



Annual Report 2006/07



**The 11 MILLION
children and young
people in England
have a voice**
Children's Commissioner
for England, Professor
Sir Albert Aynsley-Green

Thank you for
Listening



Daniel, aged 13



A massive thanks to all the children and young people who have helped us this year. You shape everything we do...

- Young Assistant Commissioners for England (ACE)
- All the young people who entered the Shout! Turn up the Volume competition
- Young people on our brand reference group
- Campsbourne School, London

For helping to recruit our staff:

- Headliners
- Young NCB

For helping to develop our participation work:

- Golbourne Youth Centre, Royal Borough of Kensington and Chelsea
- Beckly Centre, Plymouth
- Stathern Chill Zone, Leicester Children's Fund
- Whizz-Kidz
- Tower Hamlets Voice Project, The Children's Society
- Hightfurlong School, Blackpool

For helping to develop our website:

- Vibes, Coventry Mind
- Atkinson Road Nursery, Newcastle
- Dudley Decision Makers, Dudley Children's Fund
- Hazeley Secondary School, Milton Keynes
- Park View Business and Enterprise School, Birmingham

For helping to develop our policy work:

- National Autistic Society
- Young Voices, Riverside Community Health Project, Newcastle

- Peterborough Youth Service, Young People's Office
- Chalvedon School
- Colchester Grammar School
- Ipswich GDST
- Gilberd School
- Demi, Emily, Jozef and Marc
- The Dandelion Trust for Children

For helping on Children and Young People's Plans:

- BrownBear's Class, Delaval Road Nursery School, Newcastle
- Children and Young People's Panel, LB Sutton
- CANWE (talk 2) U, Jigsaw, LB Sutton
- The students at Hexthorpe Primary School, Doncaster
- Doncaster Youth Council, Doncaster
- WickedPlanners, Newcastle
- YouthVoice, INLINE Team, Newcastle
- Planning Kids Have Rights, Byker Primary School, Newcastle
- Pennfields School Council, Wolverhampton
- Wolverhampton Youth Council, Wolverhampton
- SpecialDays Group, Wolverhampton
- Youth Council, Nottinghamshire County Council
- Children and Young People's Planning Group, Bournemouth

11 MILLION
led by
The Children's Commissioner
for England

Annual Report and Accounts 2006/07

Financial statements of 11 MILLION for the year ended 31 March 2007 together with the Certificate and Report of the Comptroller and Auditor General thereon.

Presented to Parliament by the Secretary of State for Children, Schools and Families
Ordered by the House of Commons to be printed 24 July 2007



Contents

| | |
|---|----|
| Foreword by the young Assistant Commissioners for England (ACE) | 04 |
| Foreword by The Children's Commissioner for England | 06 |
| Performance Review | 08 |
| 11 MILLION's Plans for 2007/08 | 22 |
| Financial Review | 28 |

11 MILLION was launched in May 2007. Prior to this the organisation used the working title Office of the Children's Commissioner. Please note that our old name is used in the financial review section.

Under the machinery of Government changes announced on 28 June 2007, lead sponsorship for 11 MILLION passed to the Department for Children, Schools and Families. The financial statements were authorised for issue on 23 July 2007 by Professor Sir Al Aynsley-Green (Accounting Officer).

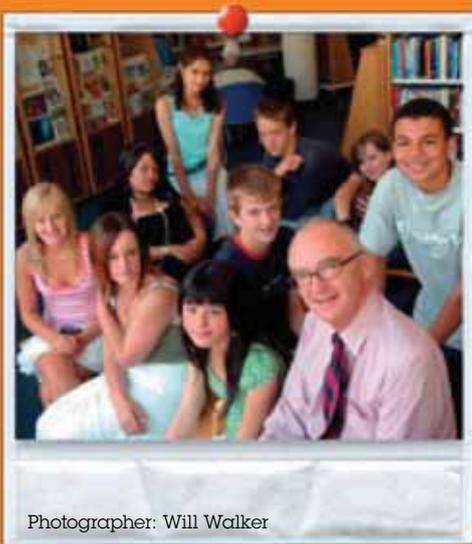
OUR VISION

CHILDREN AND YOUNG PEOPLE WILL ACTIVELY BE **INVOLVED** IN SHAPING ALL DECISIONS THAT AFFECT THEIR LIVES, ARE **SUPPORTED** TO ACHIEVE THEIR FULL POTENTIAL THROUGH THE PROVISION OF APPROPRIATE SERVICES, AND WILL LIVE IN HOMES AND COMMUNITIES WHERE THEIR RIGHTS ARE **RESPECTED** AND THEY ARE LOVED, SAFE AND ENJOY LIFE.

OUR MISSION

WE WILL USE OUR POWERS AND INDEPENDENCE TO ENSURE THAT THE **VIEWS** OF CHILDREN AND YOUNG PEOPLE ARE ROUTINELY ASKED FOR, **LISTENED** TO, AND ACTED UPON AND THAT OUTCOMES FOR CHILDREN IMPROVE OVER TIME. WE WILL DO THIS, IN PARTNERSHIP WITH OTHERS, BY BRINGING CHILDREN AND YOUNG PEOPLE INTO THE HEART OF THE **DECISION-MAKING** PROCESS TO INCREASE UNDERSTANDING OF THEIR BEST INTERESTS.

Foreword
**by the young Assistant
Commissioners for
England (ACE)**



Photographer: Will Walker

The young Assistant Commissioners for England (ACE) is a pilot project for 11 MILLION carried out in partnership with Investing in Children (IiC) and Woodham Community Technology College (WCTC) in Newton Aycliffe, County Durham. The pilot project was established to explore how children and young people from across the English regions can be at the centre of 11 MILLION. Independent evaluation of the project will be published in autumn 2007.



Hello and welcome to the annual report of 11 MILLION. It's the young Assistant Commissioners for England (ACE) here, to liven up the foreword with news of what we've been up to!

We are 12 young people who have been finding out the views of children and young people in the North East of England. We held several 'views and opinions days' around the region, where we asked children and young people to tell us what they think about growing up in England. We passed on all these views to the Children's Commissioner so he could get a flavour of what life is like for us, and do something about our concerns. Some of the important things for young people in the North East were:

- people not giving us enough respect
- homelessness
- supermarkets and shops being suspicious of young people
- safety
- having nothing to do.

We live in Newton Aycliffe, where our main issue is the local supermarket. Young people were complaining that they were getting turned away from our local store in the evenings. This was because young people were seen as potential trouble makers.

We have been collecting evidence from young people about their experiences of being turned away after 7pm, and have met with the customer services manager for the store to raise our concerns and discuss our findings. However, we were still hearing of young people being turned away so the Children's Commissioner, Sir Al Aynsley-Green, who has been working with us on this, came up to speak with the supermarket boss himself.

This year has been a great experience, and we're looking forward to seeing the changes we've influenced. These have been our best bits:

- passing on the views and opinions of young people to the Children's Commissioner
- beginning to make a difference to the lives of children and young people in the North East
- visiting so many places to meet new people
- experiencing new things like being on the local TV news
- feeling like we have more power to make things better for young people
- being treated with respect
- going to London
- maturing as people and developing our friendships.

Finally, we hope you enjoy reading the report!

Mel & Amy
(two of the young Assistant Commissioners for England)



The young Assistant Commissioners for England designed their own logo (above).

Foreword by the Children's Commissioner for England



Sir Al Aynsley-Green opening the Willow Children's Centre. Photographer: Neil Pattison



Tribute in memory of Peter Clarke

This year saw the loss of a great man, Peter Clarke, the Children's Commissioner for Wales. Peter Clarke was a passionate advocate of the rights and interests of children and young people. As the first Children's Commissioner for Wales, he showed strength, determination, courage and compassion. Peter ensured that the voices of children and young people were at the heart of all he did and made it his mission to get their voices heard where they had previously fallen on deaf ears. His life and work is an example and inspiration to us all.



Hello, I'm Sir Al.

This is our report on what we've done over the last year, and what we intend to achieve this year and beyond.

Last year, I said we would identify our priorities – and we have. We knew we needed a clear focus to improve the lives of 11 million children and young people.

We've asked thousands of children, young people and adults to tell us where to place our efforts and energy so that we can achieve maximum impact, with both focus and flexibility.

Our strategy has been shaped by over 7,000 children and young people, sharing their views and experiences through our Shout! competition and participation activity.

Countless children and young people tell me that adults don't respect them, they're not asked for their opinions in matters that affect them or that their views are simply not heard.

There's an increasing intolerance for adolescents in our society. The 'mosquito' – a device that emits a sound only the young can hear, with the single aim of moving them on – is a prime example of this, as is the appetite to dish out more ASBOs.

The creeping criminalisation of our young is also a concern. We lock away more young people than other European Union member states. Why?

In the fourth richest country in the world, why are children still living in poverty? And why are children still being let down by services that should support them?

I want to live in a society that is friendly towards all children and young people. So I am challenging adults about how they treat the young.

I want an end to children being the only people who can still be hit lawfully. Children are protected from assault in school and other settings. It's time for protection from violence at home where, of all places, they should expect to feel safe. That's why I'm pressing for children to have the same right to protection under the law on common assault as adults.

We've failed our most vulnerable children for too long. Children must be everybody's business – parents, families, schools, communities, faith groups and government.

Which is why I am delighted that the Government has taken the bold step of creating a cabinet post of Secretary of State for Children, Schools and Families. To me, this is a clear indication that Gordon Brown is serious about placing children at the heart of our society.

And to deliver my part, we've proudly announced our priorities, our promise to you all, and our organisation's name, 11 MILLION.

We have two long-term goals:

- children and young people see significant improvement in their wellbeing and can freely enjoy their rights under the United Nations Convention on the Rights of the Child (UNCRC)
- children and young people are more highly valued by adult society.

Thousands of individuals of all ages have supported 11 MILLION to help us get this far. Their effort and dedication is already making a difference, but we need many more people to work with us to make our long-term goals reality. By working together, we can make a real difference.

Children are our most precious asset. They are a living message to a time we will not see.

Thanks a million!



Professor Sir Albert Aynsley-Green
Children's Commissioner
for England

Performance Review

The best bits

We matured from a fledgling office into an organisation with a clear plan of action and powerful sense of purpose

Our 3 steps

1. Listening
2. Gathering Evidence
3. Influencing Change

We helped shelve plans to use housing benefit sanctions to reprimand anti-social households

Our research on bullying has shaped DFES bullying resources



Carys, aged 10



Image taken by young person from Dalston Youth Project.



