlister	September 2017		*2/2
Alice Webb	August 2016	September 2017	*0/2
Alison O’Sullivan	August 2016		4/4
David Halpern	August 2016		2/4
Sir Martin Narey	August 2016	June 2018	3/4
David Holmes	May 2015	September 2017	*2/2
Christine Davies	April 2015	September 2017	*1/2
Javed Khan	April 2015	September 2017	*1/2
Lilly Caprini	April 2015	September 2017	*0/2
Natasha Finlayson	April 2015	September 2017	*1/2
Professor Marian Brandon	April 2015	September 2017	*0/2

* Member either started or left the board mid-term

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; acting in an advisory capacity to provide independent opinion and feedback on how well objectives are being met, good practice, and risk management and control.
- 4.1.3.7 The ARC agrees the content of the annual internal audit programme with Senior Managers and myself, and also oversees internal and external audit arrangements covering financial and non-financial systems. The ARC receives the external auditor's planning report, audit completion report and management letter and also produces an Audit and Risk Committee Chair's Annual Report, summarising how it has discharged its responsibilities for the twelve month period to date. The report also sets out key issues arising.
- 4.1.3.8 All members of the 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 2017-18, no members declared any directorships or other significant interests that may have conflicted with their responsibilities. The ARC met five times in 2017-18; 17 May 2017, 28 June 2017, 27 September 2017, 22 November 2017 and 14 March 2018.

Audit and Risk Committee			
Name	Date of appointment	Term of appointment	Board attendance 2017-18
David Clarke Chair	October 2015	Three years	5/5
Dr Susan Tranter	October 2015	Three years	*4/5
Brian Tytherleigh	April 2016	Three years	5/5
James Norton	April 2016	Three years	4/5
Owen Vallis	April 2016	Three years	*4/5

*Due to a date change at short notice, Dr Susan Tranter and Owen Vallis were unable to attend the March ARC meeting.

- 4.1.3.9 When the committee has five members the meeting is quorate with three members present.

Senior Management Team

- 4.1.3.9 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

- 4.1.3.10 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.
- 4.1.3.11 At the beginning of this financial year the SMT met once per fortnight, the SMT now meets once a month, with additional monthly ESMT meetings, attended by SMT and Heads of Service, both chaired by the Children’s Commissioner. SMT membership changed, as part of revisions to the organisation structure effective from 1 April, to Anne Longfield, Alice Miles and Leon Feinstein.

Senior Management Team			
Name	Position	Date of appointment	Meeting attendance record
Anne Longfield	Children’s Commissioner	March 2015	17/17
Prof. Leon Feinstein	Director of Evidence	July 2016	16/17
Alice Miles	Director of Strategy and Policy	November 2016	17/17

Internal Control

- 4.1.3.12 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.
- 4.1.3.13 Our internal controls accord with HM Treasury guidance and have been in place for the whole of 2017-18. 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.
- 4.1.3.14 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 vigorous performance and project framework. The current shared services arrangement with DfE ended in March 2018 and has been replaced by a new in-house finance capability, overseen by a dedicated OCC Financial Controller.

Internal Audit

4.1.3.15 An internal audit function is provided by the Head of Internal Audit who delivers 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 2017-18 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:

- Human Resources, Absence Management – Substantial control
- Policy Planning – Adequate control
- SMT Functionality – Substantial control
- Risk Management – Adequate control
- Strategic Planning (follow-up) – Substantial control
- Key Financial Controls – Substantial control
- Information Governance – Adequate control
- Safeguarding – Substantial control
- Communications – Adequate control
- New Finance System – Substantial control

Other areas reviewed during the period 2017-18, were updates to the Risk Management Policy, which incorporated the strategic risk matrix and a new management assurance framework. An appropriately qualified Data Protection Officer has been appointed to proactively deliver data protection services to the Children's Commissioner.

The overall opinion of the Head of Internal Audit, 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.

Programme and Project Management

4.1.3.16 A project management framework is in place which supports and monitors the efficient planning, execution and control of projects. A project board reviews the risks and delivery of all projects and escalates to the Senior Management Team. The SMT is responsible for ensuring effective project delivery and progress against milestones and budgets. This is reported at high level to the Audit and Risk Committee.

