

Children's Commissioner for Wales Budget estimate 2021-22

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1. Estimate submission

I submit this budget estimate to Welsh Ministers as required by paragraph 6 (2) of Schedule 2 of the Care Standards Act 2000. It sets out the resources required to discharge my statutory functions.

This estimate is submitted in a year with a number of contextual factors. This includes, of course, the continuing impact of Covid-19 and some uncertainty on how this may affect issues such as home-working arrangements and office requirements in the medium to long-term. The estimate also spans the conclusion of my term as Commissioner and the new term of my successor. The Government has not concluded its exercise to amend the Government of Wales Act 2006 (Budget Motions and Designated Bodies) Order 2018 and the impact of this 'alignment exercise' on some aspects of our financial operations is unknown. All of these contextual factors are discussed further in this paper.

I have based my budget estimate for 2021-22, and my draft work plan, on the assumption that my funding will continue at the same level as the previous year at £1,579,895. In addition, I have made a number of assumptions within this estimate. They include the level of inflation over the financial periods; the impact of Covid-19 and the greater use of homeworking, as a means to deliver against my objectives; and the need for a further examination of the impact continued homeworking will have on my office accommodation needs. I have set out more detail on these assumptions within section 6 of this estimate.

Table 1: Estimate and indicative budget level for the next three financial years

	Estimate 2021-22	Indicative 2022-23	Indicative 2023-24
	(£)	(£)	(£)
Salaries (including pension contribution)	1,261,796	1,297,938	1,322,898
Premises	82,300	76,800	76,800
Office costs	60,000	61,200	62,424
Training and wellbeing	20,600	21,012	21,432
Travel and subsistence	11,100	11,322	11,548
External audit fee	17,643	17,643	17,643
Internal audit fee	11,200	11,200	11,200
Communication	34,130	39,512	40,303
ICT	34,280	34,966	35,665
Project costs	48,373	36,000	36,000
Capital and depreciation	10,000	10,000	10,000
Total Expenditure	1,591,422	1,617,593	1,645,913
Funding from Welsh Government	1,579,895	1,579,895	1,579,895
Over/(Under) Spend	11,527	37,698	66,018

2. Role and functions of the Children's Commissioner for Wales

Established by the Care Standards Act 2000, the Children's Commissioner for Wales (CCfW) is an independent children's rights institution. My remit is laid down in the Children's Commissioner for Wales Act 2001, which amended the Care Standards Act 2000. My principal aim is to safeguard and promote the rights and welfare of children. This must be my overriding objective when undertaking my functions.

A child is defined in the 2000 Act as a person under the age of 18, although I am able to act when a young person is older than this when certain conditions are fulfilled. For example, I can act on behalf of a young person who has been placed in care and for whom the local authority has a continuing duty under the Social Services and Well-being (Wales) Act 2014.

In exercising my functions, I must have regard to the United Nations Convention on the Rights of the Child (UNCRC) – an international charter which sets out the minimum standards for children and young people wherever they live. The UNCRC underpins all of my work. To ensure children's rights are upheld in Wales, I can review the functions or exercise of functions of various public bodies and of Welsh Government, and review and monitor the arrangements which certain public bodies have in place to safeguard and promote the rights of children in respect of dealing with complaints and representations, ensuring that proper action is taken in response to whistleblowing, representing the views and wishes of children, and providing children with advice and support.

My remit covers all areas of the devolved powers of the Senedd insofar as they affect children's rights and welfare. I can also make representations to the Welsh Ministers about any matter affecting the rights and welfare of children in Wales.

3. Governance arrangements

As a public office in receipt of public funds, I am committed to implementing rigorous and transparent accountability and decision-making systems. My governance framework comprises the systems, processes and values by which the organisation is directed and controlled. In accordance with the Public Sector Internal Audit Standards, corporate governance has been subject to internal audit by my auditors, Deloitte. They have offered substantial assurance on my corporate governance arrangements for the 2019-2020 financial year.