Children from 'Young Voices' attending an anti-bullying workshop in North East run by 11 MILLION

Children and young people in society

Partly as a result of our work the Minister of Health committed that, within two years, no child under 16 in England would be placed in an adult mental health ward

We've scrutinised and influenced policy affecting children at a local and national level



We listened to over 7,000 children and young people to find out what it's like to grow up in England

Influencing change!

We've influenced the Government's thinking on transparency in family courts, stressing young people's opposition to letting in the press

We got assurances from ministers that they would not introduce full community notification of child sex offenders (Megan's Law)

We helped thousands of young people access benefits to which they were entitled but denied



Photographer: Rebecca Reed

The Children's Commissioner was mentioned over 1,000 times in the media last year



Michael, aged 14

Performance Review **Summary**

“Al Aynsley-Green has got it right. There is a crisis at the heart of our society.”

This year we matured from a fledgling office into an organisation with our own premises, expert permanent staff, a clear plan of action and a powerful sense of purpose.

Children and young people have been at the heart of this transformation. All staff were recruited by children and young people on interview panels as equal partners with adults. Our office design was also planned by children and young people – working with architects to produce a space where they feel safe, comfortable and inspired. By the end of the year we were ready to launch our strategy and identity, which have been based on what children and young people told us they wanted to see from their Children’s Commissioner. The 11 million children and young people in England now have a voice!



Our three approaches

We took three approaches to our work in 2006/07:

Listening

We listened to over 7,000 children and young people of all ages and abilities to find out what it's like growing up in England through participation, research and the Shout! competition. We used this data to expose the issues that are important to children and young people and celebrate their role in society.

Gathering evidence

We scrutinised and influenced policy affecting children and young people at a local and national level, publishing 12 research reports on areas including mental health, bullying, and the needs of asylum seeking children.

We gathered intelligence by making over 40 visits to children and young people's groups across England, and documented what children and young people had to say in a diverse range of settings – from the inner city to remote rural locations, including prisons, schools and health services.

Influencing change

We used our knowledge and experience to change children's lives for the better by holding organisations and decision-makers to account. This included:

- provoking debate through the media. The Children's Commissioner was mentioned over 1,000 times in the national and local media over the last year, and we gave over 140 interviews, including appearances on all the major TV networks
- responding to 11 Government consultations, and giving evidence to Parliament through the Joint Committee on Human Rights, the Education and Home Affairs Select Committees, and All Party Parliamentary Groups
- meeting regularly with Ministers and working with senior officials in all the Departments of State that relate to children in order to inform policy development
- testing methods to assess the impact of emerging legislation on children
- influencing local change through our young Assistant Commissioner pilot scheme, a road show to inform local children's services and through our work on analysing local authority Children and Young People's Plans.



Performance Review

Our eight areas of work

Last year's annual report set out eight policy areas we would work on as part of our interim strategy. These were all closely related to the five Every Child Matters outcomes and chimed well with what children and young people were telling us in our first few months. We also made a commitment to involve children and young people in everything we do. A selection of our most significant achievements are presented in this section.



Bullying



Children and young people in society



Youth justice and anti-social behaviour



Tackling discrimination



Asylum seeking and immigration



Vulnerable children



Disabled children and young people



Health and wellbeing of children and young people

Performance Review

Bullying



Highlights

Our research on bullying has helped to shape anti-bullying resources produced by the DfES, and influenced recommendations of the Education Select Committee. The material generated by our work with children and young people has been used in classrooms across England.



Achievements

- We submitted written evidence to the Education Select Committee for their inquiry into bullying, influencing its findings and recommendations.
- A detailed report, *Bullying Today*, was published to summarise evidence on bullying and the experiences of children and young people. This included research into the scale of bullying and how to tackle it. The report was submitted to the Government with policy recommendations, which have been cited in the new DfES anti-bullying document *Safe to Learn*.
- Two booklets on tackling bullying were produced for use with children in schools. The requests we have received demonstrate a real need for this kind of material to inform discussions with children and young people.
- We produced draft proposals for parental complaints on bullying in schools. The Education Select Committee welcomed our analysis and recommended that the Government work with us and others to reform the current system.

Performance Review

Children and young people in society



Highlights

Our work in this area has been quoted in many publications, demonstrating the need for local authorities to involve children and young people more closely in their planning. We have influenced the Government's thinking on transparency in family courts by working directly with young people.

Achievements

- We published the findings of a review of Children's and Young People's Plans produced by local authorities, and highlighted the different strategies used for local participation, identifying examples of good practice. This included talking directly to 200 children and young people in 13 local authorities to find out what influence or involvement they had during the development of local plans.
- We reported to the Joint Committee on Human Rights on the progress made by the UK Children's Commissioners and the challenges that lay ahead.
- We simulated public and private family law cases, and ran a 'mock trial' with 34 young people, a judge and five barristers, to gather the young people's views on transparency in family court proceedings. This process has been influential in the Government's thinking and revised proposals reflect the clear opposition voiced by the young people to allowing the press into family courts.
- We've contributed to a number of advisory groups including the review of child care proceedings and the National Service Framework for Children, Young People and Maternity Services Implementation Advisory Group.
- We responded to the proposals on Medical Expert Witnesses to protect the interests of vulnerable children who rely on expert witnesses in court proceedings.
- We visited a Mother and Baby Unit in Styal Prison to look at the facilities and evaluate policies on admission with a view to commenting on their effectiveness.
- Speaking out when UNICEF published its report about child wellbeing in rich countries, we received high profile coverage in the national press and gave 35 interviews for television and radio.

Performance Review

Youth justice and anti-social behaviour



Highlights

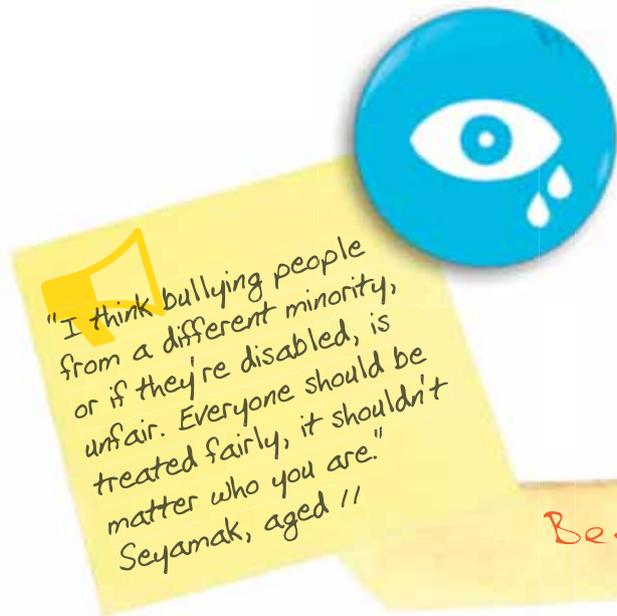
We have listened to children and young people from a Young Offender Institution and a Secure Training Centre and represented their views directly to Government ministers and officials. We have commented extensively in the media and to Government about the way in which society demonises children and young people, and have expressed concern over the creeping criminalisation of children and young people.

Achievements

- Visiting a Young Offender Institution and a Secure Training Centre, we listened to the views and experiences of the children and young people being held there. We have since brought these views and experiences to the attention of Government ministers and have commented extensively in the media about the excessive use of youth custody and the criminalisation of children and young people in our society.
- We held a joint event with the Royal College of Psychiatrists to talk about the mental health needs of young offenders, how these could best be met and what alternatives could be found to custody. This has fed into discussions with the Government and Youth Justice Board about future policy and how any further deaths of children in custody, through suicide, can be prevented.
- We scrutinised new proposals in the area of anti-social behaviour, outlined in the Home Office consultation Strengthening Powers to Tackle Anti-social Behaviour. We hope that the emphasis that we placed on the need to stop more children and young people entering the criminal justice system will be reflected in the forthcoming criminal justice legislation.
- We worked to raise awareness of the potential impacts on children of the Department for Work and Pensions' plans to introduce Housing Benefit sanctions for anti-social households in the Welfare Reform Bill. Our views were noted by the Joint Committee on Human Rights and the proposal was shelved due to the strength of opposition to its likely impact.

Performance Review

Tackling discrimination



Ben

aged 17

Highlights

We started to develop our knowledge on the issues confronting children in minority groups by meeting them and the elders in their communities. We have listened to the most disadvantaged children and young people and developed relationships with the people who work with them, using the insights to draw public attention to the difficulties they face.

Achievements

- We developed a relationship with the new Commission for Equality and Human Rights and laid down foundations for developing a memorandum of understanding between our respective organisations.
- Gypsy, Roma and traveller children and young people are amongst the most discriminated against members in our society. We met with Government officials and key stakeholders to improve awareness of their needs. We also met with some of these children to hear their stories and experiences first hand.
- To inform our thinking, we listened to the views of Jewish and Muslim families in London and Yorkshire.
- We listened to the most disadvantaged children and young people and have used the insights to draw public attention to the difficulties they face.

Performance Review

Asylum seeking and immigration



Anila, aged 14



"...when I first came to this country, me and my family didn't get as much safety as we expected, instead we had lots of racial attacks" Anila, aged 14

Highlights

We helped thousands of young people access benefits to which they were entitled but had been denied. We changed the Government's policy on separating breast-feeding mothers from children, and represented the interests of asylum seeking children at the highest levels of government.

Achievements

- We influenced the Home Office and Minister for Immigration to stop the separation of breast-feeding mothers from their children, unless there is concern for the child's welfare.
- We helped to persuade the Department of Work and Pensions to change its policy on the evidence required for care-leaving asylum seekers to access the benefits system.
- We met regularly with the Children's Champion of the Immigration and Nationality Directorate of the Home Office to influence future developments and ensure the needs of asylum seeking children and young people are taken into account.
- We established an 'advisory board' on asylum which meets monthly and draws on the expertise of leading voluntary sector agencies.
- A written response was prepared to give oral evidence to the Joint Committee on Human Rights inquiry into the treatment of unaccompanied asylum seeking children, the detention of children, and the Government's reservation on the United Nations Convention on the Rights of the Child.
- Writing to ministers in the DfES, we raised concerns about asylum seeking children in response to the Green Paper, Care Matters. We were consulted on the review of the Family Removals Policy.
- We raised concerns with the Joint Committee on Human Rights about asylum seeking children losing their accommodation in a local authority when they reach the age of 16.

Performance Review

Vulnerable children

Highlights

We influenced the Government's decision to exclude sensitive services from the 'Contact Point' database. We got assurances from ministers that they would not introduce a system of full community notification of child sex offenders, and pushed for the needs of socially excluded children and young people to be considered in the 2007 Comprehensive Spending Review.