Financial Management

4.1.3.17 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 receive and discuss monthly financial management reports. We also recruited a new Financial Controller in 2017, who has provided an additional level of scrutiny and control over our finance data and processes in recent months. A new in-house finance function has been established, including migration to a new, more efficient, accounting system with improved controls and governance. The previous arrangement with the DfE has therefore ended. The Financial Controller provides financial management information for SMT and meets regularly with budget holders. I meet monthly with my finance leads to review and agree priorities. I am confident that my Office has clear lines of accountability for all programme and administrative expenditure.

Delivery Arrangements and Achievement against Business Plan

- 4.1.3.18 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.
- 4.1.3.19 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 in March 2017.

I.T. Management and Data Safeguarding

- 4.1.3.20 General information systems are in place 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 and adherence to policy is monitored. 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 2017-18.
- 4.1.3.21 In 2017-18 my office conducted a review of data handling policies and procedures including the live register of information assets. The OCC website was tested and passed as secure. 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

- 4.1.3.22 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 full time equivalent staffing level, please refer to the Staff Report within the Remuneration and Staff Report.

Whistle-Blowing Arrangements

4.1.3.23 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 2017-18. The Children's Commissioner's Office has received whistle-blowing concerns from a variety of people including: teachers, nursery staff and employees of children's services. Many different types of concerns have been raised and these include failures in safeguarding procedures, shortages of staff having an impact on child safety, cleanliness of childcare facilities and restraint. Sometimes we are the first people that the whistle-blower has raised the concern with and sometimes they have raised it many times before and felt no one was listening. The Employment Tribunal also refers claims to us when they feel we are the relevant prescribed person. We will always discuss anonymity and confidentiality with whistle-blowers and we will never close a case until we are sure that the necessary safeguarding action has been taken. No notifications against my Office have been received during 2017-18.

Risk Management Arrangements

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

4.1.3.25 Alongside the principal Strategy Risk Register the project management framework requires project leaders to identify risks. A further level of scrutiny has been added by way of Deep Dive audits which appraise targeted areas of risk; evaluate existing mitigating controls; assess effectiveness; identify gaps in the control framework and develop and recommend action plans to improve existing controls.

4.1.3.26 Project risks assigned a red rating are escalated to the Senior Management Team for appraisal and action. Strategic risks are monitored monthly by the Senior Management Team and are regularly reviewed by the Audit and Risk Committee. The Audit and Risk Committee challenge Senior Management Team members on their delegated risks and any changes to status or recommended action plans, providing insightful feedback and comment.

Assessment of Risk

4.1.3.27 A review of our risk management procedures led to the introduction of enhanced controls to ensure internal controls are adequate in design and the newly updated project management, financial controls and purchasing procedures are fit for purpose.

Key Risks in 2017-18

4.1.3.28 The key strategic risks during 2017-18 were:

- a) Failure to achieve positive change for vulnerable children;
- b) Failure to effectively deliver our business plan; and
- c) Operational failure

Mitigating Controls

4.1.3.29 A number of steps were taken to mitigate risks including a rigorous review of strategic risk to further enhance internal controls; comprising safeguarding, communications, data protection, and finance and business operations. We have consulted widely to produce qualitative and quantitative research data that both informs policy and shapes the direction of our work programme. Assurances from audits have been favourable and reflective of the improvements that have been made over the last year.

Overall Assessment

4.1.3.30 The information outlined above demonstrates that my office has been managed in an effective and efficient manner during 2017-18. Corporate support arrangements provide value for money and improve access to specialist skills.

4.1.3.31 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
10th July 2018

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 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.

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 is transparent, open and fair.

Service Contracts

4.2.3 The Children's Commissioner staff are not civil servants however recruitment is conducted in line with the Civil Service Commissioner's recruitment principles.

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 2018 our staff headcount figures for permanent staff, including the Children's Commissioner, was as follows:

Grade Equivalent	Male	Female	Total
Director	1	2	3
Grade 6	1	2	3
Grade 7	2	3	5
Senior Executive Officer	2	2	4
Higher Executive Officer	0	8	8
Executive Officer	0	1	1
Executive Assistant	2	5	7
	8	23	31

Sickness Absence

- 4.2.7. The average number of working days lost per FTE was 9 days in 2017-18. The increase has been attributed to four staff members having a period of long term sick leave. Excluding these four cases the average number days lost per FTE was two working days in 2017-18.

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 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.
- 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.

Other Employee Matters

- 4.2.14 Time off for trade union duties: Provision of paid time off is provided in line with statutory requirements and ACAS best practice. The total time off for union activities in 2017-18 was 15 hours.