Below is a description of my governance structure. Further details of the membership of each group, attendance and respective terms of reference can be accessed on my website.

Commissioner: as noted previously, is a corporation sole and accounting officer.

Management Team: Its primary purpose is to provide the Commissioner with support and advice on the strategic direction of the organisation, including contributing to the development of strategic aims and annual work plans. The Team is also responsible for the strategic leadership of the organisation, managing the operational, day-to-day running of the office in line with the organisation's values.

Commissioner's Advisory Panel and Young People's Panels: These panels provide independent advice support, scrutiny and challenge to the Commissioner and staff, so as to secure the effective delivery of the Commissioner's statutory responsibilities and her staff regarding policies and proposals, informing the policy and strategic priorities.

Audit and Risk Assurance Committee: Advises the Commissioner on the strategic processes for risk, control and governance, accounting policies, the accounts, and the planned activity and results of both internal and external audit. Non-executive members also provide challenge with regard to my expenditure and my estimate.

Internal Audit: Currently Deloitte LLP provides internal audit for the office. They operate to Public Sector Internal Audit Standards and submit regular reports, which include the independent opinion on the adequacy and effectiveness of the organisation's system of internal control. In their latest Annual Report to me, Deloitte provided substantial assurance in relation to corporate governance and risk management. They also concluded that I have a sound system of internal controls, which should provide assurance regarding the achievement of my objectives.

This contract with Deloitte ends this financial year and work is underway with the Ombudsman and Commissioners as a joint-procurement exercise to appoint internal audit services for all establishments from April 2021.

External Audit: On an annual basis, my organisation's accounts are examined and certified by the Auditor General for Wales, in accordance with paragraph 9 of the Schedule 2 to the Care Standards Act. The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the organisation. They consider a number of matters both qualitative and quantitative relating to the accounts. The Auditor General for Wales gave an unqualified opinion on my Annual Report and Accounts 2019-20.

4. Achievements

My latest Annual Report, available on [our website](#), includes a detailed analysis of my achievements. It includes details of how my project and core (day-to-day) work has delivered against my three-year plan. Below is a summary of the major achievements between 1 April 2019 and 31 March 2020:

- Engaged with 15,504 children and young people across Wales at events, workshops and meetings.
- Responded to at least 28 Assembly, Welsh Government and other organisations' consultations, creating tangible change in a number of new policies and legislation.
- Created 5 reports on topics ranging from regional partnership boards to an evaluation of our previous three-year strategic plan.
- Launched 6 bilingual rights resources for schools and organisations, including a Scouts and Guides rights challenge, rights resources for children with additional learning needs, rights lessons and a new song for 3-7s, an activism toolkit and a Coronavirus Information Hub.
- Managed 627 cases through our Investigations and Advice service.
- Secured at least 534 pieces of broadcast and print coverage for the organisation, resulting in over 10 million opportunities to read or hear about our work.
- Delivered training to 200 early years professionals on our new offer for early years settings, Bitw Bach.
- Increased our Super Ambassador membership to 606 primary schools across Wales.
- Trained 475 children and 219 teaching staff to become rights ambassadors.
- Secured 7,404 responses from children and young people and 360 responses from teachers to our second education rights survey.
- Worked with at least 154 working groups and organisations on a range of children's rights issues.

5. Effect on General Fund and general comments

Since becoming Commissioner, I have reduced the level of reserves held by more than 50%. Whilst in accordance with my policy on general funds I am committed to ensuring that I maintain a positive balance on the general fund to enable me to have in-year flexibility to meet additional costs but importantly, to respond at short notice to any potential inquiry or examination, including the examination of Welsh Ministers' activity. The Annual Report and Accounts 2019-20 reported that the level of the general fund was £171,000, a very similar level to the £169,000 in my previous estimate submitted in 2019.