Achievements

- Responding to the Government consultation on children looked after by local authorities, we made clear recommendations on how we would like to see services for children and young people in care improved.
- We raised with Ministers the concerns about the retention of children's DNA on the national DNA database.
- We have worked to protect children from physical punishment together with the other UK Children's Commissioners, including raising the recommendations on physical punishment from the United Nations Study on Violence Against Children with government.
- We contributed to the debate on Contact Point (formerly known as the Child Index) and policy on information sharing, and published a joint report with the NSPCC on the views of children and young people. The Government has agreed that all sensitive services should be excluded.
- We have highlighted the tension between sharing information in a way that protects children and helps keep them safe, and sharing information that might harm them (such as information about mental health problems or substance misuse).
- We supported a survey of sexual health services to find out whether children under 13 engaged in sexual activity were all being reported to the Police despite guidance to the contrary.
- We spoke out against the introduction of an equivalent to Megan's Law to tackle the problem of child sex offenders on the grounds that it would do little to keep children safe, and contributed to the Child Sex Offenders Review Stakeholders' Group. Ministers have given us assurances that they will not introduce a system of full community notification.
- Working with the Minister for Social Exclusion and Cabinet Office, we contributed to discussions on how to tackle the impact of social exclusion on children and young people.
- We worked with the Treasury to make sure the needs of socially excluded children and young people are taken into account during the 2007 Comprehensive Spending Review.

Performance Review

Disabled children and young people



Highlights

We listened to children and young people with physical and learning disabilities, and used the evidence to inform the Parliamentary focus on disabled children and support the Every Disabled Child Matters campaign.

"People should treat disability equally AND talk to them. Just because they are disabled, they have feelings and can communicate with you AND GIVE THEIR VIEWS AS WELL."
Sophie, aged 14

Achievements

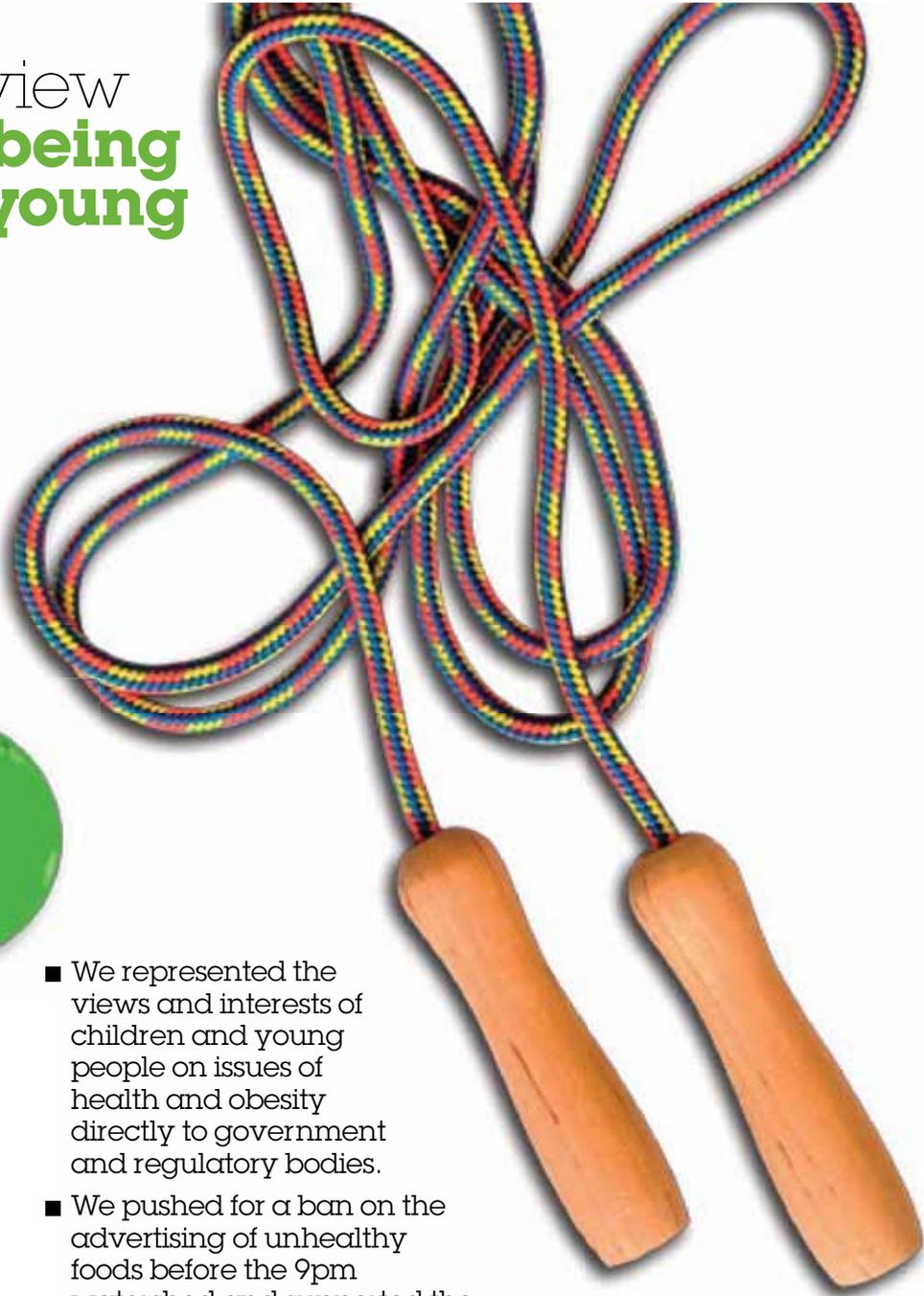
- We worked with others to ensure the Comprehensive Spending Review takes the needs of disabled children and their families into account.
- To support the highly successful Every Disabled Child Matters campaign, we spoke out on the lack of services available for disabled children and young people.
- Our comments were given a high profile in the Parliamentary Report on the needs of disabled children and young people.
- We visited schools to see the provision of support for children with special needs at first hand.
- We have worked with the National Autistic Society to comment on how to improve the quality of education for children and young people with autism.
- We generated prime time TV coverage on the deficiencies in service provision.
- The Government has announced additional resources to help children with autism receive a better education.

Performance Review

Health and wellbeing of children and young people

Highlights

Partly as a result of our work the Minister for Health made a commitment that, within two years, no child under 16 in England would be placed in an adult mental health ward without good reason. We have empowered young people to influence regulation in advertising for unhealthy foods.



Achievements

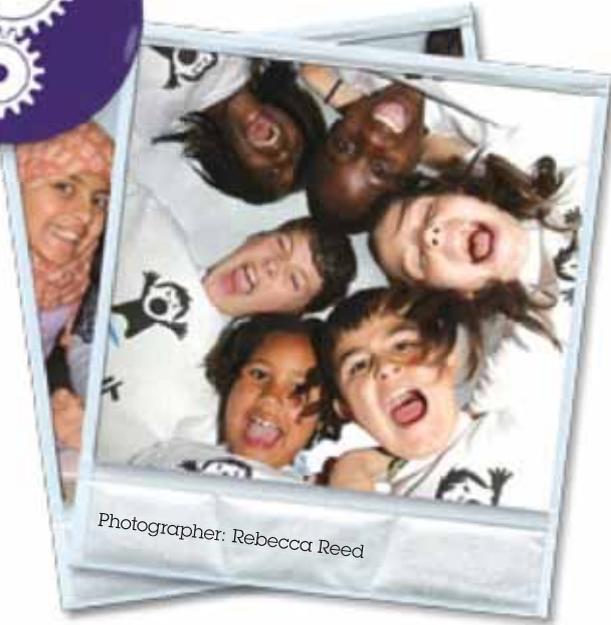
- We published a report on the experiences of young people admitted to adult mental health facilities – Pushed into the Shadows.
- Using the Children's Commissioner's powers, we asked primary care trusts and mental health trusts what steps they were taking to implement the recommendations in this report.
- We generated prime time TV coverage on the difficulties facing children and young people with mental health problems. In response the Minister for Health gave a commitment that, within two years, no child under 16 in England would be placed in an adult ward inappropriately.
- Together with Young People Now, we published research into the impact alcohol has on the lives of children and young people.
- We published research on the impact that advertising by non-broadcast media has on children and young people's attitudes to food. Young people presented the findings of this research to the Government's Food and Drink Promotion Forum, which has influenced the approach being taken to regulation.
- We represented the views and interests of children and young people on issues of health and obesity directly to government and regulatory bodies.
- We pushed for a ban on the advertising of unhealthy foods before the 9pm watershed and supported the campaign for better food labelling.
- We held an event for primary care professionals to explore their key role in preventing and treating childhood obesity.
- Together with Sir Ian Kennedy from the Healthcare Commission, we expressed concern directly to the Secretary of State for Health over the slow progress in implementing some standards in the National Service Framework for Children, Young People and Maternity services.

Performance Review

Children and young people at the heart of the organisation

Highlights

Children and young people have been active partners in recruiting our staff, developing our premises, shaping our strategy and priorities, and developing our identity.



“Being an ACE is a privileged role which we have taken on with pride it gives young people the opportunity to have their say and change the way things are for the better”

The Young Assistant Commissioners for England

Achievements

- We held 16 sets of interviews for our staff, which all included panels of children and young people.
- Children and young people led the development of our brand, name, identity and corporate strategy through workshops and our national Shout! competition.
- We worked with children and young people to develop our participation strategy which will be published next year.
- We have piloted how to involve children and young people in our work at a local level through the young Assistant Commissioners for England (ACE) project in the North East.
- Children and young people from nursery up to secondary school age have developed plans for a new 11 MILLION website.

11 MILLION's Plans for 2007/08

We start this financial year with a new name – 11 MILLION – and a new strategic plan.

Under our five-year plan we have agreed that all our efforts are going to be focused on two major long-term goals:

1. Children and young people see significant improvements in their wellbeing and can freely enjoy their rights under the United Nations Convention on the Rights of the Child (UNCRC).

2. Children and young people are more highly valued by adult society.

We believe that if we do our job well, we will make a significant difference to the lives of children and young people. We will strive to make this difference both as a result of our own actions and those of a great many other people and organisations with whom we will work.

How we will work

The circumstances and experiences of children and young people are so diverse that we are only able to tackle a limited number of work areas. We have three organisational principles which enable us to get the best value from the available resources.

Principle 1: We need to focus

If the Children's Commissioner and 11 MILLION are to be effective in influencing outcomes, we must be able to provide policy makers with insight and knowledge that adds to the policy debate. We will focus on a number of key areas of concern, and accept that the Children's Commissioner and 11 MILLION will not be able to have an active influence on every issue or policy affecting children and young people. We need to be respected for the quality of our contributions, rather than the quantity. We will work in partnership with other organisations, particularly in sharing the data and views they may have, and the networks they have already developed.