Off Payroll Engagements

4.2.15 In order to provide short term ad hoc support to the Communications Team, a total of £3,000 was paid in 2017-18, under a contract for an interim Strategic Communications Officer.

Consultancy Spend

4.2.16 Engaging consultants is a cost effective and efficient way of hiring the temporary and skilled workers that the organisation needs. We ensure compliance with HMRC Off-payroll working rules (IR35) by checking the individual's employment status using the HMRC online service.

4.2.17 The Commissioner spent £8,440 on consultancy in 2017-18 (£3,000 in 2016-17).

People Management

4.2.18 My Office has carefully managed staff resourcing throughout the year. A reclassification request was successfully submitted to HMT in relation to 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 of Salary and Pension Benefits £000	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Children's Commissioner Anne Longfield	125-130	125-130	50	49	175-180	175-180
Director of Evidence Prof. Leon Feinstein From 13 July 2016	75-80	50-55 (75-80)	30	21	105-110	70-75
Director of Strategy and Policy Alice Miles From 7 November 2016	85-90	30-35 (85-90)	30	0	115-120	30-35
Director of Child Rights Anna Henry To 30 June 2017	15-20 (60-65)	60-65	4	25	20-25	85-90
Director of Communications and External Events Oliver Berman To 30 September 2017	30-35 (60-65)	60-65	13	25	45-50	85-90
Director of Strategy Alex Burghart To 18 August 2016	0	35-40 (85-90)	0	13	0	50-55

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 2017-18 or 2016-17.
- iii. The post of Director of Child Rights ended on 30 June 2017.
- iv. The Director of Communications and External Events post ended on 30 September 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. Prof. Leon Feinstein is employed 0.8 full time equivalent.
- vii. Alice Miles joined the Civil Service Pension Scheme in April 2017 and her contributions were backdated to the beginning of her employment (7 November 2016).

2016–17 Salaries

4.2.19 Members of ARC receive no remuneration and are permitted to claim reasonable travel expenses only.

Salary

4.2.20 '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

4.2.21 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 2017-18 or 2016-17.

Performance Awards

4.2.22 Performance awards are based on performance levels attained and are made as part of the performance management system which rewards staff assessed as having exceeded their objectives. Awards are accrued and become payable in September of the subsequent financial year.

Pension Benefits

4.2.23 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

4.2.24 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.

- 4.2.25 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).
- 4.2.26 Employee contributions are salary-related and range between 4.6% and 8.05% for members of premium, classic, 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.
- 4.2.27 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).

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

Cash Equivalent Transfer Values

- 4.2.30. 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.

	Accrued pension at pension age as at 31/03/2018 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/2018	CETV at 31/03/2017	Real increase in CETV
	£000	£000	£000	£000	£000
Anne Longfield Children's Commissioner	5-10	2.5-5	128	83	32
Prof. Leon Feinstein Director of Evidence From 13 July 2016	0-5	0-2.5	35	14	15
*Alice Miles Director of Strategy and Policy From 7 November 2016	20-25	0-2.5	288	260	13

*Alice Miles joined the Civil Service Pension Scheme in April 2017 and her contributions were backdated to the beginning of her employment (7 November 2016).

	Accrued pension at pension age as at 31/03/2018 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/2018	CETV at 31/03/2017	Real increase in CETV
	£000	£000	£000	£000	£000
Anna Henry Director of Child Rights To 30 June 2017	10-15	0-2.5	123	120	2
Oliver Berman Director of Communications and External Events To 30 September 2017	5-10	0-2.5	71	63	6

4.2.31 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

4.2.32 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

4.2.33 There were no payments made to past directors in 2017-18

Compensation on early retirement or for loss of office

4.2.34 Two directors left as part of a reshaping of the delivery structure of the organisation. Anna Henry was awarded a voluntary redundancy in June 2017, this accounts for voluntary redundancy costs of £30,361 in 2016-17. Oliver Berman was awarded a voluntary redundancy of £18,074 to leave on 30 September 2017 and a provision was made in 2016-17 for this amount. These figures are included within the Director's Remuneration set out in page 39.

Following the 18 July 2017 judicial review on the Civil Service Compensation Scheme (CSCS), amendments were made to voluntary exit packages

originally made under 2016 terms to bring them up to 2010 terms. As a result of these changes, Anna Henry's redundancy costs were increased to £44,361 and Oliver Berman's to £26,500.

Fair Pay Disclosure

4.2.35 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.

