

Children's Commissioner for Wales Budget estimate 2022-23

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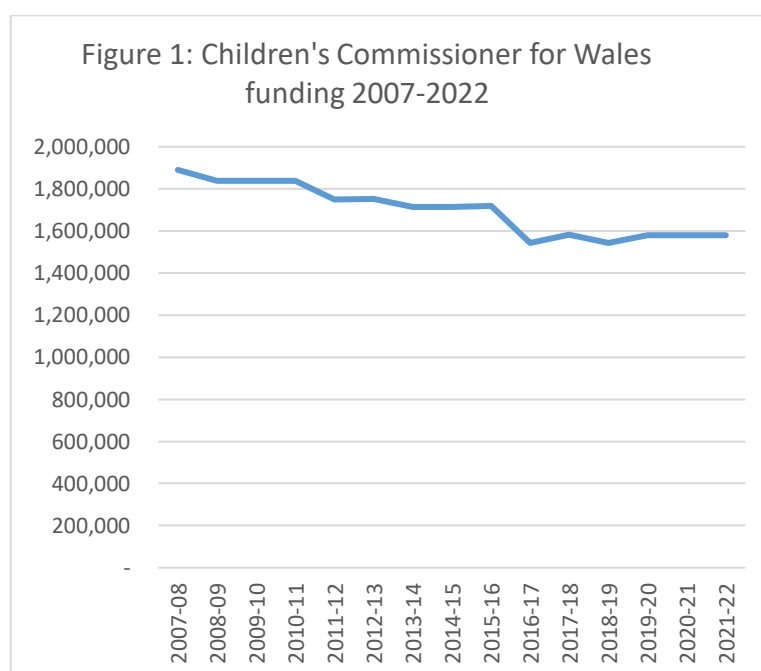
1. Estimate submission

This estimate indicates the resource requirements of my office for 2022-23, with an indicative budget for the two subsequent years. It is a request to maintain a stable and sustainable organisation fit to deliver its statutory obligations.

This document sets out contextual factors that explain trends in income, expenditure and the general fund that have shaped my office over the last six years and how we have contributed as a public body to the national efforts to deliver the best value for money in an age of austerity. In particular, the following factors are relevant:

a) Five years of Welsh Government funding at a level significantly lower than the eight years prior to 2016.

This is illustrated in figure 1:



My office's income from Welsh Government every year since 2016 has been at a lower level than the annual income for my office was for the eight years prior to 2016, as is illustrated in Figure 1. My team and I have managed this reduced income through an initial staff restructure, which involved a number of redundancies, the closure of a satellite office, the planned use of reserves held by the office and prudent spending on projects and office costs. Despite this reduced income, it could be argued that my Annual Reports since 2016 demonstrate that productivity by my office in terms of both outputs and impact for children has been higher than ever.

b) A planned reduction in our general fund in line with our organisational policy and the Welsh Government's requirements for Government-funded bodies.

In April 2015 when I took up office, the General Fund held by the office was £408,000. By April 2021 it was £51,000. As previous estimates have highlighted, the prudent and planned use of

our reserves has allowed my office to undertake its activities over the last few years despite rising costs and a largely flat budget. However, the remaining balance of the General Fund is no longer sufficient to meet the shortfall between our annual grant and rising costs.

c) Rising costs, largely attributable to staff costs.

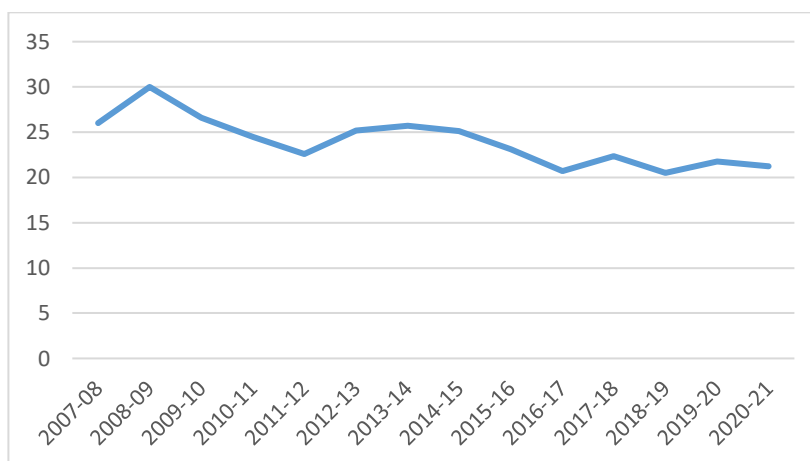
Like all public sector employers, my office has faced increased staff costs, largely due to increased pension contributions, incremental in-band pay increases that mirror those of the civil service, and the anticipated increase in employers' national insurance contributions – elements which are entirely outside of my control as Accounting Officer. In the last four years, the rise in pension costs (64%) has significantly outstripped the rise in our wage bill (11.4%) as can be seen in **Table 1**.

