

# **Budget estimate for 2024-2025**

**FINAL. Submitted 31 October 2023**

## Introduction

In August 2023 we submitted an early draft of our 2024-25 budget. We hope that the early sight of our estimate, and subsequent updates, were beneficial to your deliberations as a Government.

We are submitting this final budget estimate for 2024-25 in accordance with the legislation which established this independent human rights institution. I am acutely aware of the significant pressures on the public purse, the uncertainty facing the Welsh Government on its budget settlement and the real desire to deliver the very best value for money to deliver better support for the citizens of Wales. It's for these reasons, as accounting officer, I am only requesting resource to maintain a stable and sustainable organisation fit to deliver its statutory obligations.

As well as the budget estimate itself, we've set out some context, our current working assumptions as at October 2023 and related known risks.

## Context – some facts

### 1. Reassurances received about our financial position and governance

The Auditor General for Wales has recently reviewed our 2022-23 accounts and provided us with an unqualified opinion on them, with no management points for us to action.

Our Internal Auditors, TIAA, have provided the highest level of assurance possible on our governance and financial management in their latest annual report.

### 2. Strategic Planning cycle

Over 10,000 children, young people and adults took part in our most accessible consultation to-date: Ambitions for Wales. Their views and experiences have directly influenced our new three-year strategic plan and I will be accountable to those thousands of participants, and others, for the successful delivery of our ambitions.

### 3. Funding position

Whilst I welcome the early ability to discuss with the Welsh Government Ministers and officials my funding requirements, I am funded by, but operate independently of, Welsh Ministers and Welsh Government and am accountable to the First Minister for the use of public resources made available to me. However, the impact of the Budget Motions and Designated Bodies Order 2021 has been to limit the level of retained cash balance that I can independently use without the Welsh Government providing the corresponding resource budget and, if required, the cash. This limitation and risk has been highlighted recently in the Senedd's Public Accounts and Public Administration Committee's inquiry report, 'Review of the Welsh Commissioners'.

We are also the lowest-funded Welsh Commissioner's office and have not requested additional capital funding nor other funding (as have counterparts) to cover IT infrastructure and cyber resilience. To note, we secured Cyber Essentials Plus accreditation in 2022-23.

#### **4. Remuneration of staff**

Since its inception, this office has based its pay policy on that of the Welsh Government, knowing that it has been established via negotiations with trade unions (which we do not undertake ourselves).

#### **5. Rising costs, largely attributable to staff costs**

Like all public sector employers, my office has faced increased staff costs largely due to increased pension contributions, incremental in-band pay increases that mirror those of the civil service, and increases to national insurance contributions - elements which are entirely out of my control as Accounting Officer.

#### **6. Staffing structure**

The staffing complement remains smaller than that of 2015. It's a largely stable workforce of highly skilled, highly experienced professionals who are able to deliver, at fast pace, high quality and high volume of work.

#### **7. Delivering for children and young people**

The organisation has played a critical role for over twenty years as an independent organisation in Welsh civic life. The organisation has a lean staff team of 24, and a budget which equates to 0.96% of the Social Justice division spend within Welsh Government (figure based on 2023-24 indicative budgets). In a recent evaluation of the impact of its work, the organisation concluded that they had delivered all planned work and all additional work in response to the pandemic for £315,000, which equates to approximately £0.34 per child in Wales.

Highlights over the last three years include:

- Directly engaging with over 20,000 children and young people
- Heard from over 51,000 children via surveys
- Delivered training on children's rights to over 1,000 professionals
- Responded to 86 Welsh Government and Senedd committee consultations
- Secured over 1,500 pieces of broadcast and print coverage
- Handled over 1,800 cases via our investigations and advice service
- Took part on average 148 working groups.

You can read more about this work in our Annual Report on our website.

#### **8. UK Covid-19 Inquiry**

We have been accepted as just one of eight Core Participants for Module 2B of the UK Covid-19 Inquiry, which is the only inquiry which will review how Wales responded to the Covid19 pandemic. To note, we are the only core participant representing children and young people's views. As an independent children's commissioner, we feel that it's of critical importance for us to play an active and significant part in the inquiry and for us to do so effectively, we have needed to commission the support of a legal team. Such work would historically have been funded via our general fund, but due to the constraints of the recent alignment exercise,

it now requires us to request additional funds from Welsh Government to be able to independently represent children and young people in the UK inquiry.

In our Early Estimate we included a figure of the estimated costs of attending the Inquiry, however, through discussions with Welsh Government officials these monies have been removed from the final document, as we have been assured that any request for additional monies, to cover inquiry costs, will be forthcoming from the Welsh Government.

## Working assumptions

### Outside our control

- That inflation will affect critical aspects of our spend including energy, printing and travel and subsistence (note, this isn't an exhaustive list);
- That there'll be at least 5% increase to salaries as a result of the negotiated pay award;
- Changes to employer pension contributions effective from 1<sup>st</sup> April 2024 have been included in our estimate; and
- Changes to employer National Insurance contributions have not been included in our estimate.