	2017-18	2016-17
Band of the highest-paid director's total remuneration (£000)	125-130	125-130
Median total remuneration (£000)	35	38
Range (£000)	15-130	25-127.5
Ratio	3.64	3.38

4.2.36 The banded remuneration of the highest paid director in 2017-18 was £125,000 to £130,000 (2016-17, £125,000 to £130,000). This was 3.64 (2016-17, 3.38) times the median remuneration of the workforce, which was £35,052 (2016-17, £37,703). The reduction in median remuneration and subsequent increase in ratio is attributable to a greater number of higher grade filled posts than previously.

4.2.37 In 2017-18 and 2016-17, no employees received remuneration in excess of the highest paid director. Remuneration ranged from £15,000 to £130,000 in 2017-18 (2016-17, £25,000 to £127,500).

4.2.38 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

4.2.39. Staff costs comprise:

	2017 - 18			2016 - 17		
	Permanently employed staff	Others	Total	Permanently employed staff	Others	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Salaries	1,271	20	1,291	1,099	153	1,252
Social security	138	0	138	124	0	124
Pension costs	267	0	267	227	0	227
Restructuring Costs	36	0	36	80	0	80
	1,712	20	1,732	1,530	153	1,683

Pension Schemes

4.2.40 For 2017-18, employers' contributions of £266,812 were payable to the PCSPS (2016-17, £227,090) at one of four rates in the range 20.0 to 24.5 per cent (2016-17 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.

4.2.41 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.

4.2.42 No persons retired early on ill-health grounds.

Average Number of Persons Employed

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

	2017-18		2016-17	
	Permanently Employed		Total	Total
	Staff	Others		
Directly Employed	26	0	26	25
Other	0	2	2	2
Total	26	2	28	27

Reporting of Civil Service and Other Compensation Schemes – Exit Packages

4.2.44 Details regarding exit packages paid in 2017-18 with comparative data for 2016-17 are as follows:

Exit Packages Cost Band	2017-18		2016-17	
	Number of compulsory redundancies	Number of other departures agreed	Number of compulsory redundancies	Number of other departures agreed
<£10,000	0	0	1	0
£10,001 - £25,000	0	0	0	3
£25,001 –£50,000	0	0	0	1
£50,001 - £100,000	0	0	0	0
£100,001 - £150,000	0	0	0	0
Total number of exit packages	0	0	1	4
Total exit package costs £000	0	0	0	80

Following the 18 July 2017 judicial review on the Civil Service Compensation Scheme (CSCS), amendments were made to voluntary exit packages originally made under 2016 terms to bring them up to 2010 terms. As a result of these changes, the total cost of other departures in 2016-17 increased to £116,000.

4.3. Parliamentary Accountability and Audit Report

Part 1: Unaudited Information

Long-Term Expenditure Trends

4.3.1. The Office of the Children's Commissioner budget was reduced by 7.27% in 2017-18. 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 2017-18 or 2016-17.

4.3.3. There were no special payments in either 2017-18 or 2016-17.

4.3.4. There were several small losses/fruitless payments in 2017-18 amounting to £4,795.87 as a result of checking erroneous supplier balances from 2015 (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 2017-18 or 2016-17.



Anne Longfield OBE
Children's Commissioner for England
10th July 2018

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

Opinion on financial statements

I certify that I have audited the financial statements of the Office for the Children's Commissioner for the year ended 31 March 2018 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, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Office of the Children's Commissioner's affairs as at 31 March 2018 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 regularity

In my opinion, in all material respects the income and expenditure/receipts and payments 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.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Office of the Children's Commissioner in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Children's Commissioner for the financial statements

As explained more fully in the Statement of Accounting Officer's 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.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Children Act 2004.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Children's Commissioner's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Office of the Children's Commissioner's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my

auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the [income and expenditure/receipts and payments] reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Other Information

The Children's Commissioner is responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Children Act 2004;
- in the light of the knowledge and understanding of the Office of the Children's Commissioner and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in e.g. 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 Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse

Comptroller and Auditor General

13th July 2018

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 2018

	Note	2017 - 18 £000's	2016 - 17 £000's
Operating income		0	(3)
Total operating income		0	(3)
Staff costs	2	1,732	1,683
Purchases of goods and services	3	618	807
Depreciation, impairment and other non-cash charges	3	30	26
Operating expenditure	3	91	94
Total operating expenditure		2,471	2,610
Net operating expenditure		2,471	2,607