Table 1: Rise in staffing costs 2017-21.

Description	2017-18 (£'000)	2020-21 (£'000)	Percentage change between periods
Salaries and Wages	858	956	11.4 %
Social Security	85	96	12.9 %
Pension	139	228	64 %
Secondments	(78)	(22)	
Total	1,004	1,258	25.3 %

Although my staffing complement is smaller than when I took up post in 2015, as can be seen in **Figure 2**, it is a largely stable workforce meaning that many of my staff have reached the top of their pay band levels. This brings a wealth of experience and expertise to the work of the office as well as stability in our workforce; it means I have a staff team who are able to deliver, at fast pace, high quality and high volume work.

Figure 2: Average Staff Numbers 2007-21



d) Reduced non-staff costs, including office costs.

In addition to a reduction in the staffing complement, the **physical office space we are occupying is also 64% smaller** than when I took up post in 2015, delivering more value for the public purse. This has been achieved by reducing the number of offices from two to one in 2016 and a move to a smaller office in 2021.

Table 2: reduction in office occupancy by square metre 2015-2021

	2015-16	2021-22	Difference	Difference (%)
Office Accommodation square metre	664.94 (m2)	238 (m2)	426.94 (m2)	64.2

With our new accommodation, we are in a prime position to be able to establish ourselves as a real public sector hub in the heart of Port Talbot in a sustainable building, accessible to all via solid public transport infrastructure, a suitable and safe space for staff. This move included cost savings of £56,000 from the figure of our dilapidations provision and on average a saving of £20,000 per year on rates and rental costs.

Travel and subsistence costs have more than halved compared to pre-2015 figures (with savings pre-dating the Covid19 pandemic restrictions) due to my determination to ensure sustainable travel by myself and the team, and the **training and development budget is also around one-third lower** than in the two years prior to 2015. We have instead allocated as much of our funding as is possible to delivering our statutory duties for children in Wales. Despite these sustained efforts to reduce spend by the office, staffing costs outside of our control have increased rapidly as described above.

In line with the ambitions of the Welsh Government's alignment exercise, I have based my budget estimate for 2022-23 on the resource needs of my office, which includes a number of assumptions within this estimate. They include the level of inflation over the financial periods

and the greater use of homeworking as a means to deliver the organisation's activities. I have set out more detail on these assumptions within section 6 of this estimate.

It should also be noted that:

- This estimate is submitted in a year where the **continuing impact of Covid-19 and some uncertainty** on how this may affect issues such as home-working arrangements in the medium to long-term remain. This has a variable impact on budget lines including IT (including cyber security) costs and travel and subsistence.
- 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 still unconfirmed. Nonetheless, this estimate complies with the requirements of this process that have been communicated to us by Government officials.

I therefore 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. My total resource budget for 2022-23 is **£1,695,765**.

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

	Estimate 2022-23	Indicative 2023-24	Indicative 2024-25
	(£)	(£)	(£)
Salaries (including pension contribution)	1,300,799 ^[1]	1,281,524	1,284,487
Premises	70,573	71,984	73,424
Office costs	68,550	69,921	71,319
Training and wellbeing	23,000 ^[2]	17,460	17,929
Travel and subsistence	9,300	9,486	9,676
External audit fee	17,643	17,643	17,643
Internal audit fee	12,600	12,600	12,600
Communication	40,500	41,310	42,136
ICT	33,000	33,660	34,333
Project costs	102,800	79,856	81,454
Capital and depreciation	17,000	17,000	17,000
Total Resource Budget	1,695,765	1,652,444	1,662,001

^[1] The higher staffing costs for 2022-23 include the costs of an appointment to cover anticipated maternity leave for a critical post

^[2] Higher training costs in 2022-23 allow for potential need for intense Welsh language tutoring for the newly appointed Commissioner if they are not already fluent in Welsh, as per Welsh Government's job description.

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 up to the age of 25.

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 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. 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:** 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 Young People's and Adult Advisory 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:** TIAA Ltd provides internal audit for my office. They were appointed from 1st April 2021, following a joint procurement exercise by the Ombudsman and other Commissioners offices. 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, my previous internal auditor, 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.
- **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 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 2020-21.

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.