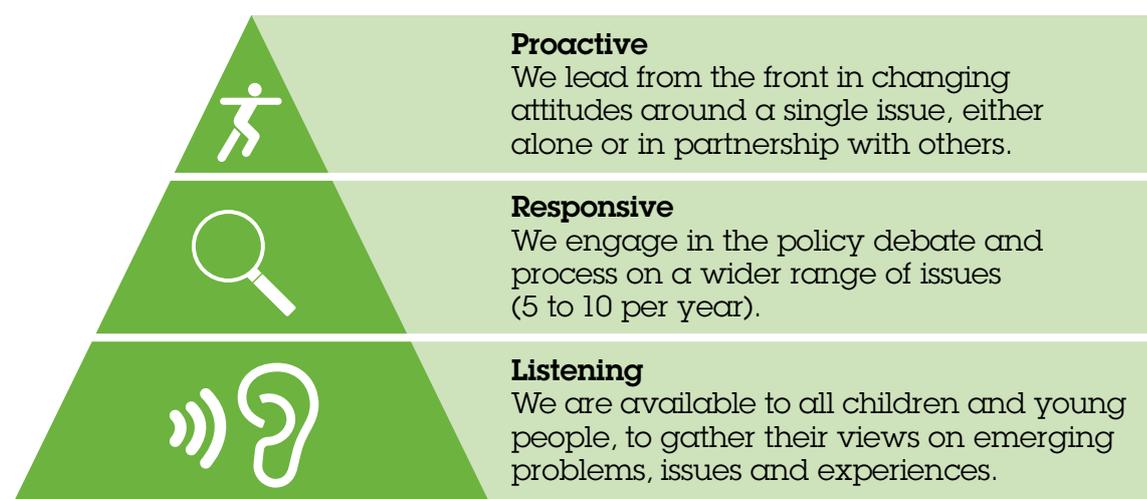
Principle 2: We must be flexible

We need to be able to respond to new issues which emerge rapidly and demand our immediate attention. By reviewing our work at regular intervals – at least every three months in this year's plan – we will have the flexibility to take on emerging issues.

Principle 3: We need to listen to children and young people

The Children's Commissioner and 11 MILLION must be available to all children and young people, being able to listen to all problems and ideas that they bring to our attention.

In practice, this means that we will operate at three different levels:



The level of resources devoted to one particular issue increases as we move from the listening mode to the proactive mode. The range of issues we engage with is more focused the higher up the pyramid we go.

In addition, events during the year may give rise to a need to exercise the Children's Commissioner's powers to launch an inquiry into specific areas.

11 MILLION's Plans for 2007/08

Proactive theme

Our theme for the year is Happy and Healthy. We will be working with three different age groups and young people in transition from one stage of childhood to the next, with a special focus on children and young people who are at risk of social exclusion. We will explore the views of children and young people on their health and happiness, and what they and their friends can do to influence it. We will help them to develop means of helping others to be happy and healthy, and we will be making recommendations for the future.

Responsive programme

We will influence emerging policy on six Spotlight areas during this financial year:

- 1 Youth justice and anti-social behaviour
- 2 Asylum and trafficking
- 3 A fair life
- 4 Mental health
- 5 Enjoying education and leisure
- 6 Staying safe

We will also be carrying out Child Impact Assessments on proposed legislation to highlight the probable positive or negative impacts the changes will have on children and young people.

We will be working with the other Children's Commissioners in the United Kingdom to prepare a report to the United Nations Committee on the Rights of the Child on progress towards implementation of the UNCRC in this country.

Listening

All children have the chance to raise any issue or idea with the Children's Commissioner. We will listen to what children and young people are saying and ensure that we communicate this information and experience to others, as well as using it ourselves to determine our future work priorities.

This year we will invest in information handling systems that will enable us to record each call, letter, email, and website communication from children and young people, helping us to monitor the different areas of interest and concern that children and young people bring to us.

We will continue our programme of Regional Roadshows to engage with children and young people from all over the country, as well as involving the adults key to local service delivery.

Children and young people at the heart of the organisation

We will be setting up new ways in which children and young people can have a strong say in what we do. This includes our annual planning event with children and young people, and we will also be establishing project groups to work with policy and corporate services teams.

Developing our capacity

We will be making investments to improve the way we go about our business in nine key areas:

1 Valuing the role of children and young people in our organisation

We will continue to develop our approaches to child protection and the participation of children and young people in our work.

2 Building our skills

We will invest in training to ensure that staff and volunteers have the skills and competencies needed to meet our objectives.

3 Creating an online presence

We will invest in our website, enabling children and young people to have their say through the creation of online participatory tools. We will keep track of the issues raised and use this to determine future priorities.

4 Understanding the Rights of the Child

We will compile a baseline analysis of how the United Nations Convention on the Rights of the Child is being applied in England, and develop a system to track changes in this area.

5 Presenting a welcoming and professional organisation

We will continue to update our correspondence and information systems to ensure that we maintain high standards for customer service and data protection.

6 Building an organisation based on quality

We will implement a continuous improvement quality system which we will use to ensure that we are client focused, well planned, and work in a productive and supportive environment.

7 Responding to environmental concerns

We will reduce the carbon footprint of our operations.

8 Making the best use of information technology

We will develop our IT systems so that they provide the best value for money and the appropriate range of services which we will need to do our job well.

9 Growing our influence

We will invest in some new staff resources in public affairs.

11 MILLION's Plans for 2007/08

Key Performance Indicators

We have adopted 12 indicators of success for 2007/08:



Key performance indicators



Targets for this year



How will we measure this?

| | | |
|---|---|---|
| <p>1. How many children and young people are telling us their views through our website?</p> | <p>5,000 children and young people have logged their views on issues through our website</p> | <p>From web records</p> |
| <p>2. We have engaged with specific groups on the issues which affect them and they have worked with us to shape the messages 11 MILLION brings to decision-makers at national, regional and local level</p> | <p>Each of our Spotlight areas will have carried out a programme of participation with children and young people to gather their views</p> | <p>Participation log gives us a full breakdown of children and young people involved in the Spotlights, with information on their diverse backgrounds</p> |
| <p>3. Children and young people are deeply involved in planning and delivering our work</p> | <p>300 children and young people have regular and sustained involvement in helping us plan, deliver and evaluate our projects. 50% of these will be from groups of children who do not have other adequate means by which to make their views known</p> | <p>Participation log gives us a full breakdown of children and young people involved in our projects, with information on their diverse backgrounds</p> |
| <p>4. Children and young people know about the Children's Commissioner for England</p> | <p>20% of children and young between the ages of 5 and 18 years of age will have awareness of the Children's Commissioner</p> | <p>By independent survey and through insertion of questions in surveys undertaken by partners</p> |
| <p>5. Professionals working with children and young people are aware of the Children's Commissioner for England</p> | <p>25% of senior and mid level managers in local authority children's services will have awareness of the Children's Commissioner</p> | <p>By independent survey and through insertion of questions in surveys undertaken by partners</p> |
| <p>6. Specific policy recommendations coming through the annual theme</p> | <p>Happy and Healthy project results in clear recommendations for policy and practice produced by children and young people</p> | <p>Project report</p> |



Key performance indicators



Targets for this year



How will we measure this?

| | | |
|---|--|--|
| 7. We have published regular status reports on the issues, communicating what we have learnt and making recommendations as appropriate | Six Spotlight reports published during the year | Publications log Children's Commissioner's annual statement, to be published in November 2007 |
| 8. We communicate what we have learnt from our interactions with children and young people | Four quarterly reports on issues coming to us from children and young people | Publications log |
| 9. The annual event for children and young people makes decisions about 50% of our available project budgets | The theme for 2008/09 will have been determined by the annual children and young people's event which will take place during summer 2007 | 2008/09 business plan |
| 10. We have high standards of customer service | 90% of letters to us should be responded to within 20 days | Correspondence log |
| 11. We operate efficient financial systems | 100% of invoices not in dispute will be paid within 30 days of their receipt in our office | Invoice log |
| 12. Our human resources practices are designed to help us achieve our mission | 100% of our permanent staff will have been recruited with the involvement of children and young people's panels | Recruitment records |

Resources

We expect our expenditure for 2007/08 to be £3,318,376. £3 million of this is from grant in aid provided by the Department for Education and Skills. The remainder comes from other sources.

Our staff headcount will rise from 23 to 30 people (from 22.4 full-time equivalents to 27).

Financial Review

Management report

The Children's Commissioner is a Corporation Sole, established under the Children Act 2004, whose role is to promote awareness of the views and interests of children and young people in England. The Children's Commissioner has a UK wide responsibility for issues that affect children and young people and that have not been fully devolved.

The Children's Commissioner is a non-departmental public body sponsored by the Department for Education and Skills (DfES). Our budget is set by the Secretary of State for Education and Skills who also appoints the Children's Commissioner. Each year the Children's Commissioner reports to Parliament through the Secretary of State for Education and Skills.

Introduction

2006/07 was the second year of work for the Children's Commissioner. The DfES provided us with a budget of £3 million for the year, which was augmented by £864,000 of funding carried forward from the previous year and an additional sum of £202,000 made available to us by the DfES in January 2007. Against this total income budget of £4.066 million we spent £4.016 million during the year. Our work during the year focused on reaching out to as many children and young people as possible; working for positive change through our eight interim themes; moving to our new offices; recruiting a permanent team; and developing a long-term strategy. We also worked with children and young people to design a name and brand identity for our organisation which would enable us to appeal to children and young people across all age groups and reflect their hopes and expectations from the Children's Commissioner.

Investment in fixed assets

By June 2006, most of the work had been done in re-fitting our premises and we moved into our new location at 1 London Bridge. The accommodation had been designed with groups of children and young people who worked with a firm of architects to create a space which would be safe, comfortable and interesting for children and young people to work in. Although it also functions as a workplace for adults, it is child friendly with dedicated participation space for informal interaction. Visitors comment on the bright, relaxed atmosphere and we have found that children and young people quickly feel at home and treat the space as their own. We spent £79,000 on computer and audio visual equipment for our office this year. We don't expect to buy significant additional IT hardware assets in the medium term.

Future fixed assets investment

By the end of the financial year, we had signed a contract to purchase a correspondence and document handling software system. This will allow us to keep track of all the enquiries coming into our office, monitor the issues being raised by children and young people, and respond appropriately. This will be a major development and will enable us to provide up to date and comprehensive information on what we are learning from children and young people.

Our staff

We started the year with a team of people who were mostly on secondment from other organisations, or were on temporary contracts. By the end of the financial year, we had recruited a team of 20 people on permanent terms and conditions.