The notes on pages 56 to 64 form part of these accounts

Statement of Financial Position

As at 31 March 2018

	Note	2017 - 18 £000's	2016 - 17 £000's
Non-current assets:			
Intangible assets	4	122	126
Total non-current assets		122	126
Current assets			
Receivables	5	25	24
Cash and cash equivalents	6	29	6
Total current assets		54	30
Total assets		176	156
Current liabilities			
Payables	7	(284)	(526)
Provisions		(9)	(18)
Total current liabilities		(293)	(544)
Total assets less current liabilities		(117)	(388)
Taxpayers' equity:			
General fund		(117)	(388)
Total taxpayers' equity		(117)	(388)



Anne Longfield OBE
Children's Commissioner for England
10th July 2018

The notes on pages 56 to 64 form part of these accounts

Statement of Cash Flows

For the year ended 31 March 2018

	Note	2017 - 18 £000's	2016 - 17 £000's
Cash flows from operating activities			
Net operating cost		(2,471)	(2,607)
Adjustments for non-cash transactions	3	30	26
(Increase)/decrease in receivables	5	(1)	12
Increase/(decrease) in payables	7	(242)	(281)
Increase/(decrease) in provisions		(9)	18
Net cash outflow from operating activities		(2,693)	(2,832)
Cash flows from investing activities			
Purchase of:			
Intangible assets	4	(26)	(68)
Net cash outflow from investing activities		(26)	(68)
Cash flows from financing activities			
Grants from Sponsoring Department		2,742	2,401
Net financing		(2,742)	(2,401)
Cash and cash equivalents at the beginning of the year net of overdrafts	6	6	505
Cash and cash equivalents at the end of the year net of overdrafts	6	29	6
Net increase/(decrease) in cash and cash equivalents		23	(499)

The notes on pages 56 to 64 form part of these accounts

Statement of Changes in Taxpayer's Equity

For the year ended 31 March 2018

	Note	Taxpayers' Equity £000's
Balance as at 1st April, 2016		<u>(182)</u>
Comprehensive expenditure for the year		(2,607)
Other general fund movement		2,401
Balance as at 31st March, 2017		<u>(388)</u>
Comprehensive expenditure for the year		(2,471)
Other General Fund Movement		2,742
Balance as at 31st March, 2018		<u>(117)</u>

Note: taxpayers' equity comprises the general fund

The notes on pages 56 to 64 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 2017-18 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;
- Software licences 4 years; and
- Customer Relationship Management System 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.

1.8 IFRS Changes to International Financial Reporting Standards.

IFRS 9 Financial Instruments (effective for periods beginning on or after 1 January 2018). Among other changes IFRS 9 introduces an expected credit loss model for impairment which will replace the current incurred loss model in IAS 39. An impairment loss may now be recognised prior to a loss event occurring. OCC has assessed that the impact of IFRS 9 will not be material to the financial statements and is not relevant to OCC.

IFRS 15 Revenue from contracts with customers (effective for periods beginning on or after 1 January 2018). The standard's core principle is that an entity will recognise revenue when it transfers goods or services to customers

at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a single, principles based five-step model to be applied to all contracts with customers. OCC has assessed that the impact of IFRS 15 will not be material to the financial statements and is not relevant to OCC.

IFRS 16 Leases (effective for the periods beginning on or after 1 January 2019). The new standard replaces IAS 17 Leases and introduces a new single accounting approach for lessees for all leases (with limited exceptions). As a result, there is no longer a distinction between operating leases and finance leases, and lessees will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. OCC have not adopted early and are assessing the impact on the financial statements. OCC are awaiting details of HM Treasury's assessment of IFRS 16 in relation to FReM bodies. This is not relevant to OCC for 2017-18.

2. Staff Costs

	2017 - 18			2016 - 17		
	Permanently employed staff £000's	Others £000's	Total £000's	Permanently employed staff £000's	Others £000's	Total £000's
Salaries	1,271	20	1,291	1,099	153	1,252
Social security	138	0	138	124	0	124
Pension costs	267	0	267	227	0	227
Restructuring Costs	36	0	36	80	0	80
	1,712	20	1,732	1,530	153	1,683

Further details on staff costs can be found in the Remuneration and Staff Report (pages 36 to 46).