The table below estimates the impact on the general fund balance of the movement between the 2020-21 balance and the budget/funding for the next three years:

Table 2: Movement on the General Fund over the financial periods

	2020-21 (£)	2021-22 (£)	2022-23 (£)	2023-24 (£)
General Fund at the beginning of the period	171,000	122,196	110,669	72,971
Over/(Under) Spend	48,804*	11,527	37,698	66,018
General Fund at the end of the period	122,196	110,669	72,971	6,953

*Estimated overspend for the financial year 2020-21. The estimated overspend is due to a number of factors. For example, I agreed to produce, in co-operation with the Welsh Government and other partners, an additional piece of work as a response to the pandemic, "Coronavirus and Me", which was a large-scale survey of children's experiences. We have been sole funders of this important endeavour, and the subsequent series of reports, as part of our contribution to the national response to the pandemic. We are also working on a large project in which we will run children's parallel Senedd elections in May 2021. Both of these large projects involve working with partners but we have committed to be sole funders of these projects. We have incurred some additional costs relating to the move to home working for our staff, relating to ICT costs and implementing an HMRC-compliant home working allowance for staff.

As a prudent accounting officer, I have detailed financial year forecasts, which I discuss with my Management Team on a monthly basis, and my Audit and Risk Assurance Committee on a quarterly basis. These forecasts examine the circumstances within which I need to operate, to deliver my ambitious strategic plan which is based on extensive consultation with children and young people. Whilst wholly independent of government, in the spirit of transparency, I also discuss on a quarterly basis my current financial situation with Welsh Government officials, including my reserves, and the budget forecasting.

6. Underlying Assumptions

In completing this estimate I have made a number of assumptions regarding the forecast costs for the financial periods, these are:

- I have used a figure of two percent for **inflationary increases** for some of the costs likely to be impacted by inflation.

- My cost structure is dominated by **staff costs**, which have increased beyond the level of inflation for a number of years, due to pension changes and pay awards. The projections for the next three years indicate the movement of staff through the pay bands.
- As noted in my 2020-21 Estimate, the final phase of our **accommodation project** to identify the most cost effective location of my office following the end of my current lease in 2021, was concluded in March 2020. However, following the outbreak of Covid-19 and the impact of continued homeworking, further work is being undertaken to ensure the most cost effective decision is made and that our accommodation matches the needs of our workforce in the future. This work is expected to be concluded by March 2021. As is indicated in this estimate, I would expect to make some savings in accommodation costs over the next few years but further adjustments to the estimated figures may be required once this work is concluded.
- As noted in last year's estimate, the **alignment exercise** to amend the Government of Wales Act 2006 (Budget Motions and Designated Bodies) Order 2018 is continuing. However, at the time of submitting this estimate I have received an outline from the Welsh Government's working group outlining their proposed changes. Whilst I will continue to discuss this with the Welsh Government officials, as Accounting Officer in receipt of public money, I have no objections to any plans to "simplify systems, improve the consistency and transparency of Welsh Government finance and providing clearer accountability to the Assembly and the public." Nevertheless, I continue to have concerns around any new processes and their implications – or possibly unintended consequences – of these changes on my position's independent status and funding.
- The above estimate has been submitted on the assumption that no changes will be made to the general fund ahead of the 2021-22 financial year.

7. Estimate for 2022-23

It should be noted that with a projected static income and rising pay and pension costs, along with general inflation, the remaining balance on the general fund is likely to be very low by the end of 2023-24 (see Table 2 above) but please note that these forecasts are reviewed quarterly and may be subject to change. My budget estimates are formally submitted and laid before the Senedd every year so these figures will be considered and updated for each estimate, to give the most up to date position in considering future financial needs of the organisation.

It should also be noted that 2022-23 will be my successor's first year in post and they will have no role in any estimate submitted for that year, so will be reliant on my team's forecasting to plan a stable financial footing for the start of their term.