We recruit through open advertisement and within a clear equal opportunities framework. We always include children and young people in the interview process, either as a distinct children interview panel or as members of a combined adult/children interview board. Successful candidates need to convince our young colleagues that they can communicate well with children and young people and can understand their lives and circumstances. This recruitment standard is a significant one and the experience of passing through this process creates a sense of belonging to our office, helping to bind our team members together. It also underlines our commitment to providing an authentic insight into

Financial Review

Management report

the views and interests of children and young people. We spent £1.4 million on staff costs throughout the year.

We also worked with 12 young Assistant Commissioners for England (ACE), all from the same school in Newton Aycliffe in the North East, most of whom were, at the time, 14 years of age. ACE started their activities in August 2006, seeking out the views of children and young people in their area and taking up local campaigning issues on their behalf. We are currently evaluating the work of the ACE programme before deciding how to build on their success in the future.

Project expenditure

We spent £549,000 on a wide range of projects including research into bullying, asylum and immigration, and aspects of children in society, as well as activities to develop our strategy, identity and the development of our website.

The project expenditure also includes our Shout! competition which, during the summer of 2006, brought us over 3,000 contributions from children and young people who told us what they wanted from the Children's Commissioner. An analysis of the results from Shout! formed the briefing for strategic planning workshops which involved all of our staff and several groups of children and young people, including our young Assistant Commissioners for England (ACE) from the North East. We worked during the autumn with children and young people to come up with possible options for the long-term strategy, and then finalised our choices in workshops in December.

The plan was approved in detail by the Children's Commissioner in January 2007 and launched in May 2007. Within the long-term framework of our strategy we developed a detailed business plan for 2007/08. We will be publishing a three-year corporate plan once we have certainty about our budget after the first three-year settlement.

Future financial risks

We are aware of the possible financial risks which may materialise at the end of our five-year lease on 1 London Bridge. The terms on which the superior landlord agreed to an underlease allowed the superior landlord, on expiry of the original lease, to insist on restoration of the property to its original condition before our alteration work began. We have protected our position in the lease agreements with our landlord in that our liability is limited to the removal of partitions, and alterations to the working space. There is no liability in respect of the restoration of the high cost items of mechanical and electrical installations and floor, wall and ceiling finishes.

Future developments

We will be looking for a new financial accounting software package which will enable us to produce better financial information for management and reporting. We will be working to reclaim a significant amount of VAT on our office establishment costs. We will also be encouraging other organisations to use our child-friendly meeting spaces for their own work with children and young people.

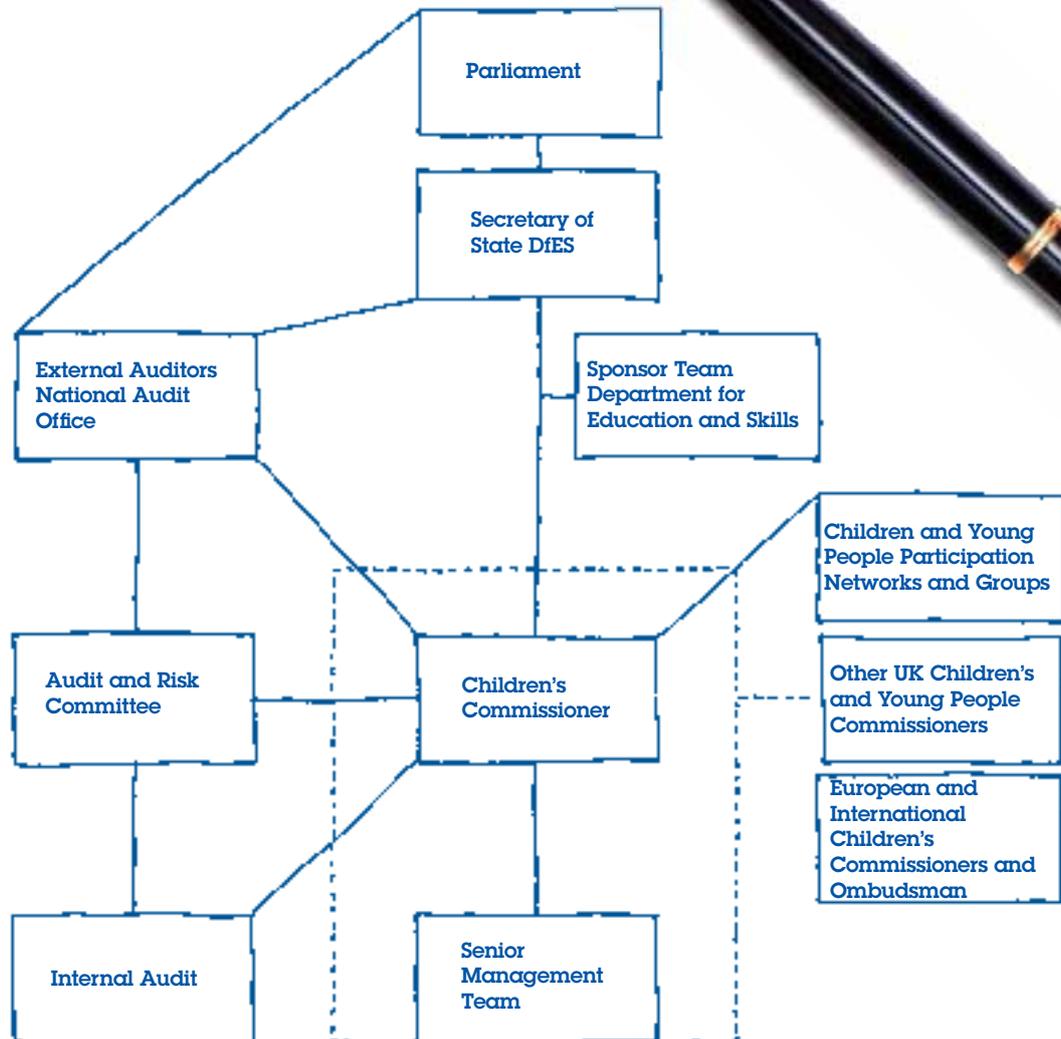
Our key stakeholders continue to be children and young people themselves, Ministers, parliamentarians, policy makers, children's charities, local authority managers and providers of all kinds of children's services, including the youth justice service.

Governance

The Children's Commissioner established a Strategic Management Board consisting of the Children's Commissioner, the Chief Executive and the two other Directors of 11 MILLION. This is the main governance decision-making body of the organisation. The Children's Commissioner is also advised by an Audit and Risk Committee of four members, whose remit includes advising on all risks, risk management issues, and providing scrutiny over the financial affairs of the office. A sub-committee of the Audit and Risk committee functions as a remuneration committee scrutinising the operation of our overall remuneration system and approving pay reviews for the members of the Strategic Management Board.

In October 2006, we appointed Bentley Jennison as internal auditors and agreed a framework three-year audit plan with them. They had conducted five audits by the end of March 2007. They found some weaknesses in our system due to the short time we have been in existence and noted that we are now working hard to remedy them. More details of this can be found in our Statement on internal control.

Governance diagram



Child protection

We are committed to ensuring the safety of children and young people who become involved in any aspect of our work. All staff are checked by the Criminal Records Bureau (CRB) to an enhanced level. We began working with the NSPCC to augment our child protection policies and develop a comprehensive training programme for staff. We are aware that as more children and young people learn about our office, we are likely to become aware of more situations which raise child protection issues. We will ensure that all our staff have the appropriate training to know what to do whenever child protection disclosures are made to us. We have taken special care over the design of our website, commissioning advice for policy formulation and practice from external experts.

All external suppliers who are expected to carry out work for us over a long period of time are also required to go through CRB checks.

Opportunities and diversity

We aim to provide support and assistance to enable staff to manage their own career development in partnership with us and to reach their full potential, regardless of race, gender, marital status, sexual orientation, religion, ethnic origin, disability or age.

Health and safety management

The Strategic Management Board has agreed a comprehensive health and safety policy. The Children's Commissioner is committed to providing a safe and healthy workplace for all employees, consultants, agency workers and children and young people as specified by the occupational health and safety requirements in the Health and Safety at Works Act 1974 and subsequent legislation or amendments. The ultimate goal of the health and safety policy is to prevent injury and ill health in the workplace.

Environmental policy

The Children's Commissioner is committed to best environmental practices including recycling. This year we established a comprehensive recycling policy and we have further plans in 2007/08 to reduce the energy consumption of the office.

Relations with suppliers

We aim to follow best practice in public sector procurement and to settle invoices within 30 days. We monitored our performance against this target from September to March and found that during this period we paid 84% of invoices within 30 days. We plan to improve on this performance in the next financial year and will be monitoring results on a monthly basis throughout the year.

Audit

In accordance with the Children Act 2004 our financial accounts are audited by the National Audit Office under direction from the Comptroller and Auditor General.

As far as the Accounting Officer is aware, there is no relevant information of which the auditors are unaware.

The Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed

A handwritten signature in black ink, appearing to be 'A. Aynsley-Green', written over a horizontal line.

Professor Sir Albert Aynsley-Green

Children's Commissioner & Accounting Officer

16 July 2007

Financial Review

Remuneration report

Remuneration committee

The Children's Commissioner has appointed an Audit and Risk Committee. The committee has considered issues concerning remuneration during 2006/07. From May 2007 we will establish a separate remuneration committee as a sub group of the Audit and Risk Committee. We will introduce a merit based pay review system from April 2007.

The Children's Commissioner's pay is reviewed by the Permanent Secretary in the Department for Education and Skills, in line with average Senior Civil Service pay increases.

Service contracts

Professor Sir Al Aynsley-Green was appointed on a five-year term as the Children's Commissioner by the Secretary of State for Education and Skills. In accordance with the Children Act 2004, his salary is paid for by grant in aid from the Department for Education and Skills and is identified separately in the accounts.

Other appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made. Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended until they reach the normal retiring age. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Salary and pension entitlements (audited information)

The following sections provide details of the remuneration and pension interests of the senior officials of the Children's Commissioner.

Remuneration

| | 2006/07 | | 2005/06 | |
|--|---|---|----------------|---|
| | Salary (in bands of £5,000) £000 | Benefits in kind (to nearest £500) | Salary £000 | Benefits in kind (to nearest £500) |
| Al Aynsley-Green Children's Commissioner 3 months notice | £130 to £135 | – | £130 to £135 | – |
| Graham Hasting-Evans Chief Executive Officer On contract from Capita Resourcing Ltd until July 2006 | N/A | N/A | N/A | N/A |
| Rob Williams Chief Executive Officer From 1 August 2006 3 months notice | £50 to £55 ¹ | – | – | – |
| Claire Phillips Director of Policy and Research on secondment from Department of Health 3 months notice | £85 to £90 | – | £75 to £80 | – |

Remuneration continued

| | 2006/07 | | 2005/06 | |
|---|---|---|----------------|---|
| | Salary (in bands of £5,000) £000 | Benefits in kind (to nearest £100) | Salary £000 | Benefits in kind (to nearest £100) |
| Lisa White Director of Communications and Participation 3 months notice | £70 to £75 | – | £70 to £75 | – |

1 Figure quoted for the period 1 August to 31 March 2007. The full year equivalent is £80 to £85.

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. We did not operate a performance related pay system in this financial year. Management monitored performance against agreed work objectives at regular intervals during the year.