3. Non-Staff Expenditure

	2017 - 18 £000's	2016 - 17 £000's
Projects	296	418
Property Rent	91	94
IT support costs	44	66
Telephone costs	3	4
Travel and subsistence	7	5
Training	8	7
Recruitment	11	44
Professional Fees	144	160
Auditors Remuneration - Cash		
External Audit	38	38
Internal Audit	16	15
Miscellaneous expenditure	46	47
Bad Debt Write off	5	3
Total cash	709	901
Non-cash items		
Depreciation	0	3
Amortisation:		
Intangible assets	30	23
Total non-cash	30	26
	739	927

Write offs have been split out to reduce miscellaneous below materiality level.

Programme costs consist of a range of projects delivering against the business plan. The most notable ones in 2017-18 were: The Children's Commissioner's childhood vulnerability framework, the first attempt to measure the number of vulnerable children in England by mapping the full range of difficulties a child might be living with, from physical or mental illness, to going hungry; being homeless or excluded from school; being at risk of neglect; or living with parents with health problems (£111K); funding the creation of a digital hub (£30K) where children in care and care leavers can share their experiences and which links children in care councils across the country; the Children's Commissioner's report on 'Life in Likes' (£23K) described the experiences of children aged 8-12 on social media platforms and provided recommendations on how schools, teachers and parents can prepare children for the social media 'cliff edge' they face when they leave primary school for secondary school. The balance was spent on a variety of smaller projects.

£6,000 of the 2017-18 External Auditor's remuneration figure relates to the additional cost of the 2016-17 audit, due to additional work required. The auditors' remuneration for 2017-18 is £32,000. There were no non-audit fees paid to NAO.

4. Intangible Assets

	Software Licences	Assets under Construction	Total
Cost or Valuation	£000's	£000's	£000's
Balance as at 1st April, 2017	118	104	222
Purchased Additions	0	26	26
Reclassification	130	(130)	(0)
Balance as at 31st March, 2018	248	0	248

Amortisation			
Balance as at 1st April, 2017	(96)	0	(96)
Charged In Year	(30)	0	(30)
Balance as at 31st March, 2018	(126)	0	(126)

Balance as at 31st March, 2018			
Carrying Value	122	0	122

Cost or Valuation	Software Licences £000's	Assets under Construction £000's	Total £000's
Balance as at 1st April, 2016	118	36	154
Purchased Additions	0	68	68
Reclassification	0	0	0
Balance as at 31st March, 2017	118	104	222

Amortisation			
Balance as at 1st April, 2016	(73)	0	(73)
Charged In Year	(23)	0	(23)
Balance as at 31st March, 2017	(96)	0	(96)

Balance as at 31st March, 2017			
Carrying Value	22	104	126

Note: Asset base is owned. Software Licences include the accounts software, a Customer Relationship Management (CRM) system and the new website. The CRM system was purchased for £92,981. and has been depreciated since February 2018. The asset is being amortised over 4 years, at 31 March 2018 the book value was £89,107. Amortisation is accounted for under Depreciation, impairment and other non-cash charges line in the SoCNE.

5. Trade and Other Receivables

	2017 - 18 Current Year (CY) £000's	2016 - 17 Prior Year (PY) £000's
Amounts falling due within one year:		
Trade receivables	0	0
Other receivables	3	0
Prepayments	22	24
Total	25	24

6. Cash and Cash Equivalents

	2017 - 18 Current Year (CY) £000's	2016 - 17 Prior Year (PY) £000's
Opening Balance	6	505
Net change in cash and cash equivalent balances	23	(499)
Balance as at 31st March, 2018	29	6
The following balances are held at:		
Cash at bank and in hand:		
Government Banking Service	29	6
Balance as at 31st March, 2018	29	6
Balance as at 31st March, 2018, net of overdrafts.	29	6

7. Trade and Other payables

	2017 - 18 Current Year (CY) £000's	2016 17 Prior Year (PY) £000's
Tax and social security payables	(39)	(36)
Trade payables	(1)	(8)
Other payables	(36)	(38)
Accruals and deferred income	(208)	(444)
Total payables due within one year	(284)	(526)

8. Commitments under Leases

The Children's Commissioner previously held an operating lease contract for office accommodation, which expired 31 July 2017. A new lease has been negotiated but as at 31 March 2018, had not been signed (2016-17 - £27K).

Commitments under Leases

	2017-18	2016-17
	£000	£000
Obligations under operating leases for the following periods comprise		
Buildings:		
Not later than one year	0	27
Later than one year and not later than five years	0	0
	0	27

9. 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 8 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 2018. Compensation to senior managers is disclosed in the remuneration report section of this report.

10. 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.

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