4. Achievements

My latest Annual Report, available on [my website](#), includes a detailed analysis of my office's achievements. It includes details of how our project and core (day-to-day) work has delivered against my three-year plan. Below is a summary of the major achievements by my team between 1 April 2020 and 31 March 2021:

- Engaged directly with at least 694 children and young people across Wales at online events, workshops and meetings
- Gathered the views of 44,000 children and young people across Wales through our 'Coronavirus and Us' surveys
- Held focus groups with 55 young people across Wales in a 'listening day' in November to assess the impact of the October 'firebreak' restrictions in Wales
- Gathered the views of 167 head teachers and college principals in one week in January on digital inclusion
- Hosted online children's rights lessons for 864 children and young people
- Secured nearly 10,000 votes in the country's first parallel Senedd election for 11-15 year olds.
- Hosted training sessions on children's rights for over 800 participants
- Responded to at least 30 Senedd, Welsh Government and other organisations' consultations, creating tangible change in a number of new policies and legislation.
- Published 11 thematic reports on topics ranging from inclusion in the foundation phase to a report to the UN Committee on the Rights of the Child.
- Managed 663 cases through our Investigations and Advice service

- Secured at least 449 pieces of broadcast and print coverage for the organisation
- Worked with at least 148 working groups and organisations on a range of children's rights issues and increased our engagement with some critical organisations, including education consortia, third sector organisations and teaching unions.

In addition to planned work, like other public service organisations, my small staff team made a significant contribution to the national response of the Covid-19 pandemic by taking on further significant pieces of work. Our experienced and highly skilled workforce went above and beyond their existing work plans and took on additional duties to deliver time-critical pieces of work during the pandemic. You'll be able to read about the various outputs and impact in our two 'Coronavirus and Us' reports, also available on our [website](#). Highlights of our contribution are as follows:

a) We led, analysed and reported on two large surveys of 44,000 children's experiences in partnership with Welsh Government and willingly volunteered to absorb additional costs of this work of £43,000 (not including considerable staffing time) from our general fund without requesting additional grant aid from the government.

b) We built an area of our website from scratch to host the '*Summer of Fun*' national information resource for parents, carers and young people to find out about Welsh Government-funded activities running in each local authority. We will be repeating this service for the '*Winter of Wellbeing*' Welsh Government funded activities from October 2021-March 2022.

c) We worked with Welsh Government officials on an almost daily basis during 2020-21 to influence rapidly changing government guidance by providing swift feedback and suggested amends, informing impact assessments and from time to time facilitating consultation sessions with children and young people for Ministers and senior officials.

d) In the first week of the lockdown in March 2020 we developed a trusted source of information for children and families through our bilingual Coronavirus Information Hub, which we have kept updated.

We estimate that the 'Coronavirus and Me' survey work, analysis and reports (including tailored, bilingual reports to all 22 local authorities), plus the 'Summer of Fun' and 'Winter of Wellbeing' web-pages would have the cost the Welsh Government over £100,000 in 2020-22 if they had procured these from another organisation. We have regarded these as our contribution to the national emergency as a public service.

In 2020-21, we also undertook a statutory Review of Welsh Government's exercise of its functions. This was the first review of its kind and initiated quickly following a decision by the government not to continue with a planned legislative change. We managed to complete this substantial report swiftly and with minimal budget spend by undertaking a paper-based exercise using existing staff resource.

In July 2021, we moved to a new, more modern office in Port Talbot following the end of a 20-year lease on the previous office in Llansamlet, Swansea. There were four driving factors my team pursued as part of our work to find alternative office premises. We wanted it to be

accessible, we wanted it to be sustainable, we wanted it to work for our staff team and we wanted it to deliver the best value for the public purse. We've delivered on all four.

We are now in a prime position to be able to establish ourselves as a real public sector hub in the heart of Port Talbot. We are in a sustainable building, accessible to all via solid public transport infrastructure, a suitable and safe space for staff, and cost savings of £56,000 from the figure of our dilapidations provision, and on average a saving of £20,000 per year on rates and rental costs.

The immediate savings, secured following negotiations by my team with our previous landlord, has resulted in us covering all office move costs, all capital costs relating to our new accommodation, (including audio-visual equipment to facilitate safe blended working arrangements) and two new projects: one related to the implementation of the ALNET Act and the other to run a parallel children's election for the local elections in 2022.

5. Discussion and impact on general fund

Since becoming Commissioner, and as noted in previous estimate submissions, I have reduced the level of reserves held, 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 2020-21 reported that the level of the general fund was £51,000. I anticipate a similar figure in my general fund at the end of the financial year 2021-22, which includes some balance from the dilapidations provision discussed above. Over the last few years, the prudent use of my general fund has allowed me to sustain a high level of output and impact by my office. The current level of general fund, which meets the expectations of the Welsh Government's requirements under the alignment exercise, means that my office requires more funds to sustain our activities in 2022-23.

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 pay policy is to mirror Civil Service pay awards for my organisation. I have received information about the Civil Service pay award for 2021-22 and have also allowed for an estimated 1.5% average pay award for 2022-23.

I believe this estimate is an accurate reflection of the needs of this independent human rights institution for Wales that will enable it to continue to deliver impact and outcomes for children and young people in Wales.