Benefits in kind

The monetary value of benefits in kind covers any benefit provided by the employer and treated by the Inland Revenue as a taxable emolument.

Pension benefits

| | Accrued pension at age 60 as at 31/03/07 and related lump sum £000 | Real increase in pension and related lump sum at age 60 | CETV at 31/03/07 £000 | CETV at 31/03/06 £000 | Real increase in CETV £000 |
|--|---|---|-----------------------------|-----------------------------|-------------------------------------|
| Al Aynsley-Green Children's Commissioner 3 months notice | 0–5 | 0–2.5 | 62 | 25 | 37 |
| Graham Hasting-Evans Chief Executive Officer On contract from Capita Resourcing Ltd until July 2006 | – | – | – | – | – |
| Rob Williams Chief Executive Officer From 1 August 2006 3 months notice | 0–5 | 0–2.5 | 10 | 0 | 8 |
| Claire Phillips Director of Policy and Research on secondment from Department of Health 3 months notice | 110–115 | 15–20 | 476 | 394 | 73 |
| Lisa White Director of Communications and Participation 3 months notice | 5–10 | 5–10 | 31 | 14 | 52 |

Financial Review

Remuneration report

Pension benefits continued

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic. The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employees do 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 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement). The accrued pension quoted is the pension the member is entitled to receive when they reach 60, or immediately on ceasing to be an active member of the scheme if they are already 60.

Further details about the Civil Service pension arrangements can be found on the website www.civilservice-pensions.gov.uk

The Cash Equivalent Transfer Value (CETV)

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. The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the Cabinet Office's Civil Superannuation Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

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

Civil service pensions

This is covered in the notes to the accounts.

Signed

A handwritten signature in black ink, appearing to read 'A. Aynsley-Green', written over a horizontal line.

Professor Sir Al Aynsley-Green

Children's Commissioner & Accounting Officer

16 July 2007

Financial Review

Statement of the responsibilities of the Children's Commissioner

Under the Children Act 2004, Schedule 1, Clause 8, the Children's Commissioner is required to prepare accounts in accordance with Treasury requirements.

The accounts are prepared on an accruals basis and must give a true and fair view of the Children's Commissioner's state of affairs at the year-end, and of the organisation's income and expenditure, recognised gains and losses and cash flows for the financial year just ended.

In preparing the accounts the Children's Commissioner is required to:

- observe the accounts direction set out in the Financial Memorandum and Accounts Direction issued by the Secretary of State for Education and Skills, 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 Government Financial Reporting Manual have been followed, and disclose and explain any material departure from these in the financial statements; and
- prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Children's Commissioner or its functions will continue.

The Principal Accounting Officer for the DfES has designated the Children's Commissioner as Accounting Officer. The Accounting Officer is responsible for the proper management of resources and staff; and for ensuring that government guidance on regularity, propriety and value for money is complied with.

The Accounting Officer is also responsible for the following:

- keeping proper records and safeguarding the Children's Commissioner's assets;
- advising the Audit and Risk Committee on financial, risk and remuneration issues;
- ensuring the efficient, economic and effective management of the Children's Commissioner's resources, including cash, liquid assets, capital assets, equipment and personnel;
- signing the final statement of accounts and sending the copies of the statement to the Secretary of State for Education and Skills and the Comptroller and Auditor General in accordance with the timetable; and
- observing the guidance in Government Accounting: a Guide on Accounting and Financial Procedures for the Use of Government Departments and all other guidance on the responsibilities of accounting officers that the Treasury or the Cabinet Office may issue from time to time.

A copy of the Accounts Direction is available from the Children's Commissioner at 1 London Bridge, London SE1 9BG.

Statement on internal control

Introduction

The Children's Commissioner is a Corporation Sole, set up by the Children Act 2004. This is an uncommon structure for a Non Departmental Public Body [NDPB] as there is no statutory requirement for any Board, Council or Audit and Risk Committee.

I was appointed in March 2005 and took up my post as Children's Commissioner on a full-time basis on 1 July 2005. My appointment as the Accounting Officer was made on 26 July 2005. The resource budget was set at £3 million per annum for the three year period 2005/06 to 2007/08. The financial year April 2006 to March 2007 is the second year of our operation as an NDPB.

Scope of responsibility

As Accounting Officer I have a personal responsibility for maintaining a sound system of internal control that supports the achievement of the Children's Commissioner's policies, aims and objectives, whilst preventing fraud and safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting. I am also accountable to Parliament for maintaining effective systems for identifying, evaluating and managing the principal risks of the Children's Commissioner as detailed in the management statement.

In order to meet my statutory responsibilities I have designed a structure that establishes robust scrutiny and governance arrangements for the Corporation Sole. In the first year of operation I established the core systems for assessing risks, regularly reviewing risks and taking mitigating action where appropriate. During 2006/07 we have worked to define a longer-term strategy for the Children's Commissioner, resulting in an annual business plan for 2007/08, a five-year strategy and we will also produce a three-year corporate plan.

Our governance process is led by the Strategic Board which consists of the Chief Executive Officer, the Director of Policy and Research and the Director of Communications and Participation. In addition, to provide an independent scrutiny, we appointed, through the Cabinet Office's public appointments procedure, an Audit and Risk Committee, consisting of a Chair and three Members, which met for the first time on 27 April 2006. The remit for this Committee covers audit and risk management. The Audit and Risk Committee met seven times in 2006/07. At its meeting of 19 March 2007 the Committee decided to establish a separate Remuneration Committee, which will be responsible for approving pay reviews developed by the Strategic Board.

The role of the Strategic Board is to determine the Children's Commissioner's forward strategy as well as the risk management culture, an appropriate risk appetite and level of exposure, and for approving major decisions within the organisation's risk profile. It also has responsibility for monitoring management of corporate risks, for satisfying itself that risks are being actively managed and annually reviewing the Children's Commissioner's approach to risk management. The Audit and Risk Committee scrutinises the working of the Strategic Board in these areas.

The Children's Commissioner's relationship with its sponsor department, the Department for Education and Skills (DfES), is defined in the Management Statement with its accompanying Financial Memorandum, and is maintained through regular meetings with the DfES sponsor team and periodic meetings with Ministers. DfES has observer status on the Audit and Risk Committee.

Financial Review

Statement on internal control

I continue to meet regularly with the DfES Accounting Officer, the Permanent Secretary, to review my function as Accounting Officer.

The purpose of the system on internal control

The system of internal control is designed to manage risk to a responsible level, rather than eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is designed to identify and prioritise the risks to the achievement of the Children's Commissioner's policies, aims and objectives; to evaluate the likelihood of those risks being realised; and to manage them efficiently, effectively and economically.

The system of internal control has been operative for the year ended 31 March 2007 and up to the date of approval of the Annual Report and Accounts. It accords with Treasury guidance.

Capacity to handle risk

I have given high priority to the implementation of a risk management system. Significant progress has been made in ensuring that it is a routine concern for all senior staff. With the development of our strategic plan, we are now devising a new risk register based on the seven strategic objectives set out in our five-year plan. This work will build on the risk processes we have already embedded in the organisation.

The risk and control framework

Risk identification and assessment is now an integral part of the Children's Commissioner's corporate and business planning. The process of risk assessment is led by the Strategic Board, with inputs from managers and staff in the office. Risk mitigation and the associated deliverables are considered carefully. All risks have designated senior managers and managers responsible for reporting their status. New risks which are identified during the year are added to the risk register. Monthly Strategic Board meetings review the management of risks, including mitigating actions and, where appropriate, closure.

Review of effectiveness

As Accounting Officer, I am responsible for reviewing the effectiveness of the system of internal control. My review is informed by the work of our internal auditors and of the Children's Commissioner's senior management who have responsibility for the internal control framework. In October 2006, we appointed Bentley Jennison as internal auditors. Up to that date, internal audit services had been provided by the DfES internal audit department. We have also taken careful account of comments made by the external auditors in their management letter following the 2005/06 audit of our financial statements.

Since implementation the effectiveness of the system of internal control has been and will continue to be maintained by:

- regular monitoring of the status of corporate risks by the Strategic Board;
- review and approval by the Strategic Board of key policies which underpin internal control systems;
- oversight of the status of all risks by the Audit and Risk Committee when it meets;

- scrutiny of all internal and external audit reports by the Audit and Risk Committee, supported by follow-up reports on the management response to control weakness; and
- receipt of the Internal Auditor's Annual Report.

We are aiming to achieve excellence in our management of internal controls and the risks around our strategic objectives. This will include a vigorous focus on audit trails, impact assessment and mitigating actions.

Significant internal control problems

My review of the effectiveness of the system of internal control shows that during the course of 2006/07, we have resolved identified weaknesses in financial transaction processes and these systems are now operating much more effectively. In their annual report, Bentley Jennison conclude that we did not have wholly adequate and /or effective risk management, control and governance processes throughout the whole of the 12 month period ended 31 March 2007 to manage the achievement of our objectives. The report acknowledges that these shortcomings were connected to the newness of our organisation and that by year-end the situation had improved.

This is confirmed by a recent internal audit review which I requested Bentley Jennison to carry out in order to specifically test the improvements we had made to the procurement and contracts system. The audit report showed that our controls had improved sufficiently to provide adequate assurance in these areas.

We are improving our risk management processes by using our new strategic plan as the basis for a review of risk. We have launched a new performance management system which is now operating effectively and providing monthly data on our progress towards our key performance indicators.

As a new organisation, we are working hard to establish a control environment which will meet the highest standards expected from public bodies. The progress during the year noted by our internal auditors is a sign that this work is bearing fruit. The Bentley Jennison annual report states that we 'should be commended on the progress made in developing a governance framework since inception. In this context, by year-end a clear robust and comprehensive framework of governance was well on the way to becoming fully embedded.'

We are heartened by these comments but remain eager for more progress. We know that we can improve our systems further and we are committed to devoting significant resources to this work.