### Within our control

- The Welsh Government will meet the costs incurred through the Commissioner attending the UK Covid Inquiry;
- We will not be certain of project spend requirements until our strategic planning cycle work has concluded later in the financial year, and therefore our forecast is estimated on previous project spend;
- We will continue to review accommodation and staffing structure, to ensure they deliver the very best value for the public pound and for children and young people;
- We will continue to review every budget line to identify possible cost savings and to ensure there is no waste;
- We will continue to meet with and work for children and young people both virtually and face-to-face, with minimal Covid-19 restrictions;
- We will continue to offer a hybrid model of working for staff;
- We will continue to seek opportunities to work in partnership, where it is possible to protect our independence, for the benefit of children's human rights in Wales. This includes undertaking joint procurement exercises to maximise value for the public pound;
- We will ensure all our outputs as an organisation have a positive effect on public service delivery and on children's lives in Wales.

## Related known risks

Without the budget settlement requested, it will:

Comisiynydd  
Plant Cymru  
Children's  
Commissioner  
for Wales

- restrict the ability of the Commissioner to set an independent work programme covering all of the areas that are important to children and young people in Wales today, and fulfilling the legal remit of the post;
- impair the Commissioner's office's capacity to provide advice to the Welsh Government on behalf of children and with the interests of promoting children's rights;
- negatively impact on the Welsh Government's delivery of its Programme for Government insofar as it relates to children and young people;
- require the Commissioner to undertake a restructuring exercise to limit the impact of any funding shortfalls, which will lead the Commissioner to request additional funding to cover any long term redundancy programme costs;
- In short, there is nothing left that we are able to change or cut that would not affect the delivery of our work and the critical advice and support that we regularly offer to the Welsh Government.
- We have been cooperative over recent years towards greater alignment of the Commissioner's budget and a reduction in our General Fund to the agreed 5% limit. This does limit our ability to be flexible and independent in situations such as that in which we now find ourselves, and we would therefore highlight again our concerns about the long-term sustainability of this continued measure going forward.

## Estimate and indicative budget estimate for the next three years

### Budget estimate

	<b>Estimate 2024-25</b>	<b>Indicative 2025-26</b>	<b>Indicative 2026-27</b>
	(£)	(£)	(£)
Salaries including on-costs	1,392,459	1,380,577	1,398,220
Premises	41,698	42,002	42,313
Office costs	71,276	71,354	71,433
Training and wellbeing	23,700	23,700	23,700
Travel and subsistence	11,000	11,000	11,000
External audit fee	20,503	20,913	21,331
Internal audit fee	13,000	13,000	13,000
Communication	49,500	47,000	47,000
ICT	53,547	53,547	53,547
Project costs	82,750	82,750	82,750
Legal costs	5,000	5,000	5,000
Depreciation/Amortisation	51,500	51,500	51,500
<b>Total Resource Budget</b>	<b>1,815,933</b>	<b>1,778,643</b>	<b>1,820,794</b>
<b>Cash Grant-in-Aid</b>	<b>1,764,433</b>	<b>1,727,143</b>	<b>1,769,294</b>

Comisiynydd  
Plant Cymru  
Children's  
Commissioner  
for Wales

## Appendix

### Role and functions of the Children's Commissioner for Wales

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

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

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

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

### Governance arrangements

As a public office in receipt of public funds, I am committed to implementing rigorous and transparent accountability and decision-making systems. My governance framework comprises the systems, processes and values by which the organisation is directed and controlled. Below is a description of my governance structure. Further details of the membership of each group, attendance and respective terms of reference can be accessed on my website.

- **Commissioner:** is a corporation sole and accounting officer.
- **Management Team:** Its primary purpose is to provide the Commissioner with support and advice on the strategic direction of the organisation, including contributing to the development of strategic aims and annual work plans. The Team is also responsible for the strategic leadership of the organisation, managing the operational, day-to-day running of the office in line with the organisation's values.
- **Commissioner's Young People's and Adult Advisory Panels:** These panels provide independent advice support, scrutiny and challenge to the Commissioner and staff, so as to secure the effective delivery of the Commissioner's statutory responsibilities and her staff regarding policies and proposals, informing the policy and strategic priorities.
- **Audit and Risk Assurance Committee:** Advises the Commissioner on the strategic processes for risk, control and governance, accounting policies, the accounts, and the planned activity and results of both internal and external audit. Non-executive members also provide challenge with regard to my expenditure and my estimate.
- **Internal Audit:** TIAA provides internal audit for my office. They were appointed from 1<sup>st</sup> April 2021, following a joint procurement exercise by the Ombudsman and other Commissioners offices. They operate to Public Sector Internal Audit Standards and submit regular reports, which include the independent opinion on the adequacy and effectiveness of the organisation's system of internal control. In their latest Annual Report to me, TIAA concluded:
  - *"TIAA is satisfied that, for the areas reviewed during the year, the Children's Commissioner for Wales has reasonable and effective risk management, control and governance processes in place. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Children's Commissioner for Wales from its various sources of assurance."*
- **External Audit:** On an annual basis, my organisation's accounts are examined and certified by the Auditor General for Wales, in accordance with paragraph 9 of the Schedule 2 to the Care Standards Act. The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the organisation. They consider a number of matters both qualitative and quantitative relating to the accounts. The Auditor General for Wales gave an unqualified opinion on my Annual Report and Accounts 2022-23.

ENDS