Signed



Professor Sir Al Aynsley-Green
Children's Commissioner & Accounting Officer
16 July 2007

Financial Review

Audit Certificate

The Certificate and report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Children's Commissioner for the year ended 31 March 2007 under the Children Act 2004. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Children's Commissioner and auditor

The Children's Commissioner is responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Children Act 2004, and directions made thereunder by the Secretary of State for Education and Skills, and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of responsibilities of the Children's Commissioner.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Children Act 2004 and directions made thereunder by the Secretary of State for Education and Skills. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises the Management Report and the Remuneration Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Children's Commissioner has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on internal control on pages 39 to 41 reflects the Children's Commissioner's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Children's Commissioner's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Children's Commissioner's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Children Act 2004 and directions made thereunder by the Secretary of State for Education and Skills, of the state of the Children's Commissioner's affairs as at 31 March 2007 and of its deficit for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Children Act 2004 and the Secretary of State for Education and Skills directions made thereunder; and
- information given within the Annual Report, which comprises the Management Report and the Remuneration Report is consistent with the financial statements.

Audit opinion on regularity

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

John Bourn

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
18 July 2007

Financial Review

Operating cost statement

for the year ended 31 March 2007

| | Note | 2006/07 £000 | Restated 2005/06 £000 |
|--|------|-----------------|-----------------------------|
| Income | | | |
| Grants | 2 | – | 35 |
| Other operating income | 2 | 1 | 1 |
| Total income | | 1 | 36 |
| Operating expenditure | | | |
| Staff costs | 3 | (1,404) | (1,141) |
| Project costs | 4 | (549) | (266) |
| Other operating expenses | 5 | (1,044) | (339) |
| Cost of capital | 6 | (13) | (3) |
| Total operating expenditure | | (3,010) | (1,749) |
| Net expenditure | | (3,009) | (1,713) |
| Reversal of cost of capital/notional charges | 6 | 27 | 68 |
| Net expenditure for the year | | (2,982) | (1,645) |

Note:

- A) All of the income and expenditure of Children's Commissioner is in respect of continuing operations.
- B) 2005/06 corresponding amounts have been re-stated for comparative purposes.
- C) There are no other gains or losses other than those reported above.

Balance sheet

as at 31 March 2007

| | Note | 2006/07 £000 | 2005/06 £000 |
|---|------|-----------------|-----------------|
| Fixed assets | | | |
| Tangible assets | 7 | 1,148 | 412 |
| Intangible assets | 7a | 27 | – |
| | | 1,175 | 412 |
| Debtors falling due after more than one year | 8a | 89 | 89 |
| Current assets | | | |
| Debtors | 8b | 18 | 77 |
| Cash at bank and in hand | 9 | 194 | 213 |
| | | 212 | 290 |
| Creditors: amounts falling due within one year | 10 | (715) | (410) |
| Net current assets/liabilities | | (503) | (120) |
| Total assets less total liabilities | | 761 | 381 |
| Creditors: amounts falling due after one year | | – | – |
| Net assets | | 761 | 381 |

Represented by:

Reserves

| | | | |
|--------------------|----|-----|-----|
| General reserve | 11 | 761 | 381 |
| Total funds | | 761 | 381 |

Signed



Professor Sir Al Aynsley-Green
Children's Commissioner & Accounting Officer
16 July 2007

Financial Review

Cash flow statement

for the year ended 31 March 2007

| | Note | 2006/07 £000 | Restated 2005/06 £000 |
|---|------|-----------------|-----------------------------|
| Net cash inflow from operating activities | 13 | (2,375) | (1,390) |
| Capital expenditure and financial investment | 14 | (1,006) | (423) |
| Financing | 14 | 3,362 | 2,026 |
| Cash inflow/(outflow) before use of liquid resources and financing | | (19) | 213 |
| Increase/(decrease) in cash | | (19) | 213 |

Reconciliation of net cash flow to movement in net funds

| | 2006/07 £000 | 2005/06 £000 |
|---|-----------------|-----------------|
| Increase/(decrease) in cash in the period | (19) | 213 |
| Decrease in short term deposits | - | - |
| Change in net funds | (19) | 213 |
| Net funds at 1 April 2006 | 213 | - |
| Net funds at 31 March 2007 | 194 | 213 |

Notes to the accounts

for the year ended 31 March 2007

1 Statement of principal accounting policies

a. Basis of preparation

The Children's Commissioner was created as a Corporation Sole under Schedule 1 of the Children Act 2004 and was established following the appointment of the Children's Commissioner in March 2005. Accounts are drawn up in accordance with the Children Act 2004, and the Accounts Direction and the financial memorandum between the Secretary of State for Education and Skills and the Children's Commissioner dated 12 September 2005, copies of which can be obtained from the Children's Commissioner or DfES. They are also drawn up in accordance with the Financial Reporting Manual (FRM). This follows generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

The particular accounting policies adopted by the Children's Commissioner are described below. In accordance with FRS18, 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.

They have been applied consistently in dealing with items considered material in relation to the accounts.

These accounts have been prepared on a going concern basis.

b. Accounting convention

The accounts are prepared using the modified historical cost convention and in accordance with the accounting disclosure requirements of Treasury, the Companies Act 1985 (as amended by the Companies Act 1989) and accounting standards adopted by the Accounting Standards Board; with the exception of the requirement contained in FRS3 for the inclusion of a note showing historical cost profits and losses.

c. Grant in aid

Grant in aid received from DfES in respect of revenue expenditure or relating to general capital expenditure is recognised in the general reserve in the year it is received. Grant in aid relating to specific capital expenditure is credited to the Government grant reserve and released to the operating cost statement over the estimated useful economic life of the assets to which it relates, matching the depreciation charge on these assets.

d. Income recognition

Grant income that is receivable for a specific purpose or project is credited to the Operating Cost Statement over the duration of the activity to which it relates. Other income is recognised in the Operating Cost Statement on an accruals basis.

e. 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. Liability for payment of 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.

Financial Review

Notes to the accounts

The defined benefit schemes are treated for accounting purposes as a defined contribution scheme as required by Financial Reporting Standard 17. The defined benefit scheme prepares its own financial statements. A description of the pension schemes is at Note 3.

f. Project costs

Expenditure on projects funded from grant in aid is charged to the Operating Cost Statement as it is incurred. Project grants payable by the Children's Commissioner are recognised when they fall due for payment.

g. Tangible fixed assets

Assets purchased for use on a continuous basis at a cost in excess of £2,500 are initially recorded at cost price. Assets other than construction in progress are re-valued to current replacement cost as at 31 March using price indices for current cost accounting published by the Office for National Statistics, when the effect of their revaluation over time is material. In instances where there are separate individual items of IT hardware which individually fall below the capitalisation threshold, similar items are grouped together and the combined cost is used for the purposes of determining whether they fall with the threshold.

Construction in progress is capitalised at cost. When complete the cost of a construction project is transferred to the relevant asset class as a single item of expenditure.

h. Depreciation

Modified historic cost of a tangible fixed asset is depreciated to expected residual value by equal annual instalments from the date of bringing an asset into operation as follows:

Equipment

Information technology, storages – over four years capital equipment is depreciated over its estimated useful economic life from the month of acquisition.

Building – leasehold buildings are depreciated over the life of the lease and the cost of improvements to the buildings that have been made since 1 July 2006 are depreciated over the remaining life of the lease.

Intangible fixed assets – intangible fixed assets are amortised over expected useful economic life from the beginning of next calendar month after the acquisition.

Software licenses – over four years

i. Notional charges

The Treasury Financial Reporting Manual requires that the result of operations disclosed in the Operating Cost Statement should reflect the true value of resources consumed. Where a supply of goods or services is received at less than full cost a charge equivalent to the estimated difference is introduced into the Operating Cost Statement.

j. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made and due to be made under an operating lease of real property (net of any benefit received from the lessor) are charged by equal annual instalments to the Operating Statement over the period from the date of first occupation until expiry of the lease. Resulting debit balances are classified as prepayments in the Balance Sheet. Resulting credit balances that will be eliminated within one year are classified as current liabilities. Operating lease costs are charged to Operating Cost Statement as they are incurred (see note 15 for further details).

k. VAT

The Children's Commissioner does not provide any taxable supplies and accordingly is not registered for VAT. As a consequence, it cannot reclaim any VAT charged by various suppliers. VAT costs incurred are included in each expenditure category and are not identified separately in the accounts.

l. Change of accounting policy

With effect from the 2006/07 reporting period, the FReM requires non-departmental public bodies to account for grants and grants in aid received for revenue purposes as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs. This is a change in accounting policy from earlier periods when such items were recorded as income. The effect of this change on the certified 2005/06 accounts and the impact of the change on the results of the current year is shown below. Note there is no impact on the net liability position of the Children's Commissioner as a result of this change in policy.

| | At 31 March 2006 (as previously stated) | Impact of adopting the new policy | At 31 March 2006 (re-stated) |
|------------------------------|--|--------------------------------------|---------------------------------|
| Net expenditure for 2005/06 | (31) | (1,614) | (1,645) |
| General Reserve | (31) | 412 | 381 |
| Government Grant Reserve | 412 | (412) | - |
| | At 31 March 2007 (without applying the new policy) | Impact of adopting the new policy | At 31 March 2007 (re-stated) |
| Retained surplus for 2006/07 | (383) | (2,599) | (2,982) |
| General Reserve | (414) | 1,175 | 761 |
| Government Grant Reserve | 1,175 | (1,175) | - |

This results in a prior year adjustment and the corresponding figures for 2005/06 have been re-stated.

m. Cost of capital

The cost of capital is calculated by applying a rate of 3.5% to the average capital employed. The average capital employed is defined as the average of total assets less total liabilities at 1 April and 31 March. The total assets balance excludes non-interest bearing bank balances with the Paymaster General.

Financial Review

Notes to the accounts

2 Grants

| | 2006/07 £000 | 2005/06 £000 |
|------------------------|-----------------|-----------------|
| Project specific grant | – | 35 |
| Other operating income | 1 | 1 |
| | 1 | 36 |

3 Staff costs

| | Staff with a permanent (UK) contract £000s | Government secondees £000s | Contract personnel £000s | Total £000s | Total 2005/06 £000s |
|----------------------------|---|----------------------------------|--------------------------------|----------------|---------------------------|
| Costs of employment | | | | | |
| Salary | 604 | 87 | – | 691 | 341 |
| Social security costs | 55 | 9 | – | 64 | 35 |
| Other pension costs | 135 | 21 | – | 156 | 73 |
| Cost of non-employed staff | – | – | 479 | 479 | 675 |
| VAT on secondments | | 14 | | 14 | 17 |
| Total | 794 | 131 | 479 | 1,404 | 1,141 |

The average number of persons employed by the Children's Commissioner during the period expressed as full time equivalents was:

| | | | | |
|-----------------|-------|------|------|-------|
| Executive | 3.00 | 1.00 | – | 4.00 |
| Other personnel | 15.00 | – | 1.20 | 16.20 |
| Total | 18.00 | 1.00 | 1.20 | 20.20 |

Pension costs

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Children's Commissioner is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation. www.civilservice-pensions.gov.uk/

For 2006/07, employers' contributions of £156k (2005/06 £73k) were payable to the PCSPS at one of four rates in the range 17.1 to 25.5 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 salary bands and contribution rates were revised for 2005/06 and will remain unchanged until 2008/09. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. 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. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. In addition, employer contributions of 0.8% of pensionable pay were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. No persons retired early on ill-health grounds.

4 Project expenses

| | 2006/07 £000 | 2005/06 £000 |
|--|-----------------|-----------------|
| Website development and content | 10 | 15 |
| Brand development | 93 | – |
| Grants to voluntary sector organisations | 19 | 45 |
| Shout competition | 85 | – |
| Correspondence tracking | 7 | – |
| Bullying | 28 | – |
| Asylum and immigration | 77 | – |
| Health and wellbeing | 24 | – |
| Children in society | 52 | – |
| Comms and participation materials | 65 | – |
| Other projects | 89 | 206 |
| | 549 | 266 |

We are unable to provide comparative figures for last year according to all categories of project expenses that we are using in this year's report.

5 Other operating expenses

| | 2006/07 £000 | 2005/06 £000 |
|--|-----------------|-----------------|
| Occupancy and DfES costs | 78 | 65 |
| Corporate communications | 160 | 36 |
| Travel | 28 | 20 |
| Attendance at meetings and conferences | 11 | 8 |
| Administration services | 54 | 10 |
| Office supplies | 30 | 7 |
| Depreciation | 243 | 11 |
| Legal expenses | 10 | 9 |
| Miscellaneous expenditures | 22 | 4 |
| Recruitment | 62 | 142 |
| Telephone | 56 | – |
| Auditors remuneration | | |
| – External auditors | 20 | 20 |
| – Internal auditors | 12 | – |
| Rent and rates etc | 254 | 7 |
| Heating and lighting | 4 | – |
| | 1,044 | 339 |

6 Notional charges

| | 2006/07 | 2005/06 |
|-----------------|---------|---------|
| Occupancy costs | 14 | 65 |
| Cost of capital | 13 | 3 |
| | 27 | 68 |

7 Tangible assets

| | Furniture & fittings £000 | Equipment £000 | Total £000 |
|------------------------|---------------------------------|-------------------|---------------|
| Valuation /cost | | | |
| At 1st April 2006 | 378 | 45 | 423 |
| Additions (note 14) | 900 | 79 | 979 |
| At 31st March 2007 | 1,278 | 124 | 1,402 |
| Depreciation | | | |
| At 1st April 2006 | – | 11 | 11 |
| Charge for year | 224 | 19 | 243 |
| At 31st March 2007 | 224 | 30 | 254 |
| Net book value | | | |
| At 31st March 2007 | 1,054 | 94 | 1,148 |
| At 1st April 2006 | 378 | 34 | 412 |

The Children's Commissioner has entered into an agreement to lease space in No 1 London Bridge from February 2006. The cessation date of the lease is the end of March 2011 and the total rent payable over this term is £531,600. The assets are stated at cost as the net increase in value when using modified historical cost convention is not material.

7a Intangible assets

| | Software licenses £000 | Total £000 |
|------------------------|------------------------------|---------------|
| Valuation /cost | | |
| At 1st April 2006 | – | – |
| Additions (note 14) | 27 | 27 |
| At 31st March 2007 | 27 | 27 |
| Depreciation | | |
| At 1st April 2006 | – | – |
| Charge for year | – | – |
| At 31st March 2007 | – | – |
| Net book value | | |
| At 31st March 2007 | 27 | 27 |
| At 1st April 2006 | – | – |

8 Debtors

| | 2006/07 £000 | 2005/06 £000 |
|---|-----------------|-----------------|
| 8a Amounts falling due after one year | | |
| Rent deposit | 89 | 89 |
| | 89 | 89 |
| 8b Amounts falling due within one year | | |
| Pre-payments | 17 | 71 |
| Trade debtors | 1 | – |
| Staff debtors | – | 6 |
| | 18 | 77 |

There are no balances outstanding with other central Government bodies.

9 Cash

| | 2006/07 £000 | 2005/06 £000 |
|-------------------|-----------------|-----------------|
| Paymaster General | 183 | 213 |
| HSBC bank | 11 | – |
| | 194 | 213 |

10 Creditors: amounts falling due within one year

| | 2006/07 £000 | 2005/06 £000 |
|----------------------------------|-----------------|-----------------|
| 10a Analysis by type | | |
| Trade creditors | 356 | 387 |
| Accruals | 242 | – |
| PAYE | 14 | 9 |
| National Insurance contributions | 10 | 5 |
| Pension contributions | 18 | 9 |
| Deferred income | 75 | – |
| | 715 | 410 |

| | 2006/07 £000 | 2005/06 £000 |
|--|-----------------|-----------------|
| 10b Intra-Government balances | | |
| Balance with other central Government bodies | 78 | – |
| Balance with local authorities | 12 | – |
| Intra - Government balances | 90 | – |
| Balance with bodies external to Government | 625 | – |
| Total creditors at the 31 March | 715 | – |

We are unable to provide comparative figures for last year according to all categories of creditors that we are using in this year's report.

11 Movement on general reserve

| | 2006/07 £000 | Restated 2005/06 £000 |
|--|-----------------|-----------------------------|
| At 1 April 2006 | 381 | – |
| Net expenditure on continuing operations | (2,982) | (1,645) |
| Grant in aid received towards capital expenditure | 1,006 | 423 |
| Grant in aid received towards resource expenditure | 2,356 | 1,603 |
| At 31 March 2007 | 761 | 381 |

12 Capital commitments

| | 2006/07 £000 | 2005/06 £000 |
|--|-----------------|-----------------|
| Work contracted, in progress [construction] | – | 867 |
| Equipment, acquisition and professional fees | – | 83 |
| Building commitments contracted at 31 March 2007 | – | 950 |

There are no financial commitments.

13 Reconciliation of consolidated net expenditure to net cash from operating activities

| | 2006/07 £000 | 2005/06 £000 |
|---|-----------------|-----------------|
| Net expenditure | (2,982) | (1,645) |
| Depreciation (note 7) | 243 | 11 |
| Decrease/(increase) in debtors | 59 | (166) |
| Increase/(decrease) in creditors | 305 | 410 |
| Net cash inflow from operating activities | (2,375) | (1,390) |

14 Other cash flows

| | 2006/07 £000 | 2005/06 £000 |
|---|-----------------|-----------------|
| Capital expenditure and financial investment | | |
| Tangible assets acquired | (979) | (423) |
| Intangible assets acquired | (27) | – |
| Total fixed asset acquired | (1,006) | (423) |
| Financing | | |
| Grant received towards capital expenditure | 1,006 | 423 |
| Grant received towards resource expenditure | 2,356 | 1,603 |
| | 3,362 | 2,026 |

15 Operating lease

The Children's Commissioner has entered into operating lease contracts for the provision of photocopiers, post franking machine, hot and cold water systems and office accommodation. At 31 March the Children's Commissioner was committed to making the following payments during the next year, analysed according to the period in which the lease expires:

| Expiry date: | 31 Mar 07 £000 | 31 Mar 06 £000 |
|----------------------------|-------------------|-------------------|
| Within one year | – | – |
| Between two to five years | 106,669 | 104,136 |
| After more than five years | 8,554 | – |
| Total | 115,233 | 104,136 |

16 Related parties

The Children's Commissioner is sponsored by the DfES which is regarded as a related party. There were material transactions with the DfES in respect of grant in aid (note 11). In addition, the DfES provided staff on secondment and temporary office facilities. During the year the Children's Commissioner had material transactions with the Department of Health in respect of seconded staff. None of the Board members, key managerial staff or other related parties has undertaken any material transactions with the office during the year.

During last year, Professor Sir Al Aynsley-Green had been overpaid by £7,911 in error. The balance of £5,911 was recovered this year.

17 Financial instruments

The Children's Commissioner has no borrowings and relies primarily on departmental grants for its cash requirements, and is therefore not exposed to liquidity risk. It has no material deposits, and all material assets and liabilities are denominated in sterling so it is not exposed to interest rate risk or currency risk.

18 Post balance sheet events

There have been no events after the balance sheet date requiring an adjustment to the financial statements.

Under the machinery of Government changes announced on 28 June 2007, lead sponsorship for 11 MILLION passed to the Department for Children, Schools and Families. The financial statements were authorised for issue on 23 July 2007 by Professor Sir Al Aynsley-Green (Accounting Officer).

11 MILLION Takeover Day



Join 11 MILLION, the organisation led by the Children's Commissioner for England, and be part of celebrating the importance of children and young people in our society.

On the 23 November 2007, the 11 million children and young people in England will be invited to takeover our leading institutions, jobs and organisations. From being the head teacher in their school to running a national newspaper for the day – children and young people will be in the decision-making hot seat! We are calling on individuals, organisations and institutions to sign up to this exciting initiative. Whether you run a business, are a politician, work in your local council or in the media – this is your chance to hand over the reins for a day and demonstrate your commitment to listening to and recognising the talents of children and young people across England.

Over 200 leading organisations have already signed up to 11 MILLION Takeover Day including:

- BBC's Newsround
- First News
- Diana Awards
- National Union of Teachers (NUT)
- Prince's Trust
- Scope
- The National Youth Agency (NYA)
- NCB
- BT
- Corporate Culture
- V



To sign up to 11 MILLION Takeover Day, visit www.11MILLION.org.uk and click on 11 MILLION Takeover Day.



Published by TSO (The Stationery Office)
and available from:

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

TSO
PO Box 29, Norwich NR3 1GN
Telephone orders/General enquiries 0870 600 5522
Order through the Parliamentary Hotline Lo-call 0845 7 023474
Fax orders 0870 600 5533
Email customer.services@tso.co.uk
Textphone 0870 240 3701

TSO Shops

16 Arthur Street, Belfast BT1 4GD
028 9023 8451 Fax 028 9023 5401
71 Lothian Road, Edinburgh EH3 9AZ
0870 606 5566 Fax 0870 606 5588

The Parliamentary Bookshop

12 Bridge Street, Parliament Square
London SW1A 2JX
Telephone orders/General enquiries 020 7219 3890
Fax orders 020 7219 3866
Email bookshop@Parliament.uk
Internet bookshop.Parliament.uk

TSO@Blackwell and other Accredited